



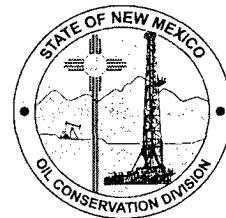
New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



April 7, 2011

Occidental Permian, Ltd.
Attn: Ms. Mendy Johnson
HCR 1 Box 90
Denver City, TX 79323

Re: South Hobbs Grayburg-San Andres Pressure Maintenance Project

SOUTH HOBBS G/SA UNIT Well No. 13 (API No. 30-025-07624)
Unit C, Section 5, T19S, R38E, NMPM, Lea County
Grayburg/San Andres Pool (19552)

You have submitted a request on behalf of Occidental for clarification of the allowable packer setting depth.

Your sundry states the new packer setting depth is 3865 feet while the existing permit states the allowable packer setting depth is approximately 3944 feet. Your sundry also states the well's top open perforation is currently 4044 feet.

Records indicate the top of the Grayburg-San Andres unitized interval is approximately 3700 feet. The packer seat is well within the Grayburg-San Andres unitized interval.

Your new packer seat at **3865** feet is hereby **approved**.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey".

Jami Bailey, CPG
Director

cc: Oil Conservation Division – Hobbs
File: API No. 30-025-07624



State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 5-27-2004

FILE IN TRIPLICATE

OIL CONSERVATION DIVISION

DISTRICT I
1625 N. French Dr. , Hobbs, NM 88240

1220 South St. Francis Dr.
Santa Fe, NM 87505

DISTRICT II
1301 W. Grand Ave. Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO.
30-025-07624

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
South Hobbs (G/SA) Unit

8. Well No. 13

9. OGRID No. 157984

10. Pool name or Wildcat Hobbs (G/SA)

SUNDRY NOTICES AND REPORTS ON WELLS	
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (Form C-101) for such proposals.)	
1. Type of Well:	Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Injector <input type="checkbox"/>
2. Name of Operator	Occidental Permian Ltd.
3. Address of Operator	HCR 1 Box 90 Denver City, TX 79323
4. Well Location	Unit Letter <u>C</u> : <u>330</u> Feet From The <u>North</u> <u>2310</u> Feet From The <u>West</u> Line Section <u>5</u> Township <u>19-S</u> Range <u>38-E</u> NMPM <u>Lea</u> County
11. Elevation (Show whether DF, RKB, RT GR, etc.) 3628' DF	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit Type _____ Depth of Ground Water _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: _____ <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <u>Clean out/Acid treat</u> <input checked="" type="checkbox"/>

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

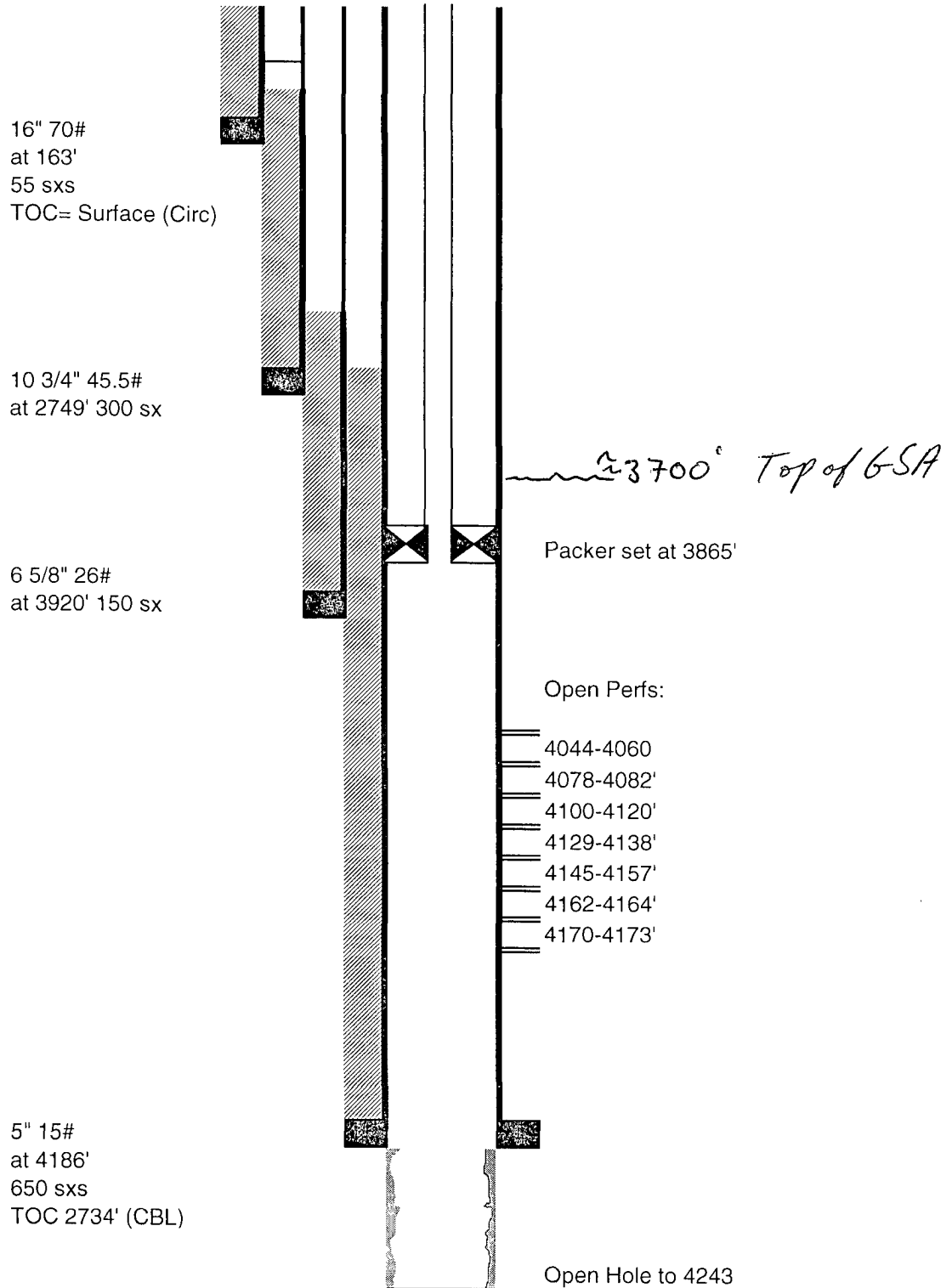
1. RUPU & RU.
2. ND wellhead/NU BOP.
3. POOH w/tubing and injection packer.
4. RIH w/bit. Tag @4243'. POOH w/bit.
5. RIH w/packer set @4186' RU wireline & perf tubing @3815'. RD wireline. POOH w/packer.
6. RIH w/straddle packer set @4000'. RU acid truck & pump 2350 gal of 15% NEFE acid. RD acid truck. POOH w/straddle packer.
7. RIH w/Arrowset 1-X Dbl grip packer on 122 jts of 2-3/8" IPC tubing. Packer set @3865'.
8. Test casing to 525 PSI for 30 minutes and chart for the NMOCD.
9. ND BOP & NU wellhead.
10. RDPU & RU. Clean location and return well to injection.
RUPU 12/22/2010 RDPU 01/07/2011

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE _____ TITLE Administrative Associate DATE 03/30/2011
TYPE OR PRINT NAME Mendy A. Johnson E-mail address: mendy_johnson@oxy.com TELEPHONE NO. 806-592-6280

For State Use Only
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL IF ANY:

South Hobbs Unit #13



South Hobbs Unit #13-WI

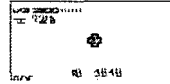
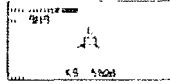
Type Log

SHU 13-WI

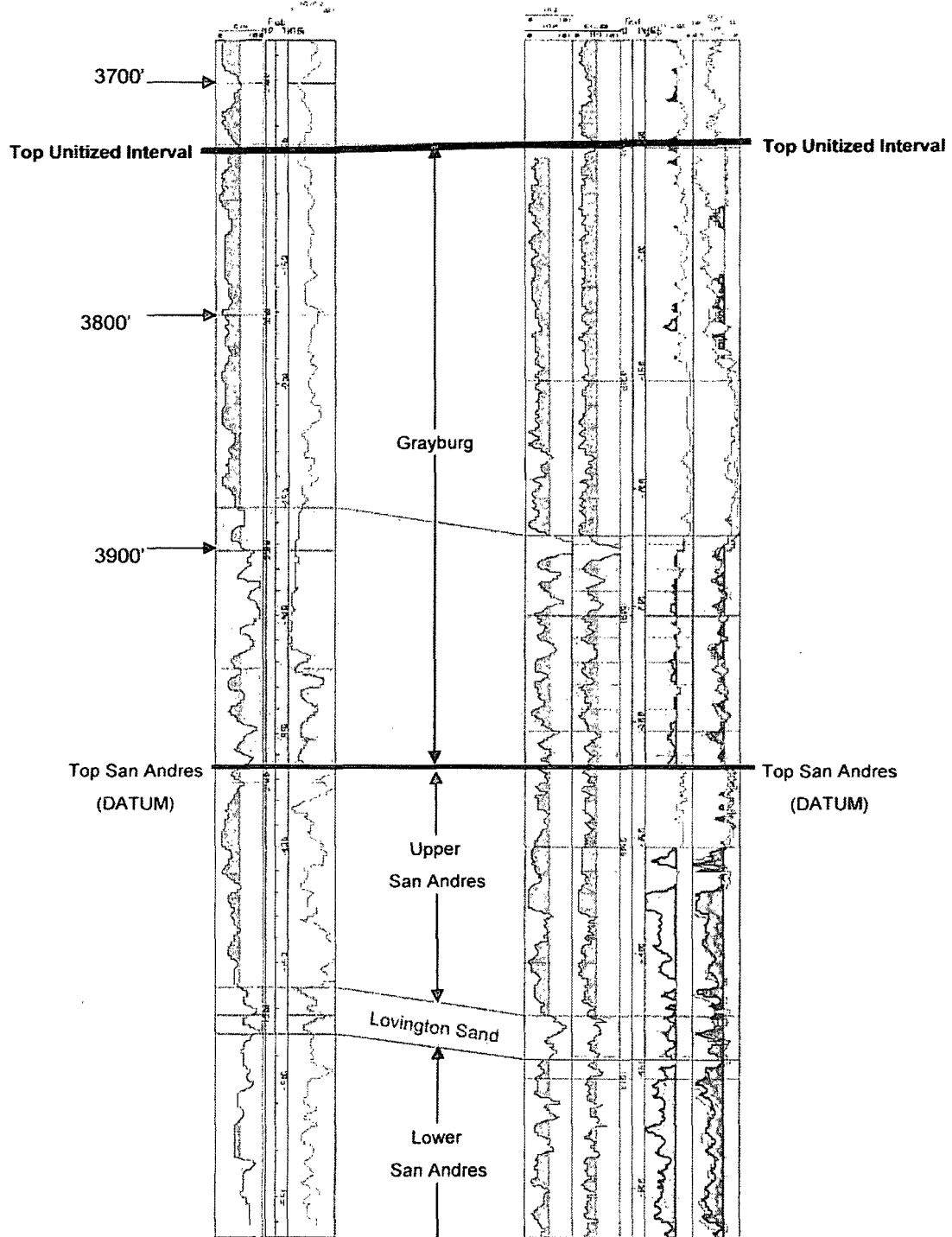
NHU 32-424

API #302507624

API #3002523130



Formerly named
Shell State A #7



The top perforation in the SHU #13 (API # 30-025-07624) is at 4044'. Oxy rigged up on this well for a tubing leak. The packer which was previously set at 3885' before we RU was pulled and reset at 3865' in order to stay above previous injection.

The South Hobbs Unit encompasses the Grayburg and San Andres formations based on the North Hobbs Unit 32-424 (Formerly the Shell State "A" No. 7 API # 30-025-23130). A cross section containing both the NHU 32-424 and the SHU # 13 is attached. From this cross-section the top of the South Hobbs Unit interval is 3810'.

1.4 Unitized Formation is the subsurface portion of the Unit Area known as the Grayburg and San Andres formation of Permian age in the stratigraphic interval between the depths of 3,698 feet and 5,347 feet below the Kelly Bushing on the Borehole Compensated Sonic Log - Gamma Ray dated July 9, 1969, of the Shell Oil Company State "A" No. 7 located 1,930 feet FNL and 660 feet FEL of Section 32-18S-38E, Lea County, New Mexico.