ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



		ADMINISTRATIVE APPLICATION	ATION CHECKL	IST
		ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS WHICH REQUIRE PROCESSING AT THE DIV	FOR EXCEPTIONS TO DIVISION /ISION LEVEL IN SANTA FE	RULES AND REGULATIONS
Appli	[DHC-Down	ndard Location] [NSP-Non-Standard Prorat nhole Commingling] [CTB-Lease Commin ol Commingling] [OLS - Off-Lease Storag	ngling] [PLC-Pool/Leas ge] [OLM-Off-Lease Me sure Maintenance Expan ction Pressure Increase]	e Commingling] :asurement] sion]
[1]	TYPE OF AF [A]	PLICATION - Check Those Which Apply Location - Spacing Unit - Simultaneous De NSL NSP SD		30-015-4089
	Check [B]	One Only for [B] or [C]  Commingling - Storage - Measurement  DHC CTB PLC F	PC OLS OLI	30-015-4089 Lost Tank 35 State SWD#
	[C]		IPI	
	[D]	Other: Specify Amend Sl	10-141/	u ä
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Whice Working, Royalty or Overriding Royalty	alty Interest Owners	, p. 0
	[B]	Offset Operators, Leaseholders or Sur	face Owner	- drilling problem change in complete - new/deeper invection internal
	[C]	Application is One Which Requires P	ublished Legal Notice	change in wingster
	[D]	Notification and/or Concurrent Appro	oval by BLM or SLO lic Lands, State Land Office	injection interval
	[E]	For all of the above, Proof of Notifica	tion or Publication is Atta	ached, and/or,
	[F]	☐ Waivers are Attached		
[3]		CURATE AND COMPLETE INFORMA ATION INDICATED ABOVE.	TION REQUIRED TO	PROCESS THE TYPE
	oval is <mark>accurate</mark> a	ΓΙΟΝ: I hereby certify that the information nd complete to the best of my knowledge. I quired information and notifications are subr	also understand that no a	
	Note	Statement must be completed by an individual with	n managerial and/or supervise	<del>ory capacity.</del>
Dac Print	or Type Name	Signature Signature	Sl. Regulatery Title	Advisor 1/2/13 Date
			e-mail Address	teoxy, com
0	xx USA In	C		
	Lost Tank	35 State SWD #1		

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

## Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

FORM C-108 Revised June 10, 2003

## **APPLICATION FOR AUTHORIZATION TO INJECT**

I.	PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage Application qualifies for administrative approval? X Yes No
Il.	OPERATOR: OXY USA Inc Lost Tank 35 State SWD #1 - API No. 30-015-40890
	ADDRESS: P.O. Box 50250 Midland, TX 79710
	CONTACT PARTY: David Stewart PHONE: 432-685-5717
III.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.  Additional sheets may be attached if necessary.
IV.	Is this an expansion of an existing project? Yes X No  If yes, give the Division order number authorizing the project:
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review. Attached
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail. <a href="Attached">Attached</a>
VII.	Attach data on the proposed operation, including:
	<ol> <li>Proposed average and maximum daily rate and volume of fluids to be injected; <u>Avg-3500BWPD – Max-4000BWPD</u></li> <li>Whether the system is open or closed; <u>Closed</u></li> <li>Proposed average and maximum injection pressure; <u>Avg-800psi – Max-871 psi</u></li> <li>Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, <u>Delaware and Bone Spring from OXY operated leases</u>, see attached.</li> <li>If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). <u>Attached</u></li> </ol>
*VIII.	Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval. Attached
IX.	Describe the proposed stimulation program, if any. Attached
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted)  Attached.
*XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken. None within one mile per the NMSEO.  Per the field production tech, no windmills were found within one mile of this well.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water. Attached
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form. Attached
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	NAME: <u>David Stewart</u> TITLE: <u>Sr. Regulatory Advisor</u>
	SIGNATURE: DATE: 1713
*	E-MAIL ADDRESS: <u>david_stewart@oxy.com</u> If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: <u>SWD-1417 - 5/10/13</u>

#### III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
  - (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
  - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
  - (3) A description of the tubing to be used including its size, lining material, and setting depth.
  - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
  - (1) The name of the injection formation and, if applicable, the field or pool name.
  - (2) The injection interval and whether it is perforated or open-hole.
  - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
  - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
  - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

#### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

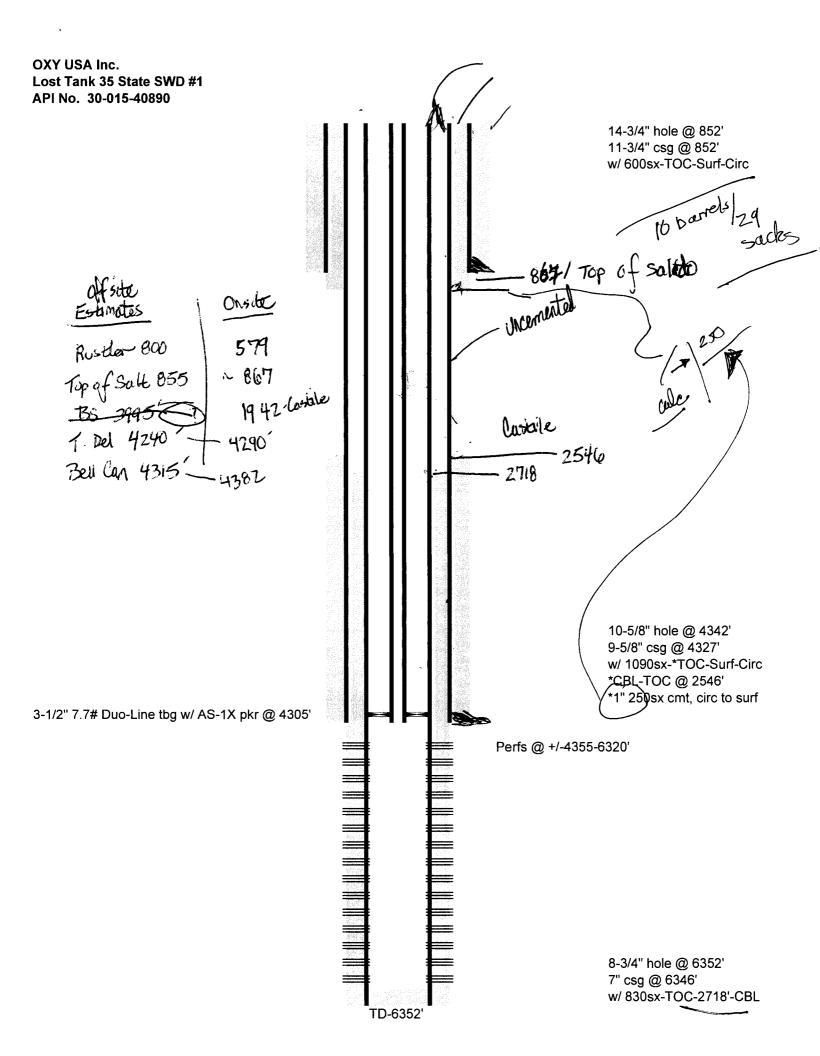
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Hole Size: 10-5/8" Casing Size: 9-5/8" @ 4327' Cemented with: 1090 sx. or 1617 ft<sup>3</sup> Top of Cement: \*Surface Method Determined: Circ \*CBL-2546' - 1" 250sx, circ to surface Hole Size: 8-3/4" Casing Size: 7" @ 6346' Cemented with: 830 sx. or 1595  $ft^3$ Top of Cement: 2718' Method Determined: CBL Total Depth: 6352' **Injection Interval** 4355 feet to 6320 feet (Perforated or Open Hole; indicate which)

31E

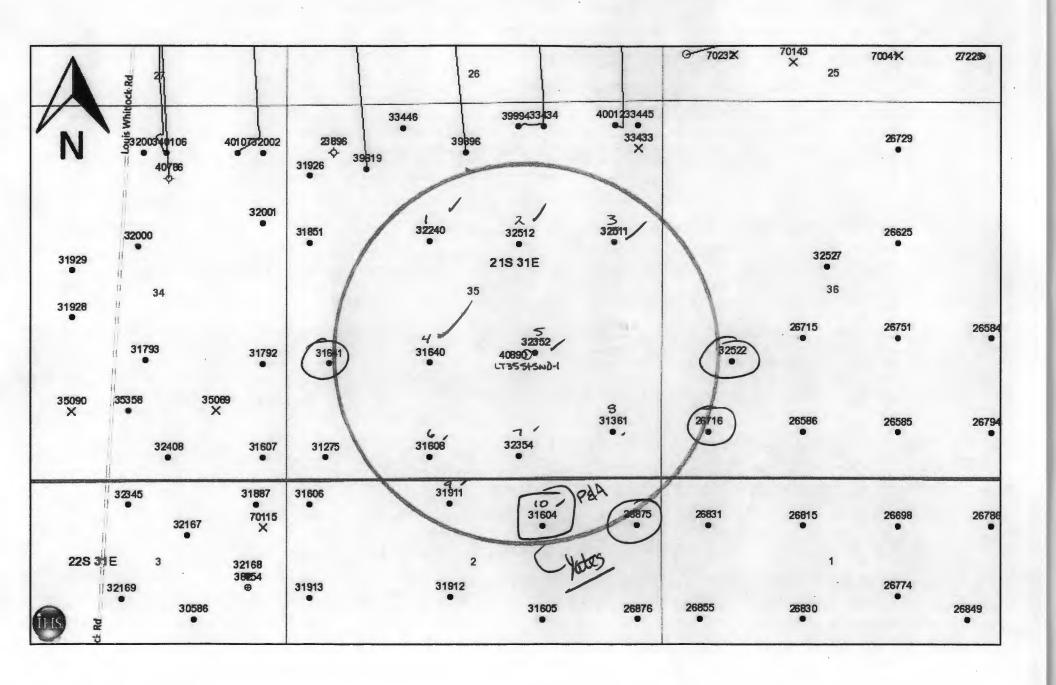
**RANGE** 



# **INJECTION WELL DATA SHEET**

ubing Size:	<u>3-1/2" 7.7# J55</u>	Lining Material:	Composite Lining
oe of Packer: _	Nickel Plated A	Arrow Set	
ker Setting De	pth: 4305'		
ner Type of Tub	oing/Casing Seal (if applic	cable): <u>N/A</u>	
	4	Additional Data	
Is this a new	well drilled for injection?	<u>X</u> Yes	No
If no, for wha	at purpose was the well or	iginally drilled?	
Name of the	Injection Formation:	Delaware – Bell Canyon -	- Cherry Canyon
Name of Field	d or Pool (if applicable):	Lost Tank Delaware	
	-	•	•
	•	- ~ .	erlying the proposed
	Is this a new land of the last he well dintervals and	Is this a new well drilled for injection?  If no, for what purpose was the well or  Name of the Injection Formation:  Name of Field or Pool (if applicable):  Has the well ever been perforated in an intervals and give plugging detail, i.e. of	be of Packer: Nickel Plated Arrow Set  See of Packer: Nickel Plated Arrow Set  See Setting Depth: 4305'  Ber Type of Tubing/Casing Seal (if applicable): N/A  Additional Data  Is this a new well drilled for injection? X Yes  If no, for what purpose was the well originally drilled?  Name of the Injection Formation: Delaware — Bell Canyon —  Name of Field or Pool (if applicable): Lost Tank Delaware  Has the well ever been perforated in any other zone(s)? List all su intervals and give plugging detail, i.e. sacks of cement or plug(s) using the same and depths of any oil or gas zones underlying or ov injection zone in this area: Delaware/Bone Springs

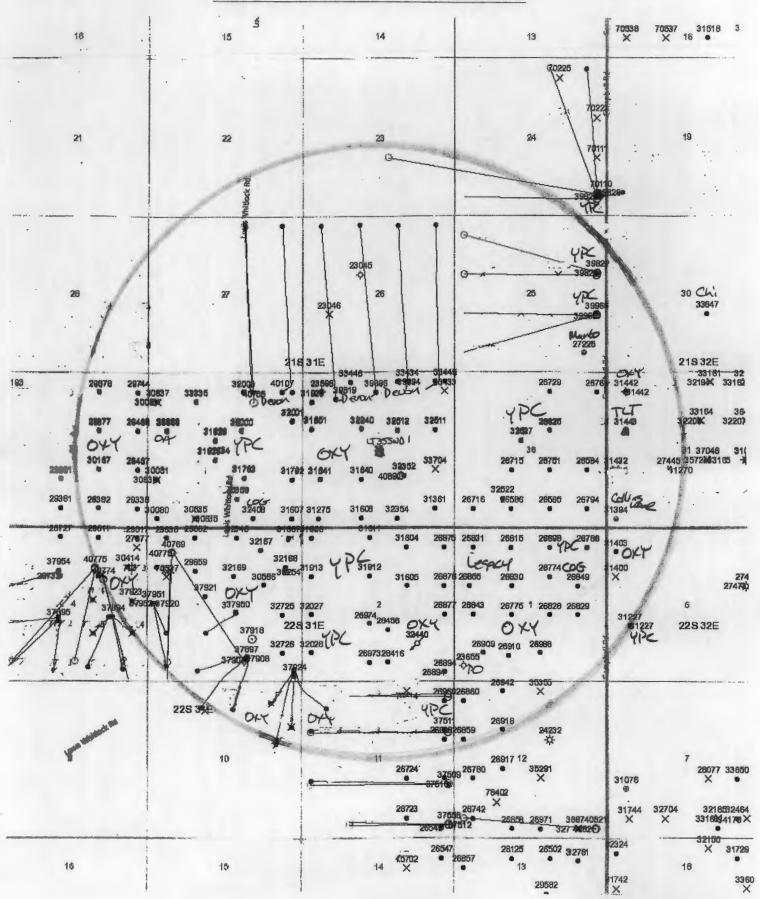
# Lost Tank 35 State SWD #1 - 1/2 mile AOR



C-108 - Item VI Lost Tank 35 State SWD #1 AREA OF REVIEW

OPERATOR	LEASE	WELL NO.	API NO. 30-015-	PLAT	LOCATION	DATE DRILLED	TD	PERFS	CASING-CEMENT	STATUS
				+						
				+						
OXY USA Inc.	Lost Tank 35 St	11	32240	1/	1930 FNL 2030 FWL	Sep-02	8350'	6916-6928')	13-3/8" @ 829' w/ 900sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
		$\perp$			F-35-21S-31E				8-5/8" @ 4100' w/ 3140sx, 11" hole TOC-Surf-Circ	Delaware -
		-		1			<u> </u>		5-1/2" @ 8350' w/ 1820sx 7-7/8" hole TOC-Surf-Circ	Act Oil
OXY USA Inc.	Lost Tank 35 St	10	32512	1 2 1	1980 FNL 1980 FEL	Dec-04	8380'	7982-8146'	13-3/8" @ 885' w/ 575sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
				1	G-35-21S-31E	<del></del>		6736-7274'	8-5/8" @ 4140' w/ 4700sx, 11" hole TOC-Surf-Circ	Delaware -
								CIBP @ 7900'	5-1/2" @ 8380' w/ 1800sx 7-7/8" hole TOC-Surf-Circ	Act Oil
					/					
OXY USA Inc.	Lost Tank 35 St	9	32511	3 -	1980 FNL 660 FEL	Jan-05	8410'	8186-8214'	13-3/8" @ 1022' w/ 900sx, 17-1/2" hole TOC-Surf-Circ (	Lost Tank
			·		H-35-21S-31E				8-5/8" @ 4125' w/ 1600sx, 11" hole TOC-Surf-Circ	Delaware
									5-1/2" @ 8410' w/ 1900sx 7-7/8" hole TOC-Surf-Circ	Act Oil
OXY USA Inc.	Lost Tank 35 St	7	31640	1 4	1650 FSL 2030 FWL	Mar-01	8340'	6904-8132'	13-3/8" @ 800' w/ 950sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
ONI OBA INC.	DOSC THIR SS SC		31040	+	K+35-21S-31E	1981 01	0340	0304 0132	8-5/8" @ 4200' w/ 1300sx, 11" hole TOC_Surf_Circ	Delaware
					K-55-215-51E	·	$\vdash$		5-1/2" @ 8340' w/ 1720sx 7-7/8" hole TOC-64'-CBL	Act Oil
		+	· · · · · · · · · · · · · · · · · · ·	1					3-1/2 e 8340 w/ 1/205x /-//6 noie 10C-64 -CBD	ACL OII
OXY USA Inc.	Lost Tank 35 St	6	32352	5 /	1780 FSL 1750 FEL	Oct-02	8350'	6961-8210'	13-3/8" @ 813' w/ 900sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
					J-35-21S-31E				8-5/8" @ 4107' w/ 1200sx, 11" hole TOC-Surf-Circ	Delaware
				o					5-1/2" @ 8350' w/ 2035sx 7-7/8" hole TOC-Surf-Circ	Act Oil
				+						
OXY USA Inc.	Lost Tank 35 St	3	31608	6 1	330 FSL 2030 FWL	May-02	8250'	6932-6966'	13-3/8" @ 812' w/ 900sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
					N-35-21S-31E	T			8-5/8" @ 4100' w/ 1175sx, 11" hole TOC-Surf-Circ	Delaware
									5-1/2" @ 8250' w/ 1675sx 7-7/8" hole TOC-Surf-Circ	Act Oil
				1						
OXY USA Inc.	Lost Tank 35 St	2	32354	7 1	330 FSL 1980 FEL	Ju1-02	8300'	6957-6992'	13-3/8" @ 808' w/ 900sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
~.		_		+	0-35-21S-31E				8-5/8" @ 4100' w/ 1050sx, 11" hole TOC-Surf-Circ	Delaware
				+ +					5-1/2" @ 8300' w/ 1675sx 7-7/8" hole TOC-Surf-Circ	Act Oil
OXY USA Inc.	Lost Tank 35 St	1	31361	8 /	660 FSL 660 FEL	Oct-00	8500'	6980-7000'	13-3/8" @ 750' w/ 850sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
				$\top$	P-35-21S-31E				8-5/8" @ 4230' w/ 2520sx, 11" hole TOC-Surf-Circ	Delaware
	****			1 1					5-1/2" @ 8500' w/ 1815sx 7-7/8" hole TOC-360'-CBL	Act Oil
				1						
Yates Petroleum Corp	Graham AKB St	5	31911	97	330 FNL 2310 FWL	May-02	8406'	6948-6992'	13-3/8" @ 850' w/ 700sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
					C-2-22S-31E				8-5/8" @ 4087' w/ 1300sx, 11" hole TOC-Surf-Circ	Delaware
		+			··				5-1/2" @ 8406' w/ 1150sx 7-7/8" hole TOC-Surf-Circ	Act Oil
			· · · · · · · · · · · · · · · · · · ·	+			<u> </u>			
Yates Petroleum Corp	Graham AKB St	3	31604	10	660 FNL 1650 FEL	May-01	8404'	6966-8230'	13-3/8" @ 850' w/ 935sx, 17-1/2" hole TOC-Surf-Circ	Lost Tank
					B-2-22S-31E				8-5/8" @ 4183' w/ 1300sx, 11" hole TOC-Surf-Circ	Delawara
									5-1/2" @ 8404' w/ 500sx 7-7/8" hole TOC-Surf-Circ	P&A-1/07 >
									ACK	
									ACIT	
				+		ļ		-	10 wells - 9 Active	
		+		+ +		-			10 COMP HOUSE	
				+					1 PAA	-
				+ -					1 4 7	1
		+-		+ +						
									<u> </u>	<u> </u>

# Lost Tank 35 State SWD #1 - 2 Mile AOR





# New Mexico Office of the State Engineer Water Column/Average Depth to Water

(A CLW#### in the POD suffix indicates the POD has been replaced & no longer serves a water right

(R=POD has been replaced, O=orphaned,

C=the file is

closed)

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

(in feet)

POD

Sub-

000

Code basin County 6416 4 Sec Tws Rng

X ٧

**Depth Depth Water** Well WaterColumn

**POD Number** C 02949 EXPL

1 1 4 34 21S 31E

616140 3589231\* 🐔

Average Depth to Water:

Minimum Depth:

Maximum Depth:

**Record Count: 1** 

PLSS Search:

Section(s): 25, 26, 27, 34, 35, 36

Township: 21S

Range: 31E

\*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data

12/18/13 3:33 PM

WATER COLUMN/ AVERAGE **DEPTH TO WATER** 

rage 1 of 1

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# New Mexico Office of the State Engineer Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are smallest to largest) (NAD83 UTM in meters)

No records found.

PLSS Search:

Section(s): 1, 2, 3

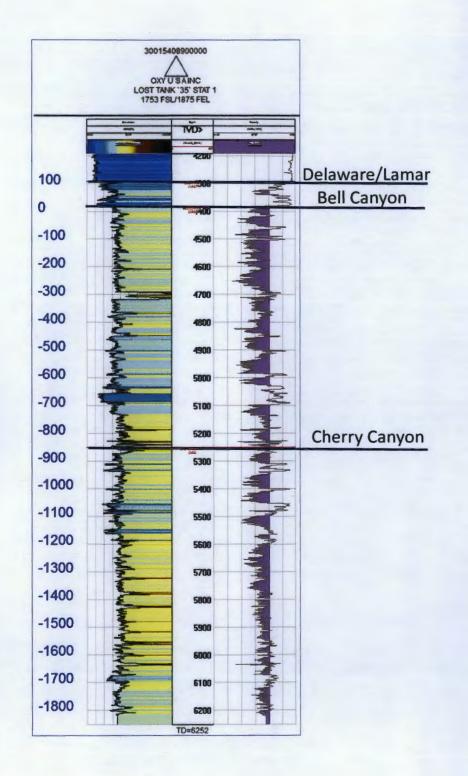
Township: 22S

Range: 31E

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data

> WATER COLUMN/ AVERAGE **DEPTH TO WATER**

12/18/13 3:34 PM



Bell Canyon POR 10-30% Cherry Canyon POR 14-26%

# **Tops**

Formation	ft (MD)	
Rustler	579	
Salado Top	867	
Potash Top	1200	-
Castille	1942	-
Anhydrite top	3961	200
Delaware Top	4290	)Lamar
Bell Canyon	4382	,
Cherry Canyon	5250	
Brushy Canyon	6580	_

# Sw

Estimate the water saturation percentage over the proposed disposal interval or otherwise say why it is not productive.

Sw (Calculated- Archie)=60%-70%

No uphole potential (no oil shows on mudlog). No oil or gas shows in offset mudlog

Injection Interval 4370'- 6,320' MD

- IX. Describe the proposed stimulation program, if any. Sand fracture treatment
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

I have examined the available geologic and engineering data for the Lost Tank 35 #1 SWD well and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

Ruidiaz-Santiago, Geologi

# **MITCHELL ANALYTICAL LABORATORY**

2638 Faudree Odessa, Texas 79765-8538 561-5579

Company:	Nalco	Comp	any						
Well Number: Lease: Location:	Federal : OXY	12-4 - [	Delawa	re		Sample Ten Date Sampl Sampled by	ed:	70 10/4/2 Leo Sa	2012 Indmann
Date Run: Lab Ref #:	10/4/20 12-oct-n					Employee # Analyzed by		GR	
				Dissolved	Gases	Mg/I		Ēq. Wt.	MEq/L
Hydrogen Sulf Carbon Dioxido Dissolved Oxy	e (	H2S) CO2) O2)		NOT AN		.00	)	16.00	.00
				Cation.	c				
Calcium	(	Ca++)		Carron	,	27,834.48	3	20.10	1,384.80
Magnesium	-	Mg + + )				2,830.40	)	12.20	232.00
Sodium	(	Na+)				63,394.97	7	23.00	2,756.30
Barium	•	Ba++)		NOT ANA	LYZED				
Manganese	(	Mn+)				6.33	3	27.50	.23
				Anions	5				
Hydroxyl	(	OH-)				.00	)	17.00	.00
Carbonate	(	CO3=)				.00	)	30.00	.00
BiCarbonate	(	HCO3-	)			12.2	2	61.10	.20
Sulfate	•	SO4=)				128.00		48.80	2.62
Chloride	(	CI-)				155,170.50	)	35.50	4,371.00
Total Iron Total Dissolved	-	Fe)				9.1: 249,38 <u>6.0</u> :		18.60	.49
Total Hardness	as CaCC	)3				81,190.84			
Conductivity M	ICROMH	OS/CM				236,000	)		
рН	6.050				Spec	cific Gravity 60	0/60 F.		1.173
CaSO4 Solubilit	y @ 80 F.	•	6	.08MEq/L,	CaSO	4 scale is unli	kely		
CaCO3 Scale Inde	ex								
70.0	1.27	4	100.0	2.194	13	30.0	2.194		
80.0	1.52	24	110.0	2.194	14	0.0	2.194		
90.0	2.19	94	120.0	2.194	15	50.0	2.194		

# **MITCHELL ANALYTICAL LABORATORY**

2638 Faudree Odessa, Texas 79765-8538 561-5579

Company:	Nalco	Comp	any					
Well Number: Lease: Location:	Cypres OXY	s 28-1 –	Bone S	Spring		Sample Temp: Date Sampled: Sampled by:	4/29/2	2011 Summers
Date Run: Lab Ref #:	5/3/20 11-may	11 y-n59280	)			Employee #: Analyzed by:	GR	Summers
				Dissolved (	Gases	Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfi Carbon Dioxide Dissolved Oxyg	9	(H2S) (CO2) (O2)		NOT ANA		.00	16.00	.00
				Cations				
Calcium		(Ca++)		Cullotts		1,390.92	20.10	69.20
Magnesium		(Mg++)				697.84	12.20	57.20
Sodium		(Na+)				62,308.23	23.00	2,709.05
Barium		(Ba++)		NOT ANAI	YZED			
Manganese		(Mn+)				1.66	27.50	.06
				Anions				
Hydroxyl		(OH-)				.00	17.00	.00
Carbonate		(CO3=)				.00	30.00	.00
BiCarbonate		(HCO3-)	)			391.04	61.10	6.40
Sulfate		(S04=)				(450.00)	48.80	9.22
Chloride		(Cl-)				100,110.00	35.50	2,820.00
Total Iron	l Calida	(Fe)				2	18.60	.11
Total Dissolved Total Hardness		·O2				6,338.44		
Conductivity M						216,200		
Conductivity M	ICKOM	103/ СМ				210,200		
рН	6.480				Speci	fic Gravity 60/6	50 F.	1.115
CaSO4 Solubilit	y @ 80	F.	84	.91MEq/L,	CaSO4	scale is unlikel	У	
CaCO3 Scale Inde	ex							
70.0	:	152	100.0	.188	130	0.0 .7	78	
80.0	(	052	110.0	.488	140	.7	78	
90.0	.:	188	120.0	.488	150	0.0 1.1	28	

# Endura Products (

P.O. Box 3394, Midland, Phone (432) 684-4233 Fax

#### FORM C-108 ITEM VII(5)

ANALYSIS - Injection Zone Produced Water

POGO PRODUCING COMPANY Cedar Canyon "21" Federal No. 3 Section 21, T-24S, R-29E Eddy County, New Mexico

> State New Mexico County Eddy Well #1

## WATER ANAI

Date 10/10/2006 Endura Rep Norman Smil Sampling Point/Date Wellhead 10/4/2006 Company Pogo Producing Co.
Formation Up. Delaware Lease COYOTE 21

# DISSOLVED SOLIDS

CATIONS	mg/l	me/l
Sodium, Na+ (Calo.)	45,011	1,957
Total Hardness as Ca++	12,992	0
Calcium Ca++	10,856	543
Magnesium, Mg+	1,302	109
Barium, Ba++	0	0
Iron (Total) Fe+++*	. 0	0
ANIONS		*
Chlorides, Cl-	92,500	2,606

Chlorides, Cl-		92,500
Sulfate, SO4-	•	(100)
Carbonate, CO3-		0
Bicarbonates, HCO3-		73
Sulfide, S-*		(A)
Total Dissolved Solid		149,842

# 2,606

# OTHER PROPERTIES

6.490
1.109
35

#### SCALING INDICIES

TEMP. F	CA CO3	CASO4*2H2O	<b>CA SO4</b>	<b>BA SO4</b>
80	-0.0677	-1.0097	-1.2523	-29.2957
120	0.2990	-1.0209	-1.0831	-29.4961
160	0.8653	-1.0396	-0.9292	-29.7255

#### PERFORATIONS

## **Notice Of Amended Application For Fluid Disposal**

#### Applicant:

OXY USA Inc. P.O. Box 50250 Midland, TX 79710 ATTN: David Stewart 432-685-5717

#### Purpose - Well:

Disposal of Produced Water Into A Zone Non-Productive of Oil & Gas Lost Tank 35 State SWD #1 – SWD 1417 2630 FSL 2630 FWL NESW(K) Sec 35 T21S R31E Eddy County, NM

#### Formation:

Delaware – Bell/Cherry Canyon 4355-6320' Maximum Injection Rate – 4000 BWPD Maximum Injection Pressure – 870 psi

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 within 15 days of this application.

This notice was submitted to the newspaper 1/7/13 for publication and the notice and affidavit of publication will be sent after it has been received.

C-108 Service List - Amended Application OXY USA Inc Lost Tank 35 State SWD #1 - SWD-1417 API No. 30-015-40890

New Mexico Oil Conservation Division 811 S. First St. Artesia, NM 88210

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

United States Dept of Interior Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220

#### **Surface Owner**

State Land Office P.O. Box 1148 Santa Fe, NM 87504

## Offset Operators within 1/2 mile

Yates Petroleum Corp. 105 S. 4th St. Artesia, NM 88210

OXY USA Inc. P.O. Box 50250 Midland, TX 79710

#### Potash Lessee(s) within 1 mile

Intrepid Potash 707 17th St., Ste. 4200 Denver, CO 80202

Western Ag-Minerals Co. P.O. Box 71 Carlsbad, NM 88221

Copies of this application were mailed to the following individuals, companies and organiztions on or before  $1 \ 1 \ 1 \$ .

David Stewart OXY USA Inc.

# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



Administrative Order SWD-1417 May 10, 2013

# ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of 19.15.26.8B NMAC, OXY USA, Incorporated, seeks an administrative order to utilize its proposed Lost Tank 35 State SWD No. 1 located 2630 feet from the South line and 2630 feet from the West line, Unit letter K of Section 35, Township 21 South, Range 31 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

## THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

## IT IS THEREFORE ORDERED THAT:

The applicant, OXY USA, Inc. (ORID 16696), is hereby authorized to utilize its proposed Lost Tank 35 State SWD Well No. 1 (API 30-015-40890) located 2630 feet from the South line and 2630 feet from the West line, Unit letter K of Section 35, Township 21 South, Range 31 East, NMPM, Eddy County, for disposal of produced water into the upper Delaware-Bell Canyon formation through perforations from approximately 4355 feet to 4965 feet. Injection will occur through internally coated tubing and a packer set within 100 feet of the permitted interval.

#### IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 871 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district II office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district II office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMI BAILEY

Director

JB/prg

cc: Oil Conservation Division - Artesia District Office

New Mexico State Land Office - Oil, Gas, and Minerals Division

Bureau of Land Management - Carlsbad Field Office

ENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DEL	IVERY
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signeture	☐ Agent
Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the malipiece,	B. Received by ( Printed Name)	G. Date of Delivery
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Suntate, NM	3. Service Type  Grantfied Mail	ail elpt for Merchandise
51505	☐ Insured Mail ☐ C.O.D.  4. Restricted Delivery? (Extra Fee)	☐ Yes
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PS Form 3811, February 2004 Domestic Ret	turn Receipt	102595-02-M-1540
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON D	ELIVERY
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature	☐ Agent
Print your name and address on the reverse so that we can return the card to you.	X	☐ Addressee
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(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Rec

7011 3500 0002 4988 4042

Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
■ Complete items 1, 2, and 3. Also complete	A. Signature
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so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by ( Printed Name) C. Date of Delivery
Article Addressed to:	D. Is delivery address different from item 1?
Yates Petroleum Corp.	
105 5, 445	3. Service Type
Autesia INM 88210	☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee) ☐ Yes
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or on the front if space permits.  1. Article Addressed to:	D. Is delivery address different from Item 1? Yes
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707 174 st., Ste. 4200	
Denver, CO 80202	3. Service Type  2 Certified Mail
	Insured Mall C.O.D.  4. Restricted Delivery? (Extra Fee) Yes
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	Return Receipt 102595-02-M-1540
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or on the front if space permits.  1. Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
Western As Minerals Co.	
P.O. BOX 71	
P.O. Box 71 Caulsbad, Num posses	3. Service Type  ☐ Certified Mell ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
	4. Restricted Delivery? (Extra Fee)
2. Article Number 7011 350	0 0002 4988 4073
PS Form 3811, February 2004 Domestic Re	eturn Receipt 102595-02-M-1540

	Office District I = (575) 393-6161 Energy, Minerals and Natural Resources	Revised August 1, 2011
	District I - (575) 393-6161 Energy, Witherars and Natural Resources 1625 N. French Dr., Hobbs, NM 88240	WELL API NO.
	District II - (575) 748-1283	30-015-40850
	811 S. First St., Artesia, NM 88210  District III – (505) 334-6178  1220 South St. Francis Dr.	5. Indicate Type of Lease  STATE FEE   FEE
	1000 Rio Brazos Rd., Aztec, NM 87410	6. State Oil & Gas Lease No.
	District IV - (505) 476-3460 Salita Pe, 1919 87505 1220 S. St. Francis Dr., Santa Fe, NM	
Г	87505	7. Lease Name or Unit Agreement Name
1	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	Lost-Tank 35 State SWD
ĺ	PROPOSALS.)  1. Type of Well: Oil Well Gas Well Other Sω	8. Well Number \
1	2. Name of Operator	9. OGRID Number 16696
	OXY USA Inc.	
	3. Address of Operator	10. Pool name or Wildcat
	P.O. Box 50250 Midland, TX 79710	Lost Tank Delaware
	4. Well Location	
	Unit Letter K : 2630 feet from the South line and 20	
	Section 35 Township 215 Range 31E	NMPM County Eddy
	11. Elevation (Show whether DR, RKB, RT, GR, etc.)	
	3521.6	
		D Od D
	12. Check Appropriate Box to Indicate Nature of Notice,	Report or Other Data
	NOTICE OF INTENTION TO: SUB	SEQUENT REPORT OF:
	PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ REMEDIAL WORK	
	TEMPORARILY ABANDON	LLING OPNS. P AND A
	PULL OR ALTER CASING  MULTIPLE COMPL  CASING/CEMENT	JOB 🖳
	DOWNHOLE COMMINGLE	•
	OTHER	
	OTHER:  OTHER:  OTHER:  OTHER:  OTHER:	d give pertinent dates, including estimated date
	of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Cor	
	proposed completion or recompletion.	
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		,
	Spud 14-3/4" 6/28/13, drill to 852' 6/29/13. RIH & set 11-3/48" 42# H-40 STC csg	@ 852', cmt w/ 330sx (102bbl) PPC w/
	additives 13.5ppg 1.73 yield followed by 270sx (65bbl) w/ additives 14.8ppg 1.35y	rield, circ 308sx (95bbl) cmt to surf.
	WOC. Test BOP's @ 250# low 1550# high. 6/30/13 Test csg to 1380# for 30min	, tested good. RH & tag cmt @ 795'.
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		RECEIVED
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		JUL 1 2 2013
	Smud Data: Pia Balanca Data:	
	Spud Date: 6(28(13) Rig Release Date:	NMOCD ARTESIA
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-	I hereby certify that the information above is true and complete to the best of my knowledg	e and belief
	t hereby certify that the information above is the and complete to the best of my knowledg	e and benef.
	0 1-1	
,	SIGNATURE TITLE Regulatory Advisor	DATE 7(10(13
	1 1 51	P. 100 101 101
	Type or print name Uwid Stewart E-mail address: david stewart@c	oxy.com PHONE: 432-685-5717
	For State Use Only	
	APPROVED BY: NOOL TITLE 1) is I Spen in	16,2013
	Conditions of Approval (if any):	<del></del>
	• •	

AN)

Submit 1 Copy To Appropriate District Office	State of Nev					rm C-103
District I - (575) 393-6161	Energy, Minerals and	Natural Re	sources	ELL API NO.	Revised.	July 18, 2013
1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> – (575) 748-1283	EIVED		1 2	0-015-40	2890	
		NON -	Indicate Type			
District III - (505) 334-6178 DEC 0 2 201220 South St. Francis Dr.  District IV - (505) 476-3460 DEC 0 2 201220 South St. Francis Dr.  ARTESIA		r.	STATE	FEE_		
District IV - (505) 476-3460	ARTESIA Fe, N	M 87505	6	State Oil & G	as Lease No.	
87505	All ( Table )				4-0002	
SUNDRY NOTICES	AND REPORTS ON W	ELLS		Lease Name	or Unit Agreem	ent Name
(DO NOT USE THIS FORM FOR PROPOSALS OF DIFFERENT RESERVOIR. USE "APPLICATION PROPOSALS.)			1 <u>L</u>		- 35 Stat	esw)
1. Type of Well: Oil Well Gas V	Well 🗌 Other Su	$\mathcal{O}$	8	Well Number	l	
2. Name of Operator			9.	OGRID Num	ber	
OXY USA Inc.				2 2 1	16696	
3. Address of Operator P.O. Box 50250	Midland, TX 79710		11	O. Pool name o	r Wildçat	
4. Well Location		1				
	$30$ feet from the $\leq$	outh 1	line and 26	30_feet fro	om the $_{\mathcal{W}eS}$	line
Section 35	Township 215	Range		MPM	County E	4
11.	Elevation (Show whethe					
	3521	· 6' G	<u>K</u>			
12 Chaols Appro	opriate Box-to Indica	to Muturo	of Notice De	nort or Othor	Doto	
12. Check Apple	priate box to muica	ne manure	of Notice, Re	port of Other	Data	
NOTICE OF INTEN			SUBSE	QUENT RE	PORT OF:	
	JG AND ABANDON 🔲		EDIAL WORK		ALTERING CA	ASING 🔲
<del></del>	ANGE PLANS	<b>I</b>	MENCE DRILLI		P AND A	
PULL OR ALTER CASING MU DOWNHOLE COMMINGLE	LTIPLE COMPL	CASI	NG/CEMENT JO	DB ☑		
CLOSED-LOOP SYSTEM						
OTHER:		OTHE	R:			
13. Describe proposed or completed of						
of starting any proposed work). S		MAC. For I	Multiple Comple	ctions: Attach	wellbore diagra	m of
proposed completion or recomple						
11/3/12, MIRU Rig, Install WH & BOP, C & mill out to 848', RIH w/ magnet & junk	lose blind rams and test	csg to 1382#	for 30min, pass	sed. RIH & tag	CIBP @ 390' &	800', drill
11/14/13. RIH W/ 9-5/8" 40#, J55 LTC cs	sa & set @ 4327'. H2S a	ilarms went d	off during the rur	ining of ceal co	ntinued to circ b	olo) Cmt
w/ 330sx (111bbl) Light PPC w/ additives	s 12.9ppg 1.89 vield folio	wed by 510s	x (118bbl) PPC	w/ additives 14	8nng 1 30 viold	circ 30cv
(10bbl) cmt to surface, WOC. RIH w/ CB 320#, bled off pressure, no flow, SI, check	L, EIR down 11-3/4" X 9-	·5/8". saz 25(	0sx (56bbl) CL (	cmt_circ to su	rface WOC nr	ACCUITA
test csg to 2765# for 30 min, passed. Dr	ill new formation to 4351	', perform FI	T test to 10.5pp	nın. 11/20/13,1 a brine. EMW≃4	RIH & tag cmt @ 120#.	) <b>4</b> 209',
•						•
11/20/13. Drill 8-3/4" hole to 6352', 11/22 12.8ppg 1.82 yield followed by 430sx (11	9bbl) PPC w/ additives 1	4.8ppg. 1.55	et @ 6346°, cmt Svield lost circu	w/ 510sx (165b lation during dis	bl) Light PPC w	/ additives
surface, Calc TOC 3730, notified NMOC	D. left message. Set slip	s. ND BOP 8	Laccumulator a	t 0800 hrs the $c$	rew noticed the	t the '
annulus pressure gauge was installed on 3790# for 10 min. Rel rig @ 1700hrs 11/2	wrong valve, put on cor	rect valve, or	pened with no pr	essure RD cu	it cea install W/	H test to
pressure remained @ 500#.	.47 To, pressure on annua	us nau incre	ased to 500#. C	necked again (	g 1200nrs 11/2	5/13,
		·			FICALI	VED
Spud Date: 11/3/12 (6/2	Rig Relea	se Date:	11/25	13	FECE	<b>∀</b> E <i>U</i>
-					DEC 0 2	2013
I hereby certify that the information above	is true and complete to	the best of m	y knowledge an	d belief.	******	D-FOIA
	,					= = = = = = = = = = = = = = = = = = =
SIGNATURE Va Stat	TITLE	Sr. Regula	ntory Advisor	DAT	E 11/26(	13
•						
Type or print nameDavid Stewart	E-mail add	ress: <u>dav</u>	id stewart@ox	y.com_ PHO	NE: <u>432-685</u> -	<u>5717</u>
For State Use Only	1	_				
KO VI	V0 1	$\int_{-\infty}^{\infty}$	PS: MI	<i>i</i> 3.	12/11	10.13
APPROVED BY:	TITLE 2	115/11	X YVW	/)(/DA	TE 0/1/0	16)[3]
Conditions of Approval (if any):			, /		/ /	

Submit 1 Copy To Appropriate District Office	State of New Mexico	Form C-103 Revised July 18, 2013
<u>District I</u> – (575) 393-6161 1625 N. French Dr., Hobbs, NM 88240	Energy, Minerals and Natural Resou	WELL API NO.
<u>District II</u> – (575) 748-1283 811 S. First St., Artesia, NM 88210	OIL CONSERVATION DIVISION	ON 30-015-40890
<u>District III</u> - (505) 334-6178	1220 South St. Francis Dr.	5. Indicate Type of Lease STATE FEE
1000 Rio Brazos Rd., Aztec, NM 87410 <u>District IV</u> – (505) 476-3460	Santa Fe, NM 87505	6. State Oil & Gas Lease No.
1220 S. St. Francis Dr., Santa Fe, NM 87505		UG-3604-0002
	ICES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
	SALS TO DRILL OR TO DEEPEN OR PLUG BACK TO CATION FOR PERMIT" (FORM C-101) FOR SUCH	Lost lank 35 State SWD
1. Type of Well: Oil Well	Gas Well Other SWD	8. Well Number [
2. Name of Operator OXY USA	Inc	9. OGRID Number 16696
3. Address of Operator	THE.	10. Pool name or Wildcat
	0250 Midland, TX 79710	SWD Delaware
4. Well Location	2630 feet from the South line	12120 6 6 6 10 10 10 10
Unit Letter K : Section 35	Township 215 Range 31	
Section 3 3	11. Elevation (Show whether DR, RKB, RT,	
R	3521.61	
12 Chl.	Annuarieta Dan ta Indianta Natura efil	Nation Deposit on Other Date
12. Check A	Appropriate Box to Indicate Nature of I	Notice, Report or Other Data
NOTICE OF IN		SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK  TEMPORARILY ABANDON		AL WORK ☐ ALTERING CASING ☐ NCE DRILLING OPNS.☐ P AND A ☐
PULL OR ALTER CASING		CEMENT JOB
DOWNHOLE COMMINGLE		
CLOSED-LOOP SYSTEM  OTHER:	oletian 1 OTHER:	П
13. Describe proposed or comp	leted operations. (Clearly state all pertinent de	etails, and give pertinent dates, including estimated date
of starting any proposed we	ork). SEE RULE 19.15.7.14 NMAC. For Mul	tiple Completions: Attach wellbore diagram of
proposed completion or rec	ompletion.	
	See Attached	
Spud Date:	Rig Release Date:	
I hereby certify that the information	above is true and complete to the best of my ki	nowledge and belief.
1 4		\ ( -
SIGNATURE for So	TITLE Sr. Regulator	y Advisor DATE 1713
Type or print nameDavid Stewa	rt E-mail address: <u>david</u>	stewart@oxy.com PHONE: 432-685-5717
For State Use Only		
APPROVED BY:	TITLE	DATE
Conditions of Approval (if any):	111111	

## **RECOMMENDED PROCEDURE:**

Clean location, set and test anchors. Install frac valve.

- · Check location for hazardous conditions.
- MIRU WLU. NU 7" frac stack.
- RU Pump truck and test casing and wellhead to maximum of 5000psi only.
- RU WL. PU & RIH w/ WL guns and perforate first stage (5510–6151'), break down perfs w/ 15% NEFE HCI. POOH.
- RD WLU.
- Rig up frac and WLU. Set maximum Pressure to 5000psi. Frac Stage #1.

NOTE: Ensure both the 7"  $\times$  9 5/8" and 9 5/8"  $\times$  11 %" annulus are monitored during the frac job to ensure no unexpected pressure is seen. If pressure is seen notify the completion engineer immediately.

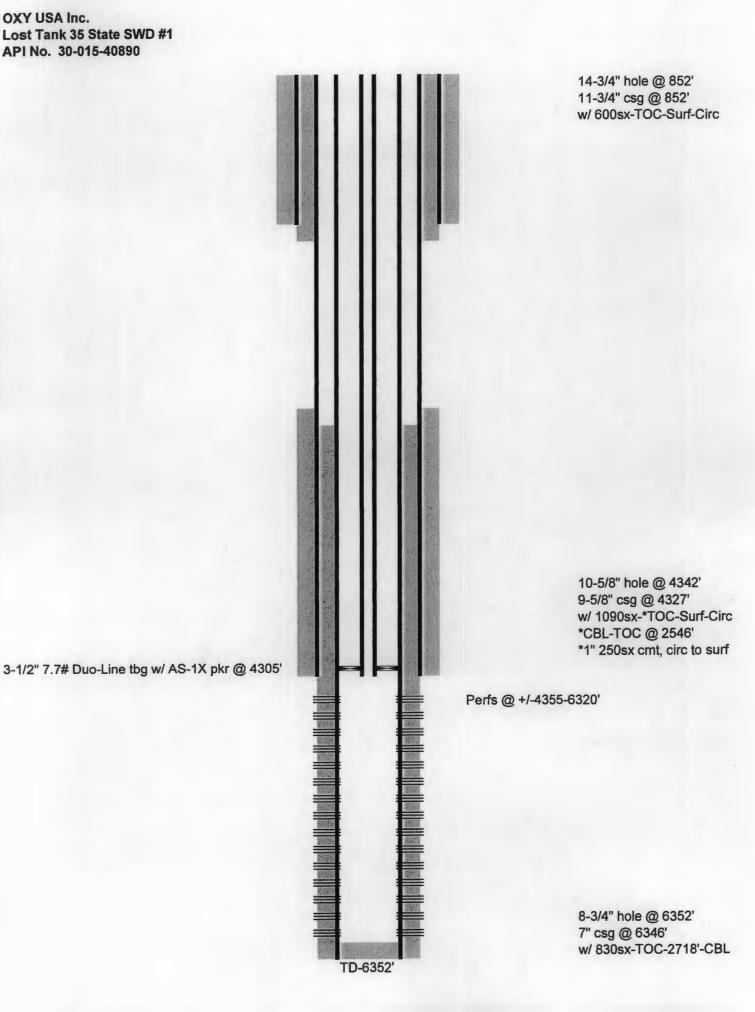
- PU guns and 7" CBP (caged ball type), RIH and set plug at 5480'. Perf stage 2 (4965–5436'), POOH, check guns, and LD WL.
- Frac Stage #2.
- PU guns and 7" FTCBP, RIH and set plug at 4950'. Perf stage 3 (4650–4886'), POOH, check guns, and LD WL.
- Frac Stage #3
- PU guns and 7" FTCBP, RIH and set plug at 4600'. Perf stage 4 (4400–4561'), POOH, check guns, and LD WL. RD and release WLU.
- Frac Stage #4
- RU DDPU, Reverse Unit and Air Unit with N2 membrane. PU workstring and collars w/ 5.875" 6.125" mill. Drill out CBP's at 4600', 4950' and 5480' for clean out. Ensure enough air/ foam is used to maintain circulation and hole cleaning.
- Continue cleaning to the PBTD @ 6259'. POOH w/ work string and lay down.
- RU WLU. PU perf guns and re-perforate 4 zones, Ensure to check guns after each perforation run. RD WL.
- Flow back well through frac stack directly to frac tanks at low rates and do not surge the formation. Flow well until it
  dies, or fluid returns are clean. Dispose of waste water at a commercial waste facility.
- RU WLU. PU AS-1X packer, profile nipple, bottom half of on/off tool, pump off plug and set packer at 4370' (~30' above top perf).
- ND frac stack. NU wellhead.
- PU and RIH with 3.5" 7.7# J-55 Duo-line tubing and top half of on/off tool. Circulate packer fluid. Land out on/off tool and tubing.
- Test the back side of the tubing to confirm packer, on/ off tool and tubing integrity.

NOTE: Ensure MIT is witnessed as per requirement of SWD wells.

- Pressure up on tubing to pump open the isolation plug.
- Hand well over to surface ops and put onto SWD operations ASAP.

NOTE: The 7"  $\times$  9 5/8" and 9 5/8"  $\times$  11 %" annulus' are to be monitored for the life of the well and production engineer notified immediately of any pressure deviations.

OXY USA Inc. Lost Tank 35 State SWD #1 API No. 30-015-40890



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2 Complete Borns 1, 2, and 2. Also complete Born 4 if Restricted Delivery is desired.  2 Print your never and address on the reverse so that we can return the card to you.  3 Attach this part to the back of the malpiace, or on the trent if space permits.  3 Article Namber 10 Print	A Separation N	Complete learns 1, 2, and 3. Also complete turn 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mulpiaco, or on the front if space parmits.  Article Addressed to:  Western As Magnade Co.  P.O. Boyl TI  Cardshould, NAM 2003.  2. Article Namber (Restricted Delivery is destruct.)  STACES  Complete heres 1, 2, and 3. Also complete lem 4 if Restricted Delivery is destruct.  Print your name and address on the reverse so that we can return the dard to you.  Attach this card to the back of the medipiace.	A. Bergins   A. Bolipte   Adjourned   A. Bergins   A. Ber
a Complete Berns 1, 2, and 2. Also complete Berns 4 if Restricted Delivery is desired.  Print your nerve and address on the reverse so that we can return the card to you.  Attach this cord to the back of the yeakless, or on the text if space permits.  Article Addressed to:  Charles Text 1 space permits.  L Article Number  (Bassler from service label 7012 35  To Form 3811, February 2004 Demants in 1971 1971 1971 1971 1971 1971 1971 197	A. Superior of Company Comment of Company Comment of Company C	Complete learns 1, 2, and 3. Also complete turn 4 if Restricted Delivery is cleared.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the malpiace, or on the front if space parmits.  Article Addressed to:  Western As Magnetis Co.  P.O. Box TI  Cards back of NAM 2003(  2. Article Namber (Magnetis Co.)  Prom 3811, Pebruary 2004  Domeste R  St 1665  Print your name and address on the reverse so that we can share it and address on the reverse so that we can return the dard to you.  Attach this card to the back of the malpiace, or on the front if space parmits.	A Bandon by (Prograf Name) C. Date of Date 1 April 1 A
a Complete Berns 1, 2, and 2. Also complete Berns 4 if Restricted Delivery is desired.  Print your naves and additions on the reverse so that we can return the card to you.  Attach this cord to the back of the malpiace, or on the trent if space permits.  Article Additional to Complete Compl	A. Supple Market Common Residence of Partners of Partn	2 Complete larns 1, 2, and 3. Also complete team of if Restricted Delivery to desired.  Byte your name and actives on the reverse so that we can return the card to you.  Attach this card to the back of the malpiaca, or on the front if space parmits.  1. Article Addressed tes  Western As Minerals Co.,  P.O. Box TI  Cardsbad, NAM 2002.  2. Article Mareter (NAM 2002.)  2. Article Mareter (NAM 2002.)  2. Article Mareter (NAM 2002.)  2. Article Mareter (NAM 2003.)  2. Article Mareter (NAM 2004.)  3. Article Mareter (NAM 2004.)  4. Article M	A Bandon by (Prograf Name) C. Date of Date 1 April 1 A
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Oxy usp Inc. Lost Tank 3551,5WD+1 Amended SWD Application

## **Affidavit of Publication**

State of New Mexico, County of Eddy, ss.

Kathy McCarroll, being first duly sworn, on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

## January 9

2014

That the cost of publication is \$51.42 and that payment thereof has been made and will be assessed as court costs.

Karly M. Camel

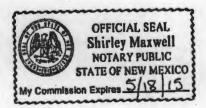
Subscribed and sworn to before me this

15th day of January, 2014

Shirley majurel

My commission Expires

**Notary Public** 



January 9, 2014

Notice Of Amended Application For Fluid Disposal

Applicant: OXY USA Inc. P.O. Box 50250 Midland, TX 79710 ATTN: David Stewart 432-585-5717

Purpose - Well: Disposal of Produced Water Into A Zone Non-Productive of Oil & Gas Lost Tank 35 State SWD 81 - SWD 1417 2630 FSL 2630 FWL NESW(K) Sec 35 TZIS R31E Eddy County, NM

Formation: Delaware - Bell/Cherry Canyon 4355-6320' Maximum Injection Rate - 4000 BWPD Maximum Injection Pressure - 870 mere - 870 m

interested parties must flie objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505 within 15 days of this applica-

C-108 Review	Checklist: Re	CV/04/ eccived //4 Add. Request	Emt p	ros Reply Date:	Suspended: [Ver 13]
PERMIT TYPE: WF	X / PMX/SWD NI	umber: <u>1417-A</u> Permi	ן און שוי t Date: און ליים	22-1 12	its/Orders: 500 -1417
Well No Well Name(s			~ .,	0719 PG	proved perfs - 4355' to 4965
API: 30-0 is - 40890				Now (UIC Class II	Primacy 03/07/1982)
Footages 2630 FSL 263					
General Location: NE of Wife	p - 2 miles W	of Eddy/Lea Pool:	Stud 7	Delaware/Bell	12 Cherry 30: 96802
BLM 100K Map:	Operator: OXY	USA JIAC	OGRID	16696 Opgta	ot: - Mike Fisher
COMPLIANCE RULE 5.9: Total Wells	s: 1840 Inact	ve: Fincl Assur: Ye	Compile	Order: IS 5	5.9 ØK? 107 14 Date: 04/07/14
WELL FILE REVIEWED & Current	\	11 - issues with c	mt of	Aph wells (:30-0	15-31604) in 2013
WELL DIAGRAMS: NEW: Proposed	or RE-ENTER:	Before Conv. After Co	in <b>Z</b> ol2 onv. ○ L	2/2013 - Locata ogs in Imaging:	Add VDL for 95% in
Reviewed 36 Planned Rehab Work to Well:	-015-3160+	PAA Scort cont ong	5/Dadde	d new depth	- a febil for much pipe
Well Construction Details:	Sizes (in)	Setting	, , , , , , , ,	Cement	Cement Top and
Planned _or Existing \( \frac{1}{2} \)Surface	Borehole / Pipe	Depths (ft)		(\$x)or Cf	Determination Method
Planned _or Existing vsurface  Planned_or Existing vsurface	The state of the s	060832	Stage Tool	1040	Cir to surface (1)
	105/8/97/8	0 to 4327	None	400	13. = 27.9/10
Planned_or Existing VInterm Prod	83/4/ 1	0 to 6346	None	830 (	CONTRO STERIA
Planned_or Existing Prod/Liner	e de la companya de l				- a a a a a a a a a a a a a a a a a a a
Planned_or Existing _ Liner		_	_		
Planned_or ExistingOH /PERE	Trasing	4355 -6320	Inj Length	Completion	n/Operation Details:
Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	Tops	Drilled TD 6352	2 РВТО <u><b>6346</b></u>
Adjacent Unit: Litho. Struc. Por.		Castile	1942	NEW TD	NEW PBTD
Confining Unit: Litho. Struc. Por.	764/65	Lomas / Del.	4290	NEW Open Hole	or NEW Perfs 🗹
Proposed Inj Interval TOP:		Bell Carnon 20	4382	Tubing Size 31/2	in. Inter Coated? Yes
Proposed Inj Interval BOTTOM:	6320	Cherry Convolled		Proposed Packer D	epth 4305 ft
Confining Unit: Litho. Struc. Por.	+ 760	Brush Consorvice		Min. Packer Depth	42 <i>5</i> 5(100-ft limit)
Adjacent Unit: Litho. Struc. Por.		Bore Spring	-	Proposed Max. Sur	face Press.870psi
AOR: Hydrologic a	ind Geologic In	formation (		Admin. Inj. Press	(0.2 psi per ft)
POTASH: R-111-P Noticed?	BLM Sec Ord	WIPP (PNoticed? )	A SALT	<b>SALADO</b> Т: <i>855</i> В	: 3915 CLIFF HOUSE NA
FRESH WATER: Aquifer Mina D	phone / > 2mil	ROSMAX Depth 597	HYDRO	AFFIRM STATEME	NT By Qualified Person
NMOSE Basin: Cor Secul	7 alluvial	hoster bases			? No FW Analysis
Disposal Fluid: Formation Source(s					
Disposal Int: Inject Rate (Avg/Max I	BWPD): 3500/4	Protectable Water	s? No s	ource: With Sample	ystem: Closed or Open ○
HC Potential: Producing Interval?	Formerly Produ	ucing?Method:	SOST/P&A	Other advisor	2-Mile Ra <del>diu</del> s Pool Map
AOR Wells: 1/2-M Radius Map?_	<u>الاحح</u> Well List?	Yes Total No. Wells Pe	enetrating Ir	nterval: <i>i</i> O H	lorizontals?
Penetrating Wells: No. Active Well	ls_9_Num Repairs	s? $\phi$ on which well(s)?_			Diagrams?_
Penetrating Wells: No. P&A Wells	Num Repairs?	on which well(s)?			Diagrams?_NO
NOTICE: Newspaper Date <u>ດໍໄ</u> ດງ	i.	N	Surface C	wner SLO Ly = Therepid	N. Date 61/10/14
RULE 26.7(A): Identified Tracts?	165 Affected Per	sons: Notes Deven	1 1	7 BIMOGIA	N. Dat 0/10/14
Permit Conditions: Issues	ent between	L 85/8-in and 51/2	2-in cas	ings - requeste	d plan to neith 111-
Add Permit Cond: Injection	surrey	& cont progr	am 1	150 submitte	Ed

Submit 3 Copies To Ap Office		T 16	1 44	·			Forn	y 27, 2004
District I	LL - ND4 90340	Energy, Min	erais and Na	Aexico 345 atural Resources	WELL	API NO.	IVIA	y 21, 2004
1625 N. French Dr., Ho District II	obbs, NM 88240		/⊗′c	204 -		30-015-3	31604	
1301 W. Grand Ave., A	artesia, NM 88210			W BIVISION	2 5 India	cate Type of Lea		
District III		1220 9	South St. Fi	ane SD		STATE 🛛	FEE [	1
1000 Rio Brazos Rd., A District IV	Aztec, NM 87410	Sar	ıta ReiNM.	87505	6. State	Oil & Gas Lea		<u> </u>
1220 S. St. Francis Dr.,	Santa Fe, NM				2			
87505	,		\c <del>\c</del> \c	* (s)	7	V-27	05	
	STINIDE V NOTIC	EC AND DEDOR	TC ON WE	(2000 a) (1)	7 Teas	e Name or Unit		Name
(DO NOT USE THIS F	Santa Fe, NM SUNDRY NOTIC ORM FOR PROPOSA OIR. USE "APPLICA	LS TO DRILL OR TO	O DEEPEN OR	PLUG BACK TO A	/. Leas	c realic of Ollic	Agreemen	. I dille
DIFFERENT RESERV	OIR. USE "APPLICA	TION FOR PERMIT	" (FORM C-101)	FOR SUCH		Graham Al	KR State	
PROPOSALS.)						l Number	<u> </u>	
1. Type of Well:	Oil Well 📙 G	as Well 🔲 🤇	Other P&A		0. 1101	3		
2. Name of Opera	tor				9. OGI	UD Number		
	oleum Corporation	1			7. 55.	0255	75	
3. Address of Ope					10 Pos	ol name or Wild		
105 S 4th	Street, Artesia, NN	√ 88210			10. 10.	Lost Tank; I		
	Direct, 1 ti testa, 1 ti	VI 00210				Door Tunk, I		
4. Well Location	D . 6	CO foot from the	ha Na	ath line and	1660	fact from the	Foot	line
Unit Letter _	B : 6	60 feet from t	ne <u>No</u>	rth line and	1650_	feet from the	East	- 11116
Section	2	Township	22S 1	Range 31E	NMPM	Eddy	County	
		11. Elevation (Sh	ow whether L	OR, RKB, RT, GR,	etc.)			
		•	35	36'GR	•			
Pit or Below-grade Ta	ık Application 🗌 or (	Closure 🗌						
Pit type Dep	th to Groundwater	Distance fro	om nearest fresi	water well	_ Distance from	nearest surface wa	ater	
Pit Liner Thickness:		Below-Grade Tank			- estruction Mate			
Pit Liner I nickness:	mu	Delow-Graue Tank	: volume	DDIS; COI	ISTRUCTION MINTE	TJME		
PERFORM REME		PLUG AND ABA	NDON 🗆	REMEDIAL W	/ORK		ERING CAS	
	DIAL WORK  BANDON		NDON []	li .	/ORK DRILLING O	☐ ALTE	ERING CAS	ing □ ⊠
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PERFORM REME TEMPORARILY AI PULL OR ALTER ( OTHER:  13. Describe profession of starting	DIAL WORK BANDON BANDON BANDON BOOK BOOK BOOK BOOK BOOK BOOK BOOK BO	PLUG AND ABAI CHANGE PLANS MULTIPLE COMing ted operations. (Co.). SEE RULE 11 d not go past 5600 on with plugging red at 4364'. Pum WOC. Tagged at 0 sx cement 163'	PL Dearly state a 103. For Multiple 100. Spotted ped 35 sx center 4000'. Pump	REMEDIAL W COMMENCE CASING/CEM OTHER:  Il pertinent details tiple Completions resh water. NOTI 50 sx cement and lent and WOC. To	JORK DRILLING OF MENT JOB  And give per Attach well  WOCD a WOCL agged at 4214 at 3984'. Sp	ALTEPNS. P& A  retinent dates, incomposed diagram of sport diagram of spor	cluding estir proposed c : 50 sx ceme	nated da completion. RIH
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# Goetze, Phillip, EMNRD

From:

David\_Stewart@oxy.com

Sent:

Thursday, March 13, 2014 4:15 PM

To:

Goetze, Phillip, EMNRD

Cc:

Jones, William V.; McMillan, Michael, EMNRD

Subject:

RE: Additional Information for Amending SWD-1417

Phillip, appreciate the update and I am going to forward this to the drilling and completion group and let them explain.

Thanks. **David Stewart** Sr. Regulatory Advisor **OXY Permian** Wk-432-685-5717 Cell-432-634-5688 Fax-432-685-5742 david\_stewart@oxy.com

From: Goetze, Phillip, EMNRD [mailto:Phillip.Goetze@state.nm.us]

Sent: Thursday, March 13, 2014 5:08 PM

To: Stewart, David

Cc: Jones, William V.; McMillan, Michael, EMNRD

Subject: Additional Information for Amending SWD-1417

RE: Application to amend SWD-1417; 30-015-40890; Lost Tank 35 State SWD #1 2630 FSL/2630 FWL; Unit K/S35-T21S-R31E

#### David:

I am reviewing the application to amend the SWD well. There are two questions regarding the current well construction:

- 1. The top of the 9 5/8-inch casing shows cement in place. Does the CBL which was used to determine the TOC at 2546' also cover the shallower cement seal? And if so, is the log available?
- 2. This well is within the jurisdiction of Division Order R-111-P. The 5-inch production casing has a TOC of 2718'. With the top of salt at ~855' and top of cement for the 9 5/8 casing at 2546', there is over 1600' of casing through the salt interval with no cement and no potential for secondary protection from the cement for the 5-inch casing. Why wasn't the cement for the 5-inch not circulated to surface?

Please contact me with any questions regarding these two items. PRG

Phillip R. Goetze, P.G.

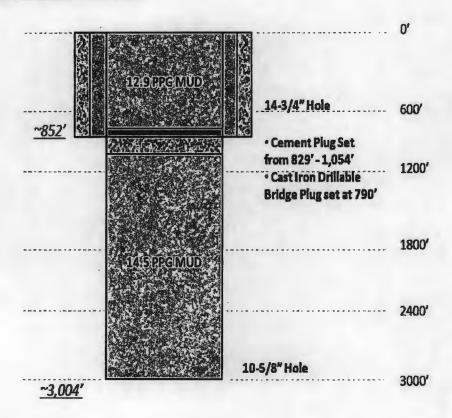
Engineering and Geological Services Bureau, Oil Conservation Division 1220 South St. Francis Drive, Santa Fe, NM 87505 O: 505.476.3466 F: 505.476.3462

phillip.goetze@state.nm.us

Submit 1 Copy To Appropriate District Office	State of New Mexico	Form C-103
District I - (575) 393-6161	Energy, Minerals and Natural Resources	Revised August 1, 2011 WELL API NO.
1625 N. French Dr., Hobbs, NM 88240 District II – (575) 748-1283	SEIVED LORDINGTON DE VIGUE	30-015-40890
811 S. First St., Artesia, NM 8821	CEIVE PONSERVATION DIVISION	5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 87505	STATE FEE
<u>District IV</u> – (505) 476-3460 1220 S. St. Francis Dr., Santa Fe, NM	Santa Fe, INM 87505	6. State Oil & Gas Lease No.
87505	OCD ARTESIA	VG-3604-0002
SUNDR Judge	TICES AND REPORTS ON WELLS	7. Lease Name or Unit Agreement Name
DIFFERENT RESERVOIR. USE "APPI	POSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A LICATION FOR PERMIT" (FORM C-101) FOR SUCH	Lost Tank 35 State SWI
PROPOSALS.)  1. Type of Well: Oil Well	Gas Well Dother Swi)	8. Well Number
2. Name of Operator	Guo Hon Grant State	9. OGRID Number 16696
OXY U	JSA Inc.	
3. Address of Operator P.O. Box 50250 Midland,	TX 79710	10. Pool name or Wildcat
4. Well Location	17 /9/10	SWD Delaware
Unit Letter	: 2630 feet from the South line and	2630 feet from the west line
Section 35	Township 215 Range 31E	NMPM County Eddy
	11. Elevation (Show whether DR, RKB, RT, GR,	
	3521.6	
12. Check	Appropriate Box to Indicate Nature of Notice	ce, Report or Other Data
NOTICE OF	INTENTION TO:	UBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK		
TEMPORARILY ABANDON	<del></del>	DRILLING OPNS. P AND A
	MULTIPLE COMPL CASING/CEM	IENT JOB 💮 🗌
DOWNHOLE COMMINGLE	J	
OTHER:	OTHER: D. I	I Internediate Hole, Water Flow, TA 1
13. Describe proposed or cor	npleted operations. (Clearly state all pertinent details	, and give pertinent dates, including estimated date
of starting any proposed proposed completion or r	work). SEE RULE 19.15.7.14 NMAC. For Multiple	Completions: Attach wellbore diagram of
proposed completion of i	ecompletion.	
/1/2013 - DRILL 10-5/8" INTERMEDIATE HOLE		
/2/2013 - CONTINUE DRILLING 10-5/8" INTERMÉDI /3/2013 - DRILL FROM 2678' TO 3004' - SLIDING AS	NEEDED, CIRCULATE OUT H2S INFLUX AND SHUT IN ON WELL	
/4/2013 - BUILD 12.5 PPG MUD, CIRCULATE OUT H	25 KICK AND DISPLACE 10 PPG BRINE WITH 12.5 PPG POLYMER MUD, BUILD	ADDITIONAL VOLUME, CIRCULATE 12.5 PPG MUD TO SURFACE
/5/2013 - CIRCULATE 12.5 PPG MUD IN WELL, SHU	T DOWN, WAIT ON 13.5 PPG MUD, BUILD VOLUME AT 12.8 PPG - CIRCULATI	E WELL WITH 12.8 PPG MU(
/7/2013 - CIRCULATE AROUND 12.9 PPG, HOLDING	TTEMPT TO KILL WELL - PERFORM FLOW CHECKS TO DETERMINE IF DRILLING BACK PRESSURE TO CIRCULATE OUT INFLUX, PREPARE 14.5 PPG MUD CAF	
/8/2013 - SPOT 14.5 PPG MUD CAP ON WELL FROM	A 3004' - 1054', PERFORM FLOW CHECK, WELL IS DEAD, TOOH TO CASING SH	HOE, MONITOR WELL WHILE WAITING ON HALLIBURTON, TIH TO 1052',
/9/2013 - PUMP 200sx CI C CMT W/ 2& CaCl2 + .5%	6 Halad-9 PLUG, 14.8PPG, WOC. RIH & TAG CEMENT AT 829°, TOOH. RIH & : .D GOOD, TOOH; NIPPLE DOWN BOP; INSTALL AND TEST WELL HEAD; JET AN	SET CIBP @ 790'.
710/2013 - 1231 CIBF 10 313# FOR FOR 30 WIN HEL	D GOOD, TOOH, MIPPLE DOWN BOP; MSTALL AND 1851 WELL HEAD; 181 AN	ID CLEAN PITS, KIG DOWN AND KELEASE KIG @ 18:00 HKS.
ETAIL INFORMATION WILL BE PROVIDED ON REQU	EST. CURRENTLY WORKING ON GO FORWARD PLAN, SUNDRY WILL BE FILED	FOR NMOCD APPROVAL PRIOR TO ANY WORK BEING DONE.
<u> </u>		
Spud Date: 6/28/13	Rig Release Date:	112
Therefore (G. days)		
I nercoy certify that the information	on above is true and complete to the best of my know	leage and belief.
SIGNATURE	TITLE Regulatory Advi	sor DATE 7\u(3
Type or print name \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	E-mail address: david stewar	rt@oxy.com PHONE:432-685-5717
For State Use Only	TO LARGE HE MAIL AUGUSES, GAVID STEWAY	FIGURAL COM PRI UNE: 41/-DX3-3/1/
200	D man address. david stown	11101VE432-003-3717
$\mathcal{K}(I)$	da A	
APPROVED BY: Conditions of Approval (if any):	De TITLE DIST STORE	DATE July 18, 2013

# Lost Tank 35 St SWD 1 - Forward Plan SUNDRY INFO

# **Current Well Status:**



## **SUMMARY OF CHANGES:**

Option 1 – Flex 3 using same wellbore (3 string if able to contain flow with casing drilling)

- Expand location for a Flex 3 w/ enough space for at least 5 additional frac tanks.
- Drill out CIBP and cement. If no losses/gains with the kill mud weight in the hole, casing drill 10 5/8" hole to ~4340' (100' into Lamar) and cement 9 5/8" 40# J55 UFJ casing. Drill 8 3/4" hole to TD of ~6320' and set 7" 26# L80 LTC casing.

Option 2 – Flex 3 using same wellbore (4 string if unable to contain flow with casing drilling)

- Expand location for a Flex 3 w/ enough space for at least 5 additional frac tanks.
- Drill out CIBP and cement. Casing drill 10 5/8" hole to ~3200' and cement 9 5/8" 40# J55 UFJ casing to isolate flow, in the scenario where losses are experienced with the 14 ppg mud, or if H2S levels raise above the HES limits. Drill 8 3/4" hole to ~ 4340' (100' into Lamar) and set 7 5/8" 26.4# J55 UFJ casing. Drill 6 3/4" hole to TD of ~6320' and set 5 1/2" 17# L80 BTC casing.

## Option 1 and 2:

- · H2S and water flow mitigated with:
  - Kill mud weight.
  - Use rotating control device to divert gas away from the rig floor.
  - Cascade system on location, Indian Fire & Safety on location until casing point, additional H2S monitors installed in frac tanks, fans on rig floor.

# Goetze, Phillip, EMNRD

From: Michael\_Fisher@oxy.com

Sent: Wednesday, March 19, 2014 9:37 AM

To: Goetze, Phillip, EMNRD
Subject: LT 35 SWD 9-5/8" CBL
Attachments: losttank#35\_RCBL\_9 58.PDF

## rgds

Mike Fisher Completions Engineering Advisor New Mexico & Texas Delaware OXY Permian Resources

5 Greenway Plaza Suite 110, Houston, TX 77046

Room: 25.049

Office: (713) 552-8585 Cell: (832) 540-5753



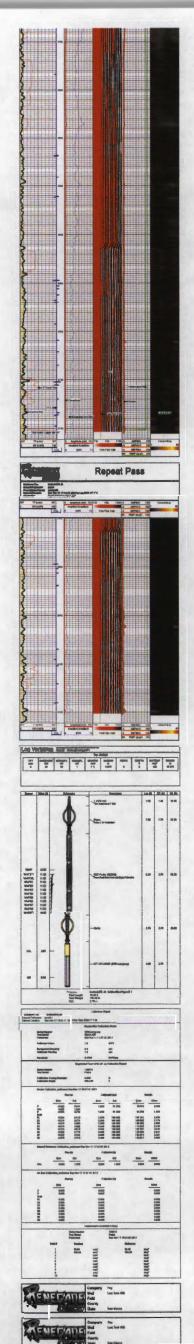
30-015-40890 CBL for 93/8 inch casing

-164- significant channeling -230- total wash

-2546' Oxy

3 chameling + washout

= 3022' No chameling/good cont



### Goetze, Phillip, EMNRD

From:

Goetze, Phillip, EMNRD

Sent:

Wednesday, March 26, 2014 3:13 PM

To:

'Michael\_Fisher@oxy.com'

Cc:

Dade, Randy, EMNRD; David\_Stewart@oxy.com

**Subject:** 

RE: Lost Tank 35 State SWD #1

#### Mike:

This is very complete – thank you for providing such a quick response. I take a closer look tomorrow morning, but it looks like it is all I need to move forward. I will touch base with Randy and should have this resolved by the end of the week. PRG

### Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division 1220 South St. Francis Drive, Santa Fe, NM 87505

O: 505.476.3466

F: 505.476.3462

phillip.goetze@state.nm.us

From: Michael Fisher@oxy.com [mailto:Michael Fisher@oxy.com]

Sent: Wednesday, March 26, 2014 3:07 PM

To: Goetze, Phillip, EMNRD

Cc: Dade, Randy, EMNRD; David Stewart@oxy.com

Subject: RE: Lost Tank 35 State SWD #1

#### Philip

Attached is the revised completion program for the well that includes the remedial cement work as discussed. The proposed post completed wellbore diagram can be seen on page 9 as requested.

If you are in agreement with the attached procedure then we will resubmit through the appropriate channel once the amended SWD permit is approved.

If you are not, please advise what you would like us to do differently.

rgds

Mike Fisher Completions Engineering Advisor OXY Permain Resources

Office: (713) 552-8585 Cell: (832) 540-5753

From: Goetze, Phillip, EMNRD [mailto:Phillip.Goetze@state.nm.us]

Sent: Wednesday, March 26, 2014 11:30 AM

To: Fisher, Michael W

**Cc:** Dade, Randy, EMNRD; Stewart, David **Subject:** RE: Lost Tank 35 State SWD #1

Mike:

It is a fact that the District will not approve a sundry that proposes perforation for a SWD well that does not authority to inject, so I would hold the sundry till the SWD was close to issuance. Therefore, what I would like from OXY is an amended well completion diagram showing the proposed cementing program that was discussed and a summary that includes specifics (what you would include in a sundry). This information will be included in the C-108 application and will permit the application to be submitted for the Director's signature (with the new cementing program as a condition of approval). I'm including Randy in the e-mails so that he will also be able to see your submittal and he express any concerns prior to approval of the amended permit. PRG

Phillip R. Goetze, P.G.

Engineering and Geological Services Bureau, Oil Conservation Division 1220 South St. Francis Drive, Santa Fe, NM 87505

O: 505.476.3466

F: 505.476.3462

phillip.goetze@state.nm.us

From: Michael Fisher@oxy.com [mailto:Michael Fisher@oxy.com]

Sent: Wednesday, March 26, 2014 5:59 AM

**To:** Goetze, Phillip, EMNRD **Cc:** <u>David Stewart@oxy.com</u>

Subject: Lost Tank 35 State SWD #1

#### Phillip

The completion program for the well has been updated to include a casing squeeze (following the stimulation treatment) to attempt to circulate cement back to surface behind the primary 7" casing as requested during our teleconference on 3/19/2014. My main question is:

• The District Office originally denied the completion sundry as the perforated interval was outside the permitted SWD permit (currently awaiting approval to an amended SWD permit, which was filed at the same time as the completion sundry). Im concerned that if I resubmit the completion sundry if will again be rejected due to the permit issue. Should we wait until the amended SWD permit is approved? Or would you like me to submit the revised completion immediately?

Feedback on the above matter would be greatly appreciated.

rgds

Mike Fisher
Completions Engineering Advisor
New Mexico & Texas Delaware Basin
OXY Permian Resources
5 Greenway Plaza Suite 110, Houston, TX 77046

Room: 25.049

Office: (713) 552-8585 Cell: (832) 540-5753



Mike Fisher

Revision Date: March 26th, 2014

### OXY USA INC Lost Tank 35 State SWD #01 API#: 30-015-40890

Location: T21S R31E Sec. 35. 2630' FSL & 2630' FWL Latitude: 32.4326326925762, Longitude: -103.74613825826 Eddy County, New Mexico

PROJECT ENGR: Mike Fisher ALT. ENGR: Jeff Garoon

 OFFICE PHONE:
 (832) 540-5753
 OFFICE PHONE:
 (713) 552-8596

 CELL PHONE:
 (713) 552-8585
 CELL PHONE:
 (281) 630-3127

### Project:

Stimulate and complete the vertical salt water disposal well in 4 stages within the Bell Canyon and Lower Cherry Canyon formations followed by remedial cementing operations of the primary 7" casing.

### **Finance Project:**

Project #: <u>1168887</u> Task #: <u>0103</u>

**History:** 

Spud Date: <u>10/28/2013</u> TD Date: <u>10/27/2013</u>

Rig Release Date: 11/24/2013

Completion Date: TBA

### **Well Information:**

API#	30-015-40890					
<b>Estimated Completion</b>						
Cost:						
Anticipated Inj. Rate:	~3500 bbls/d					
Elevation:	KB: 3559 ft ASL; KB: 25 ft; Ground Elevation: 3534 ft ASL					
Max hole angle:	Vertical					
TD:	6,352' MDKB					
PBTD:	6,259' MDKB (top of float collar)					
Casing Record:	<ul> <li>11-3/4" 42# H-40 STC csg to 852' w/ cmt to surface.</li> </ul>					
	<ul> <li>9-5/8" 32# J-55 Ultra-FJ csg to 4340' w/ cmt to surface.</li> </ul>					
	<ul> <li>7" 26# L-80 LTC csg to 6,345' w/ TOC estimated @ ~3730'</li> </ul>					
	Max Surface Treating Pressure = 5000 psi (WH rating)					
DV Tool Locations:	No DV Tool					
Marker Joint	No Marker Joint					
Tubing Record:	No tubing in well.					
Completion Fluid:	8.7 ppg cut brine					

Mike Fisher

Revision Date: March 26th, 2014

## Prior to Job:

- Clear location.
- MI & set anchors.
- MI & spot working tanks. Set up to be determined by WST/ WOCS.
- Please see "List of Vendors & Equipment to be Considered for Vertical Fracs" to help assist with checklist of equipment.

## Proposed Operations (See below for procedure):

- Clean-out to PBTD w/ PU (Complete);
- Data Acquisition/ Logs (Complete):
  - a. Make run with W/L GR-CBL-VDL-CCL-Neutron Porosity log from 6,200 (or as deep as possible) to surface w/ 1000 psi on casing;
- Pressure Test Casing;
- WL prep Stage 1;
- Frac well via plug and perf method using the attached schedule;
- Perform remedial cementing operations;
- Clean out well to PBTD with DDPU and reverse rig;
- Blow down well to flow back tanks:
- Run tubing;
- Hand well over to operations for SWD duties.

### Misc. Well Information:

All depths are measured depths. Correlate perforation depths to KB.

Mike Fisher

Revision Date: March 26th, 2014

## **Proposed Perforations:**

Stage 1		Pı	ımp Rate:		ВРМ			500000	
Sand	SN Top	SN Btm	Gross Pay	Top Perf	Btm Perf	Density	# of Holes	Phasing	Hole Size
Cherry Canyon	5495	5530	35	5,510	5,511	6	6	60	
	5595	5680	85	5,670	5,671	6	6	60	
	5700	5770	70	5,740	5,741	6		60	
	5780	5900	120	5,805	5,806	6	6	60	
				5,875	5,876	6	6		
	6100	6200	100	6,150	6,151	6	6	60	
			410				36		
Stage 2		L	ump Rate:		ВРМ			500000	
Sand	SN Top	SN Btm		Top Perf			Shots	Phasing	Hole Size
Bell Canyon	4935	4985	50	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		6			
	5000	5020	20	5,010		6			
	5095	5130	35	5,120	5,121	6			0.43
	5350	5400	50	.,		6			0.43
	5410	5450	40	5,435	5,436	6	6	60	0.43
Total		<u> </u>	195	<u> </u>			30		ļ
Stage 3		D.	ump Rate:		ВРМ			300000	lhe
Sand	SN Top	SN Btm		Top Perf		Density	# of Holes		Hole Size
Bell Canyon	4620		50		4651	6			0.43
Den Ganyon	4710	4760	50		4741	6			0.43
	4790	4840	50		4828	6			0.43
	4855	4900	45		4886	6			0.43
Total			195				24		
Stage 4		Pi	ump Rate:		BPM			300000	
Sand	SN Top	SN Btm	Gross Pay	Top Perf	Btm Perf		Shots	Phasing	Hole Size
Bell Canyon	4380	4410	30	4,400	4,401	6	6	60	
	4420	4450	30		4,435	6			
	4470	4490	20	4,479	4,480	6			
	4510		25	.,	4,530	6			0.43
	4550	4600	50	4,560	4,561	6	6	60	0.43
Tabal			4					<u> </u>	
Total			155	L	L		30		

## **Perforation Guns**

The guns are 4" with premium charges, 0.43" EHD w/ 6 JSPF on 60 degree phasing. W/L Service Company will provide the appropriate setting tool to run the fully composite flow-thru frac plugs (caged ball type).

## **Perforations Reference**

Perforations to be referenced to the GR-CNL-CCL-CBL log run during the well preparation phase. Correlate depths to KB from table on page #1.

Mike Fisher

Revision Date: March 26th, 2014

## Frac Plugs

Fully composite flow-thru frac plugs (caged ball type). Plug company will provide tool hand during the job to ensure plugs are set up and run correctly with 3<sup>rd</sup> party setting tool.

# Frac Water Volume Required

~20,000 bbls (includes 10% excess).

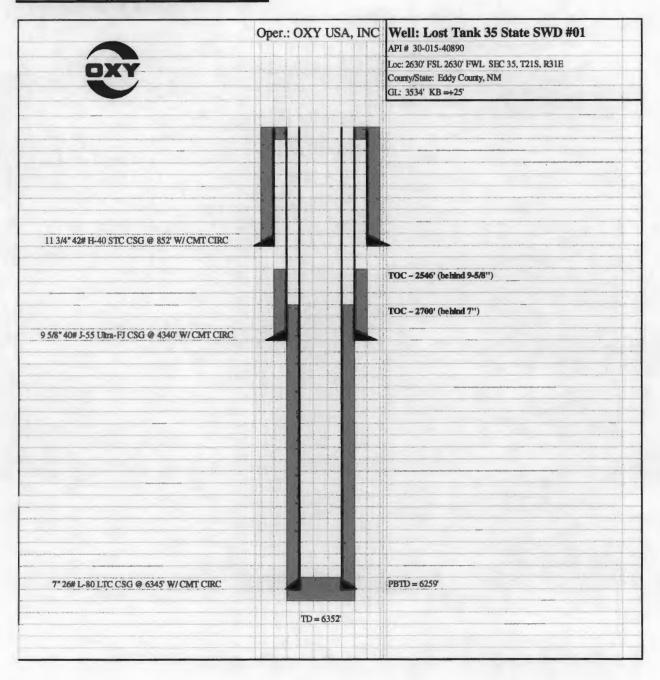
## Frac Sand Required

~1,600,000# of 16/30 brown sand.

Mike Fisher

Revision Date: March 26th, 2014

# Wellbore Diagram (Pre-Completion):



Mike Fisher

Revision Date: March 26th, 2014

### **RECOMMENDED PROCEDURE:**

WARNING: A POISONOUS GAS - HYDROGEN SULFIDE (H2S) - A HIGHLY TOXIC COLORLESS GAS THAT IS HEAVIER THAN AIR MAY BE PRESENT AT THIS LOCATION AND/OR PRESENT IN THE GAS AND LIQUIDS INJECTED OR PRODUCED FROM THIS WELL. PLANS MUST BE REVIEWED DEALING WITH H2S SAFETY PRIOR TO WORKING ON THIS WELL. CHECK WITH FOREMAN CONCERNING LOCAL CONDITIONS.

#### Well Preparation and Run Logs:

Clean location, set and test anchors. Install frac valve.

- 1. Check location for hazardous conditions.
- 2. MIRU WLU. NU 7" frac stack.
- 3. RU Pump truck and test casing and wellhead to maximum of **5000psi** only. (Wellhead rated to **5000psi** only).

```
7.0" 26# L-80 LTC CSG @ 6345' W/ TOC @ 2720'.

ID = 6.276" - DID = 6.151" - BURST = 7240 PSI - COLLAPSE = 5410 PSI
```

4. RUWL. PU & RIH w/ WL guns to perf first frac stage per above schedule.

NOTE: If operation requires changing depth of caged ball plugs or perforating schedule, take into account the nearest collar depth based upon the GR-CCL-CBL acquired post drilling.

- 5. Perforate first stage (5510' 6151') per attached procedure. Arm guns & break down perfs w/ 15% NEFE HCI. POOH and check guns.
- 6. RD WLU.

#### Frac:

7. Rig up frac and WLU. Set maximum Pressure to **5000psi**. Frac Stage # 1 as per attached vendor procedure.

NOTE: Ensure both the 7" x 9 5/8" and 9 5/8" x 11 3/4" annulus are monitored during the frac job to ensure no unexpected pressure is seen. If pressure is seen notify the completion engineer immediately.

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PU guns and 7.0" CBP (caged ball type), RIH and set plug at 5480. Perf stage 2 (4965' – 5436') per the above perf schedule. POOH, check guns, and LD WL.

- 9. Frac Stage # 2 as per attached vendor procedure.
- 10. PU guns and 7.0" FTCBP, RIH and set plug at **4950**. Perf stage 3 **(4650' 4886')** per the above perf schedule. POOH, check guns, and LD WL.
- 11. Frac Stage # 3 as per attached vendor procedure.
- 12. PU guns and 7.0" FTCBP, RIH and set plug at **4600**'. Perf stage 4 **(4400' 4561')** per the above perf schedule. POOH, check guns, and LD WL. RD and release WLU.
- 13. Frac Stage # 4 as per attached vendor procedure.
- 14. RD and release frac crew.

## Remedial Cement Work

- 15. MIRU DDPU and NU BOP;
- 16. Attempt to latch on and release slips on the 7" production casing;

NOTE: The slips must be free with a degree of movement in tension on the 7" to successfully determine free pipe.

17. MIRU WL and RIH w/ Free point tool;

Log from 3200' (~500' below CBL identified TOC) to surface.

- 18. LD Freepoint tool, and reset the casing in the slips;
- 19. PU 7" RBP, RIH and set 100' below the freepoint:
- 20. Pressure test casing to 1500psi to confirm RBP is holding;
- 21. Dump 5sx (~5cu/ft) of sand to cap RBP;

Should correspond to ~23ft of sand on top of RBP.

- 22. PU 6.0" drift and RIH and tag sand and confirm depth then POOH;
- 23. PU WL guns (4 shots @ 4spf, 90deg phasing, 0.42" EHD);
- 24. RIH and perforate 30' above the identified freepoint;
- 25. POOH and LD WL guns;
- 26. Open the 7" x 9-5/8" casing annulus valve and pump into the 7" casing @ 2bpm, establish a circulation rate and circulate 2 x bottoms up (~150bbls);
- 27. PU and RIH w/ cement retainer on 2-7/8" WS and set at 50' above the perforated interval. Pressure test backside to 2000psi to ensure retainer is good;

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- 28. Pump 1000 ft of tubing volume (~5bbls) to ensure circulation is still present;
- 29. Mix and pump 83bbls (includes 10% excess) 13ppg cmt slurry until maximum squeeze pressure or maximum squeeze volume @ 3-4bbl/min;

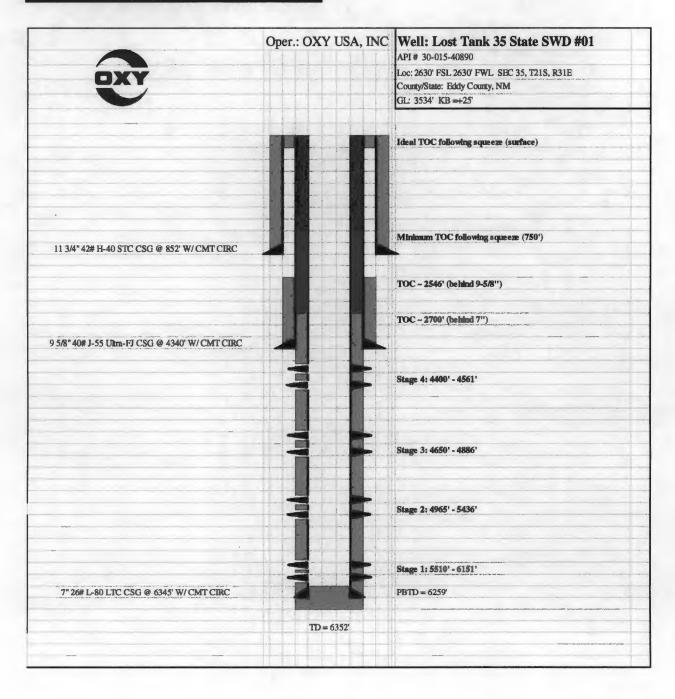
### NOTE: DO NOT EXCEED 2500psi.

- 30. Once sufficient displacement fluid is pumped to fully displace the cement there should be ~8bbls cmt to surface assuming returns are not lost during the job;
- 31. Sting out of cmt retainer and circulate 2 x WS volume to clean the tubing using treated water;
- 32. RDMO cmt company and wait for 24hrs.
- 33. RU WL, PU CBL and log from PBTD (cmt retainer) to surface.
- 34. Identify new TOC if returns were lost during the job.
- 35. If TOC is 750' or higher continue with the well cleanout procedure below.
- 36. If TOC is deeper than 750' then an additional cmt squeeze will be required, and the above process should be repeated.

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# Wellbore Diagram (Post Cement Squeeze):



### **Wellbore Clean-out**

37. RU DDPU, Reverse Unit and Air Unit with N2 membrane. PU workstring and collars w/ 5.875" – 6.125" mill. Drill out cmt retainer at ~ 2600' followed by CBP's at 4600', 4950' and 5480' per attached Best Practices procedure for cleaning. Be sure all recommendations in the Best Practices Procedure are implemented. Ensure enough air/ foam is used to maintain circulation and hole cleaning.

38. Continue cleaning to the PBTD @ 6259'. POOH w/ work string and lay down.

39. RU WLU. PU perf guns and re-perforate 4 zones as per procedure. Ensure to check guns after each perforation run. RD WL.

40. Flow back well through frac stack directly to frac tanks at low rates and do not surge the formation. Flow well until it dies, or fluid returns are 'clean'. Dispose of waste water at a commercial waste facility.

#### NOTE: DO NOT SEND FLOWBACK WATER TO AN OXY SWD WELL

41. RU WLU. PU AS-1X packer, profile nipple, bottom half of on/off tool, pump off plug and set packer at **4370**' (~30' above top perf).

42. ND frac stack. NU wellhead.

43. PU and RIH with 3.5" 7.7# J-55 Duo-line tubing and top half of on/off tool. Circulate packer fluid. Land out on/off tool and tubing.

44. Test the back side of the tubing to confirm packer, on/ off tool and tubing integrity.

## NOTE: Ensure MIT is witnessed as per requirement of SWD wells.

45. Pressure up on tubing to pump open the isolation plug.

46. Hand well over to surface ops and put onto SWD operations ASAP.

NOTE: The 7"  $\times$  9 5/8" and 9 5/8"  $\times$  11 34" annulus' are to be monitored for the life of the well and production engineer notified immediately of any pressure deviations.

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# Lost Tank 35 State SWD #1 Driving Directions:

FROM JAL NM, TAKE HWY 128 WEST TO COUNTY RD 798 AND TURN NORTH, GO 17.5 MILES TO LOCATION ACCESS RD AND TURN WEST, GO 1 MILE AND TURN NORTH INTO LOCATION.

Latitude: 32.4326326925762, Longitude: -103.74613825826