New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary-Designate

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



Oxy Permian, Ltd.

Attn: Mr. Joshua Leatherwood

P.O. Box 50250

Midland, TX 79710-0250

November 30, 2011

Re: WARREN MCKEE UNIT Well No. 1(API No. 30-025-07743)

2310 feet from the North line and 2331 feet from the West line Unit F, Section 7, T20S, R38E, NMPM, Lea County Permitted SWD-San Andres POOL (96121)

You have submitted a request on behalf of Oxy for clarification of the allowable packer setting depth.

Your sundry requests a new packer setting depth of 4085 feet while the existing permit states the allowable packer setting depth is "approximately 4100 feet". Your sundry also states the well's permitted injection interval is currently 4200'-4550'.

Records indicate the top of the San Andres unitized interval is approximately 4164 feet. The requested packer seat is within the unitized interval.

The well shall pass a mechanical integrity test ("MIT") prior to 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.

Your new packer seat at 4085 feet is hereby approved.

Sincerely,

Jami Bailey Director

cc:

JB/tw

Oil Conservation Division - Hobbs

File: API No. 30-025-07743 and SWD-31