

DATE IN 8.6.10	SUSPENSE	ENGINEER WJ	LOGGED IN 8.6.10	TYPE SWD 1243	APP NO. 1021833887
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Oxy USA

Sundance 4 Fed. 32

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☒ Offset Operators, Leaseholders or Surface Owner
 [C] ☒ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

~~Note: Statement must be completed by an individual with managerial and/or supervisory capacity.~~

David Stewart
 Print or Type Name

David Stewart
 Signature


Sp. Reg. Analyst
 Title

8/3/10
 Date

david_stewart@oxy.com
 e-mail Address

Sundance 4 Federal #32

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ X _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ X _____ Yes _____ No
- II. OPERATOR: _____ OXY USA Inc. _____ Sundance 4 Federal #32 _____
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. Attached
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected; 2000BWPD – 4000BWPD
 2. Whether the system is open or closed; Closed
 3. Proposed average and maximum injection pressure; 850psi
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, Attached
 5. 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.). Attached
- *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).
Not available, well has not been drilled yet, logs will be furnished after they have been ran.
- *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. Attached
- 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: _____ David Stewart _____ TITLE: _____ Sr. Regulatory Analyst _____
- SIGNATURE: _____  _____ DATE: _____ 01/31/10 _____
- E-MAIL ADDRESS: _____ david_stewart@oxy.com _____
- * 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: _____

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.

INJECTION WELL DATA SHEET

OPERATOR: _____ OXY USA Inc. _____

WELL NAME & NUMBER: _____ Sundance 4 Federal #32 _____

WELL LOCATION: _____ 660 FNL 458 FWL _____ NWNW(D) _____ 4 _____ 24S _____ 31E _____
FOOTAGE LOCATION _____ UNIT LETTER _____ SECTION _____ TOWNSHIP _____ RANGE _____WELLBORE SCHEMATICWELL CONSTRUCTION DATA
Surface Casing

Hole Size: _____ 14-3/4" _____ Casing Size: _____ 11-3/4" @ 475' _____

Cemented with: _____ 410 _____ sx. *or* _____ 554 _____ ft³

Top of Cement: _____ Surface _____ Method Determined: _____ Circulated _____

Intermediate Casing

Hole Size: _____ 10-5/8" _____ Casing Size: _____ 8-5/8" @ 4310' _____

Cemented with: _____ 1200 _____ sx. *or* _____ 2148 _____ ft³

Top of Cement: _____ Surface _____ Method Determined: _____ Circulated _____

Production Casing

Hole Size: _____ 7-7/8" _____ Casing Size: _____ 5-1/2" @ 6300' _____

Cemented with: _____ 1200 _____ sx. *or* _____ 2088 _____ ft³

Top of Cement: _____ Surface _____ Method Determined: _____ Circulated _____

Total Depth: _____ 6300' _____

Injection Interval

_____ 4249 _____ feet to _____ 5882 _____ feet

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" 6.5# J55 Lining Material: polylined

Type of Packer: Guiberson GVI PC

Packer Setting Depth: 4150'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? X Yes No

If no, for what purpose was the well originally drilled?

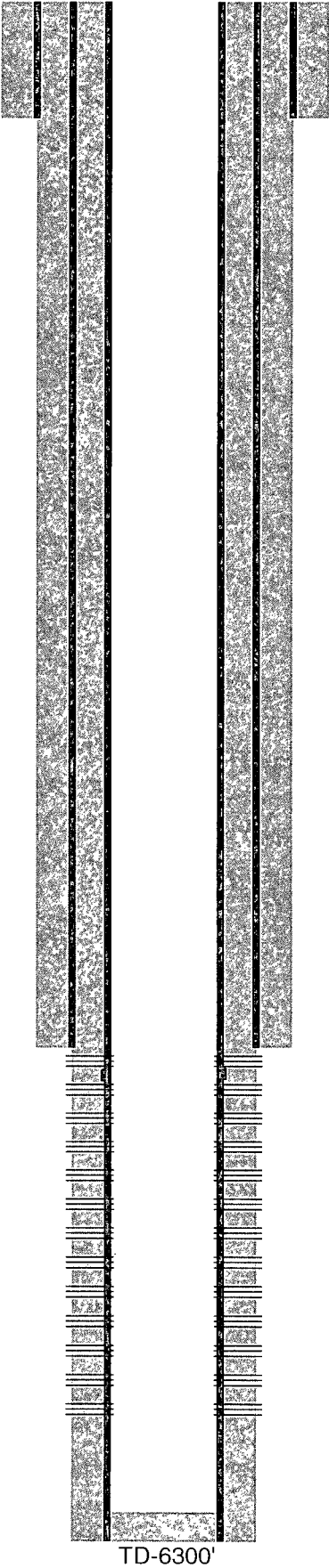
2. Name of the Injection Formation: Delaware – Ramsey Sand-Bell Canyon-Cherry Canyon

3. Name of Field or Pool (if applicable): Sand Dunes Delaware, West

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Delaware/Bone Springs

OXY USA Inc - Proposed
Sundance 4 Federal #32
API No. 30-015-



14-3/4" hole @ 475'
11-3/4" csg @ 475'
w/ 410sx-TOC-Surf-Circ

10-5/8" hole @ 4310'
8-5/8" csg @ 4310'
w/ 1200sx-TOC-Surf-Circ

Perfs @ 4249-5882'

7-7/8" hole @ 6300'
5-1/2" csg @ 6300'
DVT @ 4350'
1st w/ 640sx-TOC-4345'-Circ
2nd w/ 560sx-TOC-Surf-Circ

PB-5260'

TD-6300'

C-108 - ATTACHMENT B
Sundance 4 Federal #32
AREA OF REVIEW

[illegible]

OPERATOR	LEASE	NO.	API NO.	PLAT	LOCATION	DRILLED	TD	PERFS	CASING-CEMENT	STATUS
OXY USA Inc.	Sundance Federal	1	3001520538	10	1980 FNL 1980 FWL F-4-24S-31E	11/30/71	15200'	13691-13699' 14324-14340'	20" @ 658' w/ 900sx - TOC-Surf-Circ 13-3/8" @ 4264' w/ 3400sx - TOC-Surf-Circ 9-5/8" @ 12500' w/ 3200sx - TOC-3680'-TS 7-5/8" @ 12275-14194' w/ 250sx - TOC-12275'-Circ 5-1/2" @ 14025-14529'	Act Gas Sand Dunes Lwr Penn, South
OXY USA Inc.	Sundance Federal	27	3001534787	11	1980 FSL 660 FWL L-4-24S-31E	5/18/06	8200'	7778-7977' 8-5/8" @ 4200' w/ 1700sx - TOC-Surf-Circ 5-1/2" @ 8200' w/ 1450sx - TOC-Surf-Circ	Act Oil Sand Dunes Delaware, West	

Attachment C-108
OXY USA Inc.
Sundance 4 Federal #32

VIII.

Injection zones for the Sundance 4 Federal 32 well, Sect 4, T24S, R31E Eddy county, New Mexico.

The proposed injection for the Sundance 4 Federal 32 is over a 1500' interval within the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group. The Delaware Mountain Group is a Guadalupian Permian interval comprised of three formations, the Bell Canyon, the Cherry Canyon and the Brushy Canyon. The shallowest formation, at the top of the Delaware Mountain Group, is the Bell Canyon. The Bell Canyon is approximately 1000 ft thick. It is found at 4220' MD at this location. The Cherry Canyon is approximately 1200 ft thick and is encountered at 5100 feet measured depth. The Bell and Cherry Canyon formations are comprised of interbedded sands, shales and carbonates. The majority of the interval is comprised of sands. The sands are characterized as basinal turbidites and debris flows. As such, they occur as thin tabular elongate units with long axis running roughly north to south. Porosity and permeability are good in the horizontal direction and poor in the vertical direction due to the interbedded shales. Water should remain in the interval into which it is injected and not to migrate vertically away from the interval.

Perforation Intervals, based on offset well Sundance Federal 10 are as follows:

Bell Canyon

4249-4276, 4284-4369, 4388-4414, 4439-4491, 4579-4700, 4716-4757, 4717- 4757, 4772-4795, 4903-4954, 4963-5027'

Cherry Canyon

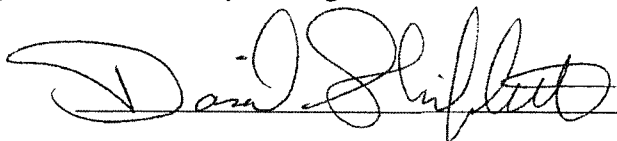
5209-5241, 5253-5271, 5387-5413, 5434-5469, 5472-5501, 5516-5553, 5605-5633, 5685-5725, 5764-5849, 5859-5882'

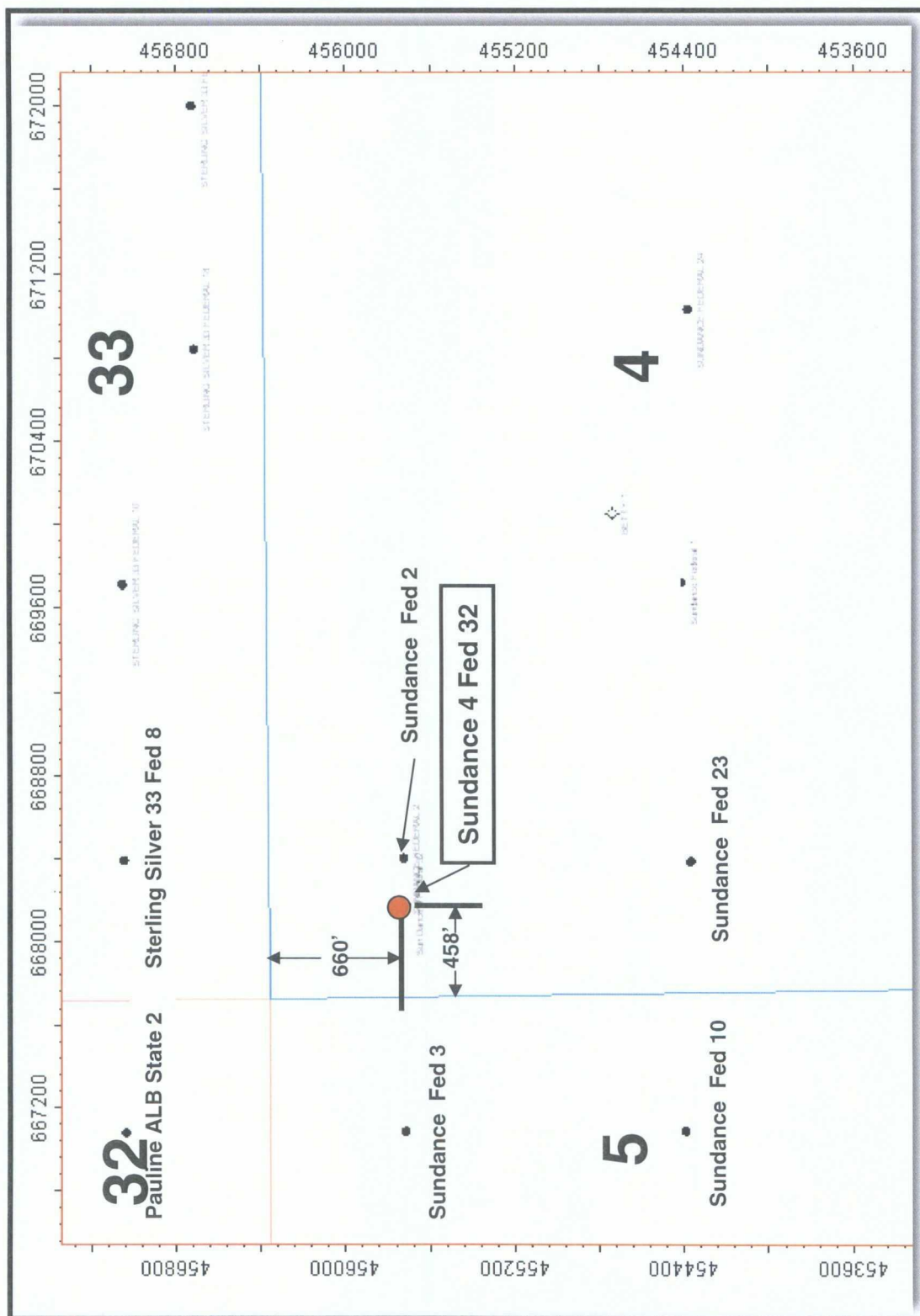
The Delaware Mountain group is overlain by the Late Permian Ochoan Salado and Castile formations. The Castile is banded Anhydrite and Calcite with occasional salt beds. The Salado is a salt formation. The combined thickness of the Salado and Castile at this location is approximately 3000'. This interval acts as a seal for the underlying reservoirs and is impermeable to the migration of fluids from the Delaware Mountain Group into shallower formations.

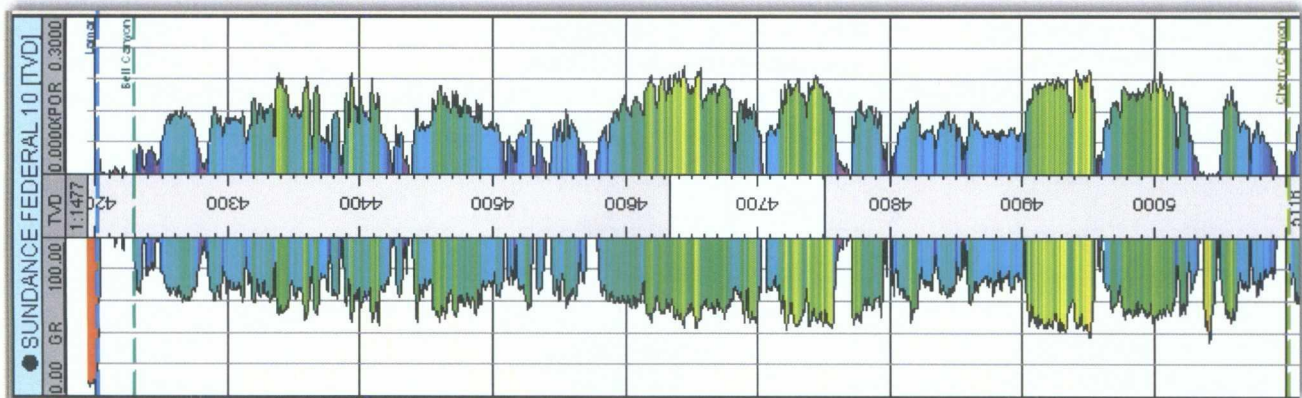
Above the Salado is the Rustler formation. It is made up of layers of Dolomite, Anhydrite, siltstone and salt. The Dolomites within the Rustler are recognized as the lowest occurring aquifers in the area.

XII.

I 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.







Brushy Canyon

Potential Bell Canyon
SWD Intervals

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Company**

Well Number:	Well #C02958	Sample Temp:	70
Lease:	OXY	Date Sampled:	4/20/2010
Location:	Fresh Water Well	Sampled by:	Casey Summers
Date Run:	4/22/2010	Employee #:	
Lab Ref #:	10-apr-n53574	Analyzed by:	DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H ₂ S)	.00	16.00	.00
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

Calcium	(Ca++)	577.92	20.10	28.75
Magnesium	(Mg++)	151.87	12.20	12.45
Sodium	(Na+)	60.70	23.00	2.64
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	.04	27.50	.00

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO ₃ =)	.00	30.00	.00
BiCarbonate	(HCO ₃ -)	12.22	61.10	.20
Sulfate	(SO ₄ =)	1,520.00	48.80	31.15
Chloride	(Cl-)	256.28	35.50	7.22

Total Iron	(Fe)	0.08	18.60	.00
Total Dissolved Solids		2,579.10		
Total Hardness as CaCO ₃		2,067.47		
Conductivity MICROMHOS/CM		3,790		

pH	6.700	Specific Gravity 60/60 F.	1.002
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CaSO₄ Solubility @ 80 F. 18.69MEq/L, CaSO₄ scale is likely

CaCO₃ Scale Index

70.0	-1.628	100.0	-1.278	130.0	-.768
80.0	-1.498	110.0	-1.038	140.0	-.768
90.0	-1.278	120.0	-1.038	150.0	-.538

Nalco Company

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Company**

Well Number: Federal 23-9
Lease: OXY
Location:
Date Run: 4/22/2010
Lab Ref #: 10-apr-n53575

Sample Temp: 70
Date Sampled: 4/20/2010
Sampled by: Casey Summers
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H ₂ S)	.00	16.00	.00
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

Calcium	(Ca++)	20,638.68	20.10	1,026.80
Magnesium	(Mg++)	2,400.96	12.20	196.80
Sodium	(Na+)	65,752.11	23.00	2,858.79
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	6.05	27.50	.22

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO ₃ =)	.00	30.00	.00
BiCarbonate	(HCO ₃ -)	12.22	61.10	.20
Sulfate	(SO ₄ =)	144.00	48.80	2.95
Chloride	(Cl-)	144,859.17	35.50	4,080.54

Total Iron	(Fe)	20.15	18.60	1.08
Total Dissolved Solids		233,833.34		
Total Hardness as CaCO ₃		61,440.64		
Conductivity MICROMHOS/CM		229,900		

pH 6.350 Specific Gravity 60/60 F. 1.163

CaSO₄ Solubility @ 80 F. 9.21MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	.615	100.0	1.365	130.0	2.365
80.0	.765	110.0	1.985	140.0	2.365
90.0	1.365	120.0	1.985	150.0	2.365

Nalco Company

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Company**

Well Number: Cotton Draw #15
Lease: OXY
Location:
Date Run: 4/22/2010
Lab Ref #: 10-apr-n53576

Sample Temp: 70
Date Sampled: 4/20/2010
Sampled by: Casey Summers
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H ₂ S)	.00	16.00	.00
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

		Mg/L	Eq. Wt.	MEq/L
Calcium	(Ca ⁺⁺)	13,844.88	20.10	688.80
Magnesium	(Mg ⁺⁺)	2,698.64	12.20	221.20
Sodium	(Na ⁺)	43,480.44	23.00	1,890.45
Barium	(Ba ⁺⁺)	NOT ANALYZED		
Manganese	(Mn ⁺)	14.87	27.50	.54

Anions

		Mg/L	Eq. Wt.	MEq/L
Hydroxyl	(OH ⁻)	.00	17.00	.00
Carbonate	(CO ₃ ⁼)	.00	30.00	.00
BiCarbonate	(HCO ₃ ⁻)	12.22	61.10	.20
Sulfate	(SO ₄ ⁼)	450.00	48.80	9.22
Chloride	(Cl ⁻)	99,108.90	35.50	2,791.80

Total Iron	(Fe)	4.22	18.60	.23
Total Dissolved Solids		159,614.17		
Total Hardness as CaCO ₃		45,676.62		
Conductivity MICROMHOS/CM		190,500		

pH 6.830 Specific Gravity 60/60 F. 1.111

CaSO₄ Solubility @ 80 F. 17.59MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	-.169	100.0	.231	130.0	.911
80.0	-.049	110.0	.531	140.0	.911
90.0	.231	120.0	.531	150.0	1.301

Nalco Company

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Company**

Well Number: 50% Federal 23-9
Lease: 50% Cotton Draw #15
Location: OXY
Date Run: 4/22/2010
Lab Ref #: 10-apr-n53588

Sample Temp: 70
Date Sampled: 4/21/2010
Sampled by: Casey Summers
Employee #:
Analyzed by: DOM

Dissolved Gases

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H ₂ S)	.00	16.00	.00
Carbon Dioxide	(CO ₂)	NOT ANALYZED		
Dissolved Oxygen	(O ₂)	NOT ANALYZED		

Cations

Calcium	(Ca++)	17,245.80	20.10	858.00
Magnesium	(Mg++)	2,547.36	12.20	208.80
Sodium	(Na+)	54,648.70	23.00	2,376.03
Barium	(Ba++)	NOT ANALYZED		
Manganese	(Mn+)	10.46	27.50	.38

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO ₃ =)	.00	30.00	.00
BiCarbonate	(HCO ₃ -)	12.22	61.10	.20
Sulfate	(SO ₄ =)	297.00	48.80	6.09
Chloride	(Cl-)	122,034.09	35.50	3,437.58

Total Iron	(Fe)	12.19	18.60	.66
Total Dissolved Solids		196,807.82		
Total Hardness as CaCO ₃		53,558.68		
Conductivity MICROMHOS/CM		210,200		

pH 6.590 Specific Gravity 60/60 F. 1.137

CaSO₄ Solubility @ 80 F. 13.21MEq/L, CaSO₄ scale is unlikely

CaCO₃ Scale Index

70.0	.127	100.0	.627	130.0	1.727
80.0	.247	110.0	1.007	140.0	1.727
90.0	.627	120.0	1.007	150.0	2.387

Nalco Company

C-108 Service List
OXY USA Inc
Sundance 4 Federal #32

New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210

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

Surface Owner - Mineral Lessee

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

Potash Lessees within 1/2 mile

None

Offset Operators within 1/2 mile

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

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

Affidavit of Publication

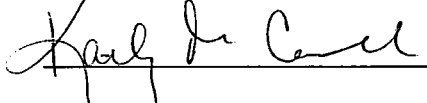
State of New Mexico,
County of Eddy, ss.

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

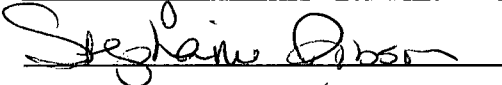
That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices 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:

July 23 2010

That the cost of publication is **\$46.09** and that payment thereof has been made and will be assessed as court costs.

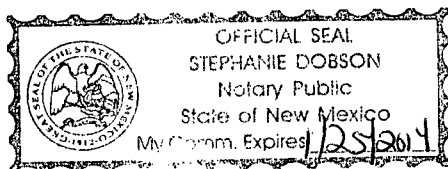


Subscribed and sworn to before me this

28th day of July, 2010


My commission Expires on 1/25/2014

Notary Public



July 23, 2010

Notice Of Application For Fluid Disposal

Applicant:
OXY USA Inc.
P.O. Box 30250
Midland, TX 79710
ATTN: David Stewart
432-685-5717

Purpose - Well:
Disposal of Produced
Water Into A Zone
Productive of Oil &
Gas
Sundance 4 Federal
#32
660 FNL 458 FWL
NWNW(D) Sec 4
T24S R31E
Eddy County, NM

Formation:
Delaware - Ramsey
Sand-Bell/Cherry
Canyon
4249-5882'
Maximum Injection
Rate - 4000 BWPD
Maximum Injection
Pressure - 850 psi

Interested parties
must file objections
or requests for hear-
ing with the Oil Con-
servation Division,
1220 South St. Fran-
cisco Dr., Santa Fe,
New Mexico 87505
within 15 days of this
application.

NOT

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>NMOCB 1301 W. Grand Ave. Artesia, NM 88210</p>		<p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7719</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>NMOCB 1220 South St. Francis Dr. Santa Fe, NM 87505</p>		<p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7726</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>BLM 620 E. Greene St. Carrlsbad, NM 88220</p>		<p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7733</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>Print your name and address on the reverse so that we can return the card to you.</p> <p>Attach this card to the back of the mailpiece, or on the front if space permits.</p>		<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
<p>1. Article Addressed to:</p> <p>Yates Petroleum Corp. 105 S. 4th St. Artesia, NM 88210</p>		<p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>2. Article Number (Transfer from service label) 7005 0390 0002 9920 7771</p>		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>		<p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. </p>	
		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

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

LT3F25-SD4F32

ATTN: David Stewart

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USPS
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ATTN: David Stewart
P.O. Box 50250
Midland TX 79710

LT3F25-SD4F32

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, September 03, 2010 2:32 PM
To: 'David_Stewart@oxy.com'
Cc: Ezeanyim, Richard, EMNRD
Subject: Disposal applications from OXY USA: Sundance 4 Federal #32 and Lost Tank 3 Federal #25

Hello David:

Please send the dates you mailed the certified receipts for these two applications. The dates did not copy and are not legible on my copy of each application.

Please also send the API number to me by email for each of these wells as soon as you find out. Our database is keyed on API numbers...

Regards,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Jones, William V., EMNRD

From: David_Stewart@oxy.com
Sent: Friday, September 03, 2010 3:09 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: Disposal applications from OXY USA: Sundance 4 Federal #32 and Lost Tank 3 Federal #25
Attachments: img-903145729-0001.pdf

The SWD Applications were all mailed on 8/3/10 and the USPO show they were received as follows:

NMOCD-Santa Fe - 8/5/10 - 70050390000299207726 - Lost Tank 3 Fed #25 - Sundance 4 Fed #32
NMOCD-Artesia - 8/5/10 - 70050390000299207719 - Lost Tank 3 Fed #25 - Sundance 4 Fed #32
BLM-Carlsbad - 8/10/10 - 70050390000299207788 - Lost Tank 3 Fed #25 - Sundance 4 Fed #32
Intrepid Potash-NM - 8/4/10 - 70050390000299207757 - Lost Tank 3 Fed #25
Western AG Minerals Co. - 8/6/10 - 70050390000299207740 - Lost Tank 3 Fed #25
Marbob Energy Corp. - 8/4/10 - 70050390000299207740 - Lost Tank 3 Fed #25
Yates Petroleum Corp. - 8/4/10 - 70050390000299207771 - Lost Tank 3 Fed #25 - Sundance 4 Fed #32
As soon as the APD's are approved and the API Numbers assigned, I will send them to you. If you need anything else, please let me know and I appreciate all the help.

Thanks,
David Stewart
Sr. Regulatory Analyst
OXY Permian
432-685-5717
Fax-432-685-5742

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Friday, September 03, 2010 3:32 PM
To: Stewart, David
Cc: Ezeanyim, Richard, EMNRD
Subject: Disposal applications from OXY USA: Sundance 4 Federal #32 and Lost Tank 3 Federal #25

Hello David:
Please send the dates you mailed the certified receipts for these two applications. The dates did not copy and are not legible on my copy of each application.

Please also send the API number to me by email for each of these wells as soon as you find out. Our database is keyed on API numbers...

Regards,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



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Injection Permit Checklist (08/27/2010)

WFX _____ PMX _____ (SWD 1243) Permit Date 9/3/50 UIC Qtr (A/S/O)

Wells 1 Well Name(s): SUNDANCE 4 Federal #32

API Num: 30-0 15- NA Spud Date: New New/Old: N (UIC primacy March 7, 1982)

Footages: 660FNL/458FWL Unit D Sec 4 Tsp 245 Rge 31E County EDDY

General Location: Center of Del. Basin, S. of WIPP

Operator: OXY USA INC Contact: DAVID STEWART

OGRID: 16696 RULE 5.9 Compliance (Wells) 6/17/77 (Finan Assur) OK IS 5.9 OK? ✓

Well File Reviewed _____ Current Status: NOT Drilled

Planned Work to Well: Drill/EQUIP/INTAL.

Diagrams: Before Conversion _____ After Conversion _____ Elogs in Imaging File: _____

Well Details:		Sizes	Setting	Stage	Cement	Determination
		Hole.....Pipe	Depths	Tool	Sx or Cf	Method
New <input checked="" type="checkbox"/> Existing _____	Surface	14 3/4 11 3/4	FB		410	CIRC
New <input checked="" type="checkbox"/> Existing _____	Interm	10 5/8 8 5/8	4310		1200 SX	CIRC
New <input checked="" type="checkbox"/> Existing _____	LongSt	7 7/8 5 1/2	6300 TD	4350	1200 X	CIRC/CIRC
New _____ Existing _____	Linor					
New _____ Existing _____	Open Hole					

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	5100	Cherty C.	✓
	4220	Ball C.	✓
Injection TOP:	4249	Cherty C.	✓
Injection BOTTOM:	5882	C. r	✓
Formation(s) Below	7170-8000	Brushy C.	

Capitan Reef? _____ (Potash? ☒ Noticed? ☒ WIPP? _____ Noticed? _____) Salado Top/Bot _____ Cliff House? _____

Fresh Water: Depths: _____ Formation: _____ Wells? ☒ Analysis? ☒ Affirmative Statement ☒

Disposal Fluid Analysis? ☒ Sources: Brushy C.

Disposal Interval: Analysis? ☒ Production Potential/Testing: NOT Productive

Notice: Newspaper Date 7/23/10 Surface Owner BLM Mineral Owner(s) BLM

RULE 26.7(A) Affected Persons: OXY/IPC (No Potash Lessees)

AOR: Maps? ☒ Well List? ☒ Producing in Interval? ☒ Wellbore Diagrams? _____

.....Active Wells 11 Repairs? 0 Which Wells? _____

.....P&A Wells 0 Repairs? _____ Which Wells? _____

Questions: Dates 8/1/10 Run CBL on 10/20/10 / Long STRING if NO CRC. Request Sent _____ Reply: _____