

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*Lease Serial No.
NMNM048343

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No.
NMNM128925X

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

ARTESIA YESO FEDERAL UNIT 2

2. Name of Operator

OXY USA WTP LP

Contact: JANA MENDIOLA

E-Mail: janalyn_mendiola@oxy.com

9. API Well No.

30-015-40709-00-S1

3a. Address

HOUSTON, TX 77210

3b. Phone No. (include area code)

Ph: 432-685-5936

10. Field and Pool, or Exploratory

ARTESIA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 21 T17S R28E NENW 488FNL 1574FWL

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input checked="" type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

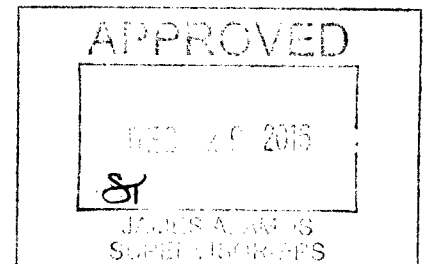
1. Name(s) of formation(s) producing water on the lease: Artesia; Glorieta-Yeso (O)

2. Amount of water produced from each formation in barrels per day:

Artesia Yeso Federal Unit 2 (30-015-40709); Lease# NMNM048343 ? 231bbl ✓
Artesia Yeso Federal Unit 3 (30-015-40948); Lease# NMLC046250A ? 102bbl ✓
Artesia Yeso Federal Unit 4 (30-015-40708); Lease# NMNM048343 ? 100bbl ✓
Artesia Yeso Federal Unit 5 (30-015-40716); Lease# NMNM048344 ? 135bbl ✓
Artesia Yeso Federal Unit 6 (30-015-40670); Lease# NMNM048344 ? 85bbl ✓
Artesia Yeso Federal Unit 7 (30-015-40671); Lease# NMLC065729 ? 209bbl ✓
Artesia Yeso Federal Unit 9 (30-015-40794); Lease# NMLC065729 ? 139bbl ✓
Artesia Yeso Federal Unit 10 (30-015-40673); Lease# NMLC048479A ? 96bbl ✓

Accepted for record - NMOCD

DC 4-12-17

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #345096 verified by the BLM Well Information System

For OXY USA WTP LP, sent to the Carlsbad

Committed to AFMSS for processing by PRISCILLA PEREZ on 07/20/2016 (16PP1751SE)

Name (Printed/Typed) DAVID STEWART

Title SR. REGULATORY ADVISOR

Signature (Electronic Submission)

Date 07/19/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

EPS/LIE

Date

12-29-16

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFD

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #345096 that would not fit on the form

32. Additional remarks, continued

Artesia Yeso Federal Unit 11 (30-015-40674); Lease# NMLC048479B ? 70bbl ✓
Artesia Yeso Federal Unit 13 (30-015-40833); Lease# NMNM048345 ? 126bbl ✓
Artesia Yeso Federal Unit 14 (30-015-40676); Lease# NMLC048479B ? 210bbl ✓
Artesia Yeso Federal Unit 15 (30-015-41329); Lease# NMNM048344? 225bbl ✓
Artesia Yeso Federal Unit 16 (30-015-41330); Lease# NMNM048343 ? 56bbl ✓
Artesia Yeso Federal Unit 17 (30-015-41331); Lease# NMNM048343 ? 367bbl ✓
Artesia Yeso Federal Unit 18 (30-015-41358); Lease# NMLC046250A ? 50bbl ✓
Artesia Yeso Federal Unit 19 (30-015-41332); Lease# NMNM048343 ? 55bbl ✓
Artesia Yeso Federal Unit 20 (30-015-41335); Lease# NMNM048344? 59bbl ✓
Artesia Yeso Federal Unit 21 (30-015-41333); Lease# NMNM048344 ? 50bbl ✓
Artesia Yeso Federal Unit 22 (30-015-41328); Lease# NMNM048344 ? 62bbl ✓
Artesia Yeso Federal Unit 23 (30-015-41334); Lease# NMLC065729 - 108bbl ✓
Artesia Yeso Federal Unit 26 (30-015-41336); Lease# NMLC048479A - 140bbl ✓
Artesia Yeso Federal Unit 27Y (30-015-42378); Lease# NMLC048479B ? 98bbl ✓
Artesia Yeso Federal Unit 29 (30-015-41338); Lease# NMNM048345 ? 85bbl ✓

3. How water is stored on the lease: Storage Tank

4. How water is moved to disposal facility: Transfer Pump

5. Operator(s) of disposal facility(ies): Occidental Permian Ltd.

a. Lease name or well name and number: Piglet State SWD #1

b. Location by ? ? Section, Township, and Range of the disposal system:
NWSE-21-17S-28E

c. The appropriate NMOCD permit number: SWD-1381

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1381
January 23, 2013

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of 19.15.26.8B NMAC, Occidental Permian LTD seeks an administrative order to utilize its proposed Piglet State SWD Well No. 1 (API 30-015-40820) to be located 2270 feet from the South line and 2016 feet from the East line, Unit letter J of Section 21, Township 17 South, Range 28 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, Occidental Permian LTD, is hereby authorized to utilize its proposed Piglet State SWD Well No. 1 (API 30-015-40820) to be located 2270 feet from the South line and 2016 feet from the East line, Unit letter J of Section 21, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Cisco/Canyon formations through an open hole completion from approximately 7950 feet to 8850 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

The operator shall supply the Division with a copy of a mudlog over the permitted disposal interval and an estimated insitu water salinity from open hole log correlations. If significant hydrocarbon shows occur while drilling, the operator shall receive permission in writing from the Division prior to commencing disposal.

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 1590 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 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 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/wvjj

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14