

Martin, Ed, EMNRD

From: Martin, Ed, EMNRD
Sent: Friday, November 18, 2011 7:29 AM
To: 'Albert_Giussani@oxy.com'
Subject: RE: BDU 20 32 04 1 K STATUS

WELL FILE
30-021-20055

I have extended the TA status on the 2032-041K until 04/01/2012.

I will be on days off next week, but will have the cell phone with me if you need anything.

Hope you and your family have a good Thanksgiving.

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-----Original Message-----

From: Albert_Giussani@oxy.com [mailto:Albert_Giussani@oxy.com]
Sent: Wednesday, November 16, 2011 3:59 PM
To: Martin, Ed, EMNRD
Subject: BDU 20 32 04 1 K STATUS

Mr. Martin ,

I am doing some catching up on several items I had put aside until the development program was completed.

Currently we are all done with drilling and completing development wells and the horizontal. We have about 21 of the of the 46 wells hook up plus the horizontal well.

As of today the results of the horizontal are well below expectations but several issues are still not cleared out so I am holding some hope to understand this well performance . Currently well is making about 180 mmcf very similar to the first vertical open hole we did this year, 18 35 26 1 G. The difference the vertical open hole had 40 feet of pay vs 1500 ft of perceived TUBB in the horizontal.

I am going to finish up a list of 5 wells with issues with C104 or c 105 that you had requested by week end. Together with these wells BDU 20 32 04 1 K has made it to the top of the list of wells with issues. This well is classify as TA since it has a packer and tubing completion and we set a plug in the packer on 4/12/2010. Earlier this year I had sent you a chart taken on 3/26/11 summarizing the pressure test in order to extend the TA status until next year. The chart was not perfect but as per discussion with you it was acceptable. I have checked the NMOCd web site an the copy of the chart is there , I am also enclosing a copy. With this done is this well in good standing for extension of TA status until next March. The permitting folks are after me and I want to make sure that this well TA status is okay until then. On the inactive well list it shows as expiring on 11/30/2011.

On a side note we have decided to go ahead and drill a west end high pressure well, from all I can tell the location might be outstanding since it is on the very edge of the mesa, we will start drilling sometime early December and as we speak the location , including 3 + miles of road is being built. The location is not on Mr. Clavel ranch, we could not come to an agreement with then so we had to move east and north by a couple of miles. It should take 15 days to drill and that means I will be completing at XMAS. Who knows I might just get to see Santa flying south from the North Pole.

Al.