STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR A PILOT PROJECT INVOLVING INTERMITTENT INJECTION OF GAS FOR THE PURPOSE OF TEMPORARY STORAGE SUBMITTED BY OXY USA, INC.

CASE NO. 24983
ORDER NO. R-24261

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on December 5, 2024, and March 5, 2026, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Due public notice has been given, and the OCD has jurisdiction of this case and its subject matter.

2. Oxy USA, Inc. ("Applicant") with this application ("Application") seeks to operate a closed loop gas capture ("CLGC") pilot project ("Project") which shall involve the intermittent injection of produced gas into selected production well(s) for the purpose of temporary storage and recovery during temporary interruptions of gas pipeline services ("CLGC event"). The Project is intended to prevent waste, reduce impacts associated with temporary interruptions of gas pipeline services, and to develop standard practices for similar projects.

3. Applicant initially selected eighteen oil and gas wells served by a common gas gathering system for intermittent gas injection. Applicant subsequently dismissed five of those wells for various reasons, reducing the total number of selected wells to thirteen.

    a. The Cedar Canyon 23 No. 2H (API No. 30-015-41194) is completed in tracts that overlap with tracts included in the expansion proposed by Applicant in Case No. 22183 to the injection project approved through Order No. R-21356. The overlapping tracts are in the South half of the South half of Section 23 in Township 24 South, Range 29 East, NMPM.

    b. The Cedar Canyon 21 Fed Com No. 22H (API No. 30-015-44190) is completed in tracts that overlap with tracts included in the injection project approved through Order

No. R-22206. The overlapping tracts are in the South half of the North half of Section 21 in Township 24 South, Range 29 East, NMPM.

The other eleven of thirteen wells are identified in Exhibit A ("CLGC Well(s)").

4. Applicant proposed an area in which the Project shall be confined. The proposed area overlapped with several existing, proposed, or terminated projects that involve the injection of fluids.

   a. The injection project approved through Order No. R-21832 overlaps with the proposed area in the South half of Section 16 in Township 24 South, Range 29 East, NMPM.

   b. The injection project approved through Order No. R-21383 overlaps with the proposed area in the South half of the North half and the South half of Section 15 in Township 24 South, Range 29 East, NMPM.

   c. The injection project approved through Order No. R-21356 and now Applicant seeks to expand in Case No. 22183, overlaps with the proposed area in all of Section 23 and the North half of the Northwest quarter of Second 24, both in Township 24 South, Range 29 East, NMPM.

   d. The injection project approved through Order No. R-21357 overlaps with the proposed area in the South half of Sections 27 and 28 in Township 24 South, Range 29 East, NMPM. On March 16, 2026, Applicant submitted a written notification for this injection project stating that injection had never occurred in the project and that approval for the injection project has terminated. Termination of authority for the injection project resolved the conflict with the proposed area.

   e. The injection project approved through Order No. R-22206 overlaps with the proposed area in the South half of the North half of Section 21 and the North half of the North half of Sections 28 and 29, all of which are in Township 24 South, Range 29 East, NMPM.

   Due to the overlaps, Applicant proposed a smaller area which the Division modified further in which the Project shall be confined as described in Exhibit A ("Project Area"). The Project Area is comprised of the tract(s) containing each CLGC Well and may include the adjacent tract(s) that are owned or operated by Applicant.

5. At hearing, Applicant presented through affidavits and expert witness testimony the following evidence in support of the Application.

a. Applicant provided a statement regarding the CLGC well selection process and how the CLGC Well(s) will be sequenced and utilized in the Project.

b. Applicant provided a general description and timeline of the Project.

c. Applicant provided a plat which depicts the Project Area, lateral(s) of each CLGC Well, and the area which the gathering system incorporates including affected compressor stations.

d. Applicant proposed a maximum allowable surface pressure ("MASP") of 1,335 pounds per square inch ("psi") for each CLGC Well which will not endanger the mechanical integrity of the well or fracture the formation.

e. Applicant provided geologic and reservoir information to demonstrate that the injected fluids will enter only the pool(s) from which the CLGC Well(s) produce and will not affect correlative rights or migrate into other formations or protectable waters.

f. Applicant provided construction details for each CLGC Well and every well with a segment within one-half (½) mile of any segment of a CLGC Well.

g. The casing and cementing of each CLGC Well is or will be sufficient prior to injection to prevent leakage and prevent movement of formation or injected fluid from the injection zone into another zone or to the surface around the outside of a casing string in accordance with 19.15.26.9 NMAC.

h. Applicant conducted or intends to conduct a mechanical integrity test ("MIT") upon each CLGC Well prior to injection which consisted of holding a pressure of at least one hundred ten percent (110%) of the proposed MASP or 500 psi, whichever is greater, within the annulus of the production casing.

i. Applicant provided or intends to provide a cement bond log ("CBL") which demonstrates the placement of cement and cement bond of the production casing and the tie-in of the production casing with the next prior casing for each CLGC Well.

j. Applicant provided a summary of its operational plan to ensure safe operation and efficient response in the event of an emergency, including a supervisory control and data acquisition ("SCADA") system to monitor and collect relevant data.

k. Applicant proposed a method ("CLGC Allocation Plan") to allocate gas production during the period in which injected gas is being recovered. Applicant's CLGC Allocation Plan provides that Applicant will purchase all injected gas from its other

interest owners and will treat all recovered gas the same as native production from each CLGC Well.

l. Applicant provided an affirmative statement that it has examined the available geologic and engineering data and found no evidence of open faults or other hydrologic connections between the injection zone and any Underground Source of Drinking Water.

m. Applicant provided an affirmative statement that it has examined the available geologic and engineering data and determined that the total recoverable volume of hydrocarbons from the reservoir will not be adversely affected by the Project.

n. Applicant identified the source(s) of the gas to be injected during the Project, conducted an analysis of it, and either proposed a corrosion prevention plan to assure the integrity of the CLGC Well(s) ("Corrosion Prevention Plan") or certified that a Corrosion Prevention Plan is unnecessary to assure the integrity of the CLGC Well(s).

6. Applicant provided a copy of the Application by certified or registered mail to the surface owner for each CLGC Well surface location and to each leasehold operator and other affected person(s), as defined in 19.15.2.7(A) NMAC, within any tract wholly or partially contained within one-half (½) mile of the well, in accordance with 19.15.26.8(B)(2) NMAC.

7. Applicant published public notice of the Application in a newspaper of general circulation in the county in which the Project is located, in accordance with 19.15.26.8(C)(1) NMAC.

8. Legal counsel for Chevron USA, Inc. entered an appearance and objected to the case on December 23, 2024. Subsequently on January 9, 2025, Applicant dismissed two proposed wells from inclusion as CLGC Wells: the Cedar Canyon 28 Fed No. 7H (API No. 30-015-43238) and the Cedar Canyon 28 Fed No. 26H (API No. 30-015-44523). Both of the dismissed wells are adjacent to wells operated by Chevron USA, Inc. On January 13, 2025, Chevron USA, Inc. withdrew its objection to the case.

9. Applicant requested the addition of new CLGC Well(s) to the Project through administrative approval.

10. Applicant requested an exception to the requirement that packers and retrievable bridge plugs be set within one hundred (100) feet of the uppermost perforations or casing shoe.

CONCLUSIONS OF LAW

11. OCD does not have in place a process to administratively approve this Application. Accordingly, applications for this specific action involving underground injection of fluids are considered on a case-by-case basis and authorized by means of a hearing order.

12. Having considered the application and supporting documents, OCD has determined that multiple injection projects involving the same injection intervals and underlying the same tracts that may interfere with each other shall not be approved. Applicant's request to expand the injection project approved through Order No. R-21356 to include the South half of Section 23 and Southwest quarter of Section 24, both in Township 24 South, Range 29 East, NMPM, may interfere with the proposed project in this case. The proposed project area must therefore be modified to exclude those interfering tracts, and injection into the Cedar Canyon 23 No. 2H (API No. 30-015-41194), which is completed within those tracts, is denied.

13. Applicant removed from the proposed project area, the tracts associated with the injection project approved through Order No. R-22206, those being the South half of the North half of Section 21 and the North half of the North half of Sections 28 and 29, all in Township 24 Sout, Range 29 East, NMPM. Injection into the Cedar Canyon 21 Fed Com No. 22H (API No. 30-015-44190), which is completed in those tracts, is denied.

14. Applicant requested an exception to the requirement, set forth in the Revised OCD Guidance for Closed Loop Gas Capture Pilot Projects issued on March 13, 2024, that packers and retrievable bridge plugs be set within 100 feet of the uppermost perforations or casing shoe. Based on the evidence presented, including the geologic data, well construction details, and identification of the upper confining layer in Exhibit B, the requested exception, is granted. For each CLGC Well, MITs shall be conducted with an isolation tool set not less than 100 feet below the top of the upper confining layer identified for that way in Exhibit B.

15. Applicant is in compliance with 19.15.5.9(A) NMAC.

16. Applicant provided notice of the hearing in accordance with 19.15.4.9 NMAC.

17. Applicant has proposed a method of allocation, that is reasonable and shall provide adequate protection of correlative rights.

18. Applicant has provided sufficient evidence that the proposed CLGC Wells are properly constructed and the use of the CLGC wells for described injection operation are protective of Underground Sources of Drinking Water.

19. Operation of the Project shall be in compliance with 19.15.26.10 NMAC.

20. Having considered the evidence, approval of the Project with specific conditions shall enable the Applicant to prevent waste while protecting correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to operate a CLGC pilot project which shall involve the intermittent injection of gas into the production well(s) identified in Exhibit A and which have been approved by the OCD Engineering Bureau to be placed in service for the purpose of temporary storage and recovery to prevent waste, reduce impacts associated with temporary interruptions of gas pipeline services, and to develop standard practices for similar projects.

2. Applicant's request to include the Cedar Canyon 23 No. 2H (API No. 30-015-41194) within the Project is denied because the well is completed within tracts that would interfere with the injection project approved through Order No. R-21356, as detailed in Conclusions of Law Paragraph 12.

3. Applicant's request to include the Cedar Canyon 21 Fed Com No. 22H (API No. 30-015-44190) within the Project is denied because the well is completed within tracts that would interfere with the injection project approved through Order No. R-22206 and that have been removed from the Project Area, as detailed in Conclusions of Law Paragraph 13.

4. Applicant's requests for an exception to the requirement that packers and retrievable bridge plugs be set within one hundred (100) feet of the uppermost perforations or casing shoe is approved. For each CLGC Well, MITs shall be conducted with an isolation tool set not less than 100 feet below the top of the upper confining layer identified for that way in Exhibit B

5. Applicant's request that approval be granted to subsequently add CLGC Well(s) to the Project via administrative approval is denied because modifications of this type warrant a new hearing.

6. Applicant (OGRID No. 16696) is designated as the operator of the Project.

7. The Project Area shall comprise the lands described in Exhibit A and the offset wells requiring additional monitoring are described in Exhibit B.

8. The authority granted by this Order shall terminate two (2) years after the date of approval, provided however OCD, upon receipt of a written request submitted before the termination date and for good cause shown, may extend the authority granted by this Order. Any request for extension shall be accompanied by a summary report as described in Ordering Paragraph 21.

9. The MASP for each CLGC Well shall be 1,335 psi. Applicant shall install equipment to limit the production casing pressure to less than or equal to the MASP and incorporate procedures into its operational plan to allow the safe reduction or cessation of injection to prevent the production casing pressure from exceeding the MASP.

10. Applicant shall allocate gas production during the period in which injected gas is being recovered as detailed in the CLGC Allocation Plan approved by OCD, provided however OCD, upon receipt of a written request from Applicant or upon its own determination that correlative rights may be harmed, may modify the CLGC Allocation Plan.

11. Applicant shall conduct MITs pursuant to 19.15.26.11 NMAC on each CLGC Well in accordance with the following requirements:

    a. A MIT shall consist of isolating the production casing from the reservoir by setting a retrievable bridge plug or packer not less than one hundred (100) feet below the top of the upper confining layer identified in Exhibit B, loading the production casing with an inert fluid, and conducting a pressure test with a pressure change of not more than ten percent (10%) over a thirty (30) minute period and the pressure stabilizing within the last ten (10) minutes.

    b. The appropriate inspection supervisor shall be notified no less than three (3) business days prior to conducting the MIT.

    c. A chart recorder with a maximum two (2) hour clock and an appropriate maximum pound spring and which has been calibrated within the six (6) months prior to conducting the test shall be used during each MIT. Copies of the chart shall be submitted to OCD with a Form C-103 within thirty (30) days following the test date.

    d. No more than one (1) year prior to submission of the Application, a MIT shall be conducted to a pressure of at least one hundred ten percent (110%) of the MASP or 500 psi, whichever is greater.

    e. No later than six (6) months after the Project has terminated, a MIT shall be conducted to a pressure of at least 500 psi.

    f. Having considered the results of the testing previously listed above, OCD shall retain the authority to require additional MITs.

12. For any CLGC Well that the Applicant intends to inject via the tubing, Applicant shall submit a Form C-103 for review and approval by OCD with a detailed summary of their downhole configuration prior to commencement of injection.

13. Applicant shall install and maintain a SCADA system which allows for the remote monitoring of each CLGC Well and offset well. The information collected under the Project shall be maintained and made available to OCD upon request for no less than five (5) years after the cessation of the project, including:

    a. for each CLGC Well, the oil and gas production and injection flow rates, tubing pressure, and annulus pressure for all casing strings; and

    b. for each offset well required by OCD as described in Exhibit B, the oil and gas production and injection flow rates and production casing pressure.

14. Prior to initially placing each CLGC Well into service and available for injection, Applicant shall submit a notice of intent on Form C-103, notify the OCD Engineering Bureau at ocd.engineer@emnrd.nm.gov, and await approval from the OCD Engineering Bureau to place the CLGC Well into service. The notice of intent shall include the following content:

    a. The results of the most recent MIT conducted upon the CLGC Well.

    b. Confirmation that OCD has on record a CBL that demonstrates the placement of cement and cement bond of the production casing and the tie-in of the production casing with the next prior casing.

    c. Confirmation that equipment is installed to limit the injection pressure to less than or equal to the MASP.

    d. Confirmation that equipment to monitor the casing annulus pressure(s) and injection rate is installed.

15. For each CLGC Well, Applicant shall submit a Form C-115 in accordance with 19.15.7.24 NMAC and 19.15.26.13 NMAC or as otherwise directed by OCD.

16. Applicant shall monitor the production casing pressure and injection rate while injecting into a CLGC Well during each CLGC event. If any indication that a leak in the production casing occurs, then Applicant shall:

    a. immediately cease injection into the CLGC Well;

    b. within twenty-four (24) hours notify the OCD Engineering Bureau at ocd.engineer@emnrd.nm.gov;

    c. within thirty (30) days perform a MIT or other test approved by OCD demonstrating the well integrity of the CLGC Well and submit the results on Form C-103 to the OCD Engineering Bureau; and

d. not recommence injection into the CLGC Well until OCD grants approval.

17. Applicant shall monitor the casing annulus pressure(s) while injecting into a CLGC Well during each CLGC event. For casings other than the production casing whenever the pressure increases over normal operational conditions:

    a. more than 50 psi within the surface casing annulus or 100 psi within any intermediate casing annulus, Applicant shall notify the OCD Engineering Bureau at ocd.engineer@emnrd.nm.gov within twenty-four (24) hours; and

    b. more than 200 psi within the surface casing anulus or 500 psi within any intermediate casing annulus, Applicant shall:

        i. immediately cease injection into the CLGC Well;

        ii. within thirty (30) days, submit a Form C-103 to the OCD Engineering Bureau containing a summary of the event that includes the cause for the pressure increase, description of any remedial actions and a revised operational plan to reduce and maintain the pressure below the thresholds described in Subparagraph b of this Ordering Paragraph; and

        iii. not recommence injection into the CLGC Well until OCD has approved the revised operational plan.

18. For each CLGC Well, production shall occur via the tubing.

19. Applicant shall follow the approved Corrosion Prevention Plan if applicable. If the composition of the injectant being injected into a CLGC Well becomes inherently more corrosive than the composition approved by OCD, Applicant shall:

    a. immediately cease injection into the CLGC Well;

    b. within twenty-four (24) hours, notify the OCD Engineering Bureau at ocd.engineer@emnrd.nm.gov;

    c. within thirty (30) days, submit a Form C-103 to the OCD Engineering Bureau describing the alteration to the injectant's composition and a revised Corrosion Prevention Plan which addresses the effect of the alteration or a certification from a qualified person that no revision to the Corrosion Prevention Plan is required; and

    d. not recommence injection into the CLGC Well until OCD has approved the revised Corrosion Prevention Plan or certification that no revision to the Corrosion Prevention Plan is required.

20. If the casing of a CLGC Well fails or fluids leak from or around the CLGC Well or any well with a segment within one-half (½) mile of any segment of a CLGC Well, Applicant shall:

    a. immediately cease injection into every well with a segment within one-half (½) mile of any segment of the well from which fluids are leaking from or around;

    b. immediately notify the OCD Engineering Bureau Chief at the emergency contact number;

    c. within twenty-four (24) hours, notify the OCD Engineering Bureau at ocd.engineer@emnrd.nm.gov; and

    d. take all necessary steps and actions required and approved by OCD to correct the failure or leakage.

21. Applicant shall provide to the OCD Engineering Bureau at ocd.engineer@emnrd.nm.gov and OCD Permitting as directed by OCD, project status updates every three (3) months after the approval of this Order and a summary report no later than three (3) months after the cessation of the Project or upon request from OCD. Status updates shall include a summary of actions taken that are related to the Project and a summary of any identified problems and the corresponding mitigations or remedial actions. Status updates may but are not required to include summaries of individual CLGC events that are not related to an identified problem. The summary report(s) shall include:

    a. a summary of all project-related activity;

    b. a review and supporting data regarding any identified problems and the solutions implemented to solve or mitigate them;

    c. for each CLGC event, a summary of the results, including for each CLGC Well in which injection occurred ("involved CLGC Well"):

        i. average and maximum injection flow rates;

        ii. injection duration; and

        iii. total injected volume.

    d. for each CLGC event, the following data graphed and tabulated with a resolution of at least: one (1) data point per hour beginning twenty-four (24) hours before the injection, four (4) data points per hour during the injection, and one (1) data point per hour ending twenty-four (24) hours after the injection:

i. for each involved CLGC Well, the oil and gas production and injection flow rates and annulus pressure of all casing strings; and

ii. for each offset well to each involved CLGC Well as described in Exhibit B, the oil and gas production and injection flow rates and production casing pressure.

e. for each CLGC event, a recovery profile for each involved CLGC Well and for each offset well of a CLGC Well described in Exhibit B which experienced a change in production casing pressure or production during or immediately following the CLGC event. The volume of recovered gas shall be determined by taking the difference between the gas production following the injection and baseline production. The baseline production shall be determined by using production history to plot a production curve that estimates what the production would have been had injection not occurred. The recovery profile shall include:

i. a summary of the results, including the volume and percent of total production recovered and the duration of time required to achieve that recovery; and

ii. a tabulation of daily oil and gas production and baseline production totals; beginning a week before the CLGC event and ending when either the gas production is near equal to its baseline production or another CLGC event occurs for an involved CLGC Well.

22. Based on Applicant's allocation of production to leases and pools related to the Project, the following exemptions are granted:

a. Applicant is exempt from providing data points for oil and gas production from CLGC Wells for time prior to a CLGC event which it is unable to measure but shall provide its best estimate for production and an explanation for why the production was unable to be measured.

b. Applicant is exempt from providing data points for oil and gas production from offset wells it is unable to measure but shall provide its best estimate for production and an explanation for why the production was unable to be measured.

23. This Order does not grant an exception to 19.15.12.9 NMAC. Applicant shall not commingle oil or gas production from different pools or leases or transport oil or gas production from a lease until approval to do so has been granted by OCD in accordance with 19.15.12.10 NMAC or 19.15.23.9 NMAC, as applicable.

24. Applicant shall comply with all applicable OCD rules and any other state, federal, or local law or regulation and if the Project causes any harm or damage or threat of harm or damage to protectable fresh water, public health, or the environment.

25. OCD retains jurisdiction of this case for the entry of such further orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Albert Chang

Date: 04/10/2026

ALBERT C. S. CHANG
DIRECTOR
AC/dm

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Case Number: 24983
Order Number: R-24261
Operator: Oxy USA, Inc. (16696)

Project Pools

Pool Name	Pool Code
CEDAR CANYON; BONE SPRING	11520
PIERCE CROSSING; BONE SPRING	50371
CORRAL DRAW; BONE SPRING	96238
PIERCE CROSSING; BONE SPRING, EAST	96473

Project Area (NMPM)

UL or Q/Q	S-T-R
All	3-24S-29E
W/2	6-24S-29E
W/2, W/2 SE/4	7-24S-29E
W/2	8-24S-29E
All	10-24S-29E
W/2	17-24S-29E
W/2	20-24S-29E
S/2	21-24S-29E
S/2 N/2, S/2	22-24S-29E
N/2, N/2 S/2	27-24S-29E
S/2 N/2, S/2	28-24S-29E
S/2 N/2, S/2	29-24S-29E

CLGC Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-42993	CEDAR CANYON 29 FEDERAL COM #003H	S/2 N/2	29-24S-29E	50371
30-015-43232	CEDAR CANYON 27 FEDERAL #006H	N/2 S/2	27-24S-29E	96473
30-015-43234	CEDAR CANYON 28 FEDERAL #006H	N/2 S/2	28-24-29E	96473
30-015-43708	CEDAR CANYON 22 FEDERAL COM #004H	N/2 S/2	22-24S-29E	96473
30-015-43749	CEDAR CANYON 21 FEDERAL COM #005H	N/2 S/2	21-24S-29E	96238
30-015-43775	CEDAR CANYON 27 FEDERAL COM #005H	S/2 N/2	27-24S-29E	96473
30-015-44522	CEDAR CANYON 29 FEDERAL COM #025H	N/2 S/2	29-24S-29E	50371

30-015-44945	SALT RIDGE CC 20 17 FEDERAL COM #021H	W/2 SW/4 W/2 W/2	17-24S-29E 20-24S-29E	50371
30-015-45551	LENGTH CC 6 7 FEDERAL COM #023H	W/2 W/2	6-24S-29E 7-24S-29E	50371
30-015-47957	TAILS CC 10 3 FEDERAL COM #022H	All N/2 S/2	3-24S-29E 10-24S-29E 10-24S-29E	11520 96473
30-015-47975	VAGABOND CC 8 17 FEDERAL COM #023H	E/2 NW/4 E/2 SW/4 E/2 NW/4	8-24S-29E 8-24S-29E 17-24S-29E	11520 96473 50371

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Case Number: 24983
Order Number: R-24261
Operator: Oxy USA, Inc. (16696)

CLGC Wells and Offset Wells

Well API	Well Name	MASP: 1,335 psi
30-015-42993	CEDAR CANYON 29 FEDERAL COM #003H	

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-43601	CEDAR CANYON 29 FEDERAL #021H
30-015-44521	CEDAR CANYON 29 FEDERAL COM #024H

Well API	Well Name	MASP: 1,335 psi
30-015-43232	CEDAR CANYON 27 FEDERAL #006H	

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-43775	CEDAR CANYON 27 FEDERAL COM #005H
30-015-43233	CEDAR CANYON 27 FEDERAL #007H

Well API	Well Name	MASP: 1,335 psi
30-015-43234	CEDAR CANYON 28 FEDERAL #006H	

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-44016	CEDAR CANYON 28 FEDERAL #009H
30-015-43238	CEDAR CANYON 28 FEDERAL #007H

Well API	Well Name	MASP: 1,335 psi
30-015-43708	CEDAR CANYON 22 FEDERAL COM #004H	

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-43642	CEDAR CANYON 22 FEDERAL #021H
30-015-43758	CEDAR CANYON 22 FEDERAL COM #005H

Well API	Well Name	MASP:	1,335 psi
30-015-43749	CEDAR CANYON 21 FEDERAL COM #005H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-44191	CEDAR CANYON 21 FEDERAL COM #023H
30-015-39968	MORGAN FEE COM #001H

Well API	Well Name	MASP:	1,335 psi
30-015-43775	CEDAR CANYON 27 FEDERAL COM #005H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-43232	CEDAR CANYON 27 FEDERAL #006H

Well API	Well Name	MASP:	1,335 psi
30-015-44522	CEDAR CANYON 29 FEDERAL COM #025H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-44521	CEDAR CANYON 29 FEDERAL COM #024H
30-015-44523	CEDAR CANYON 29 FEDERAL #026H

Well API	Well Name	MASP:	1,335 psi
30-015-44945	SALT RIDGE CC 20 17 FEDERAL COM #021H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-44947	SALT RIDGE CC 20 17 FEDERAL COM #023H

Well API	Well Name	MASP:	1,335 psi
30-015-45551	LENGTH CC 6 7 FEDERAL COM #023H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-45565	LENGTH CC 6 7 FEDERAL COM #022H
30-015-45552	LENGTH CC 6 7 FEDERAL COM #024H

Well API	Well Name	MASP:	1,335 psi
30-015-47957	TAILS CC 10 3 FEDERAL COM #022H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-47958	TAILS CC 10 3 FEDERAL COM #021H
30-015-47961	TAILS CC 10 3 FEDERAL COM #024H

Well API	Well Name	MASP:	1,335 psi
30-015-47975	VAGABOND CC 8 17 FEDERAL COM #023H		

Upper Confining Layer: The Second Bone Spring Limestone which is comprised of tight dolomudstones and shales and found from 8,299' MD to 8,851' MD at the Pierce Crossing 36 State No. 1 (API No. 30-015-33469)

Offset Well API	Offset Well Name
30-015-47972	VAGABOND CC 8 17 FEDERAL COM #024H
30-015-47978	VAGABOND CC 8 17 FEDERAL COM #022H