DATE 04/18/13	SUSPENSE	ENGINEER RE	LOGGED IN 04/19/2013	TYPE SWD	APP NO. pPRG1310952131

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED OCD
2013 APR 18 P 2:4

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

30-015-36401
Gila 12 Fed #2H
OxY USA

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]

SWD: Bell Canyon Bone Spring

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

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

Reentry to horizontal

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		Sr. Regulatory Advisor	4/15/13
Print or Type Name	Signature	Title	Date

david_stewart@oxy.com
e-mail Address

Gila 12 Federal #2H - 30-015-36401

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

II. OPERATOR: _____OXY USA Inc_____ Gila 12 Federal #2H – 30-015-36401_____ __

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; Avg-3000BWPD – Max-4000BWPD
2. Whether the system is open or closed; Closed
3. Proposed average and maximum injection pressure; Avg-800psi – Max-855 psi
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, Delaware and Bone Spring from OXY operated leases, see 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. To Be Determined

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted). Logs already on file at the NMOCD..

*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: _____David Stewart_____ TITLE: _____Sr. Regulatory Advisor_____

SIGNATURE: _____ DATE: 4/15/13

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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: OXY USA Inc.

WELL NAME & NUMBER: Gila 12 Federal #2H

WELL LOCATION: 630 FSL 2250 FEL ~~SWSW(M)~~ SW SE/O 12 24S 30E

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

PROPOSED WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8" @ 604'

Cemented with: 550 sx. ***or*** 726 ft^3

Top of Cement: Surface Method Determined: Circ

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8" @ 4230'

Cemented with: 1108 sx. ***or*** 1462 ft^3

Top of Cement: Surface Method Determined: Circ

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2" @ 10375'

Cemented with: 945 sx. ***or*** 1040 ft^3

Top of Cement: 4000' Method Determined: CBL

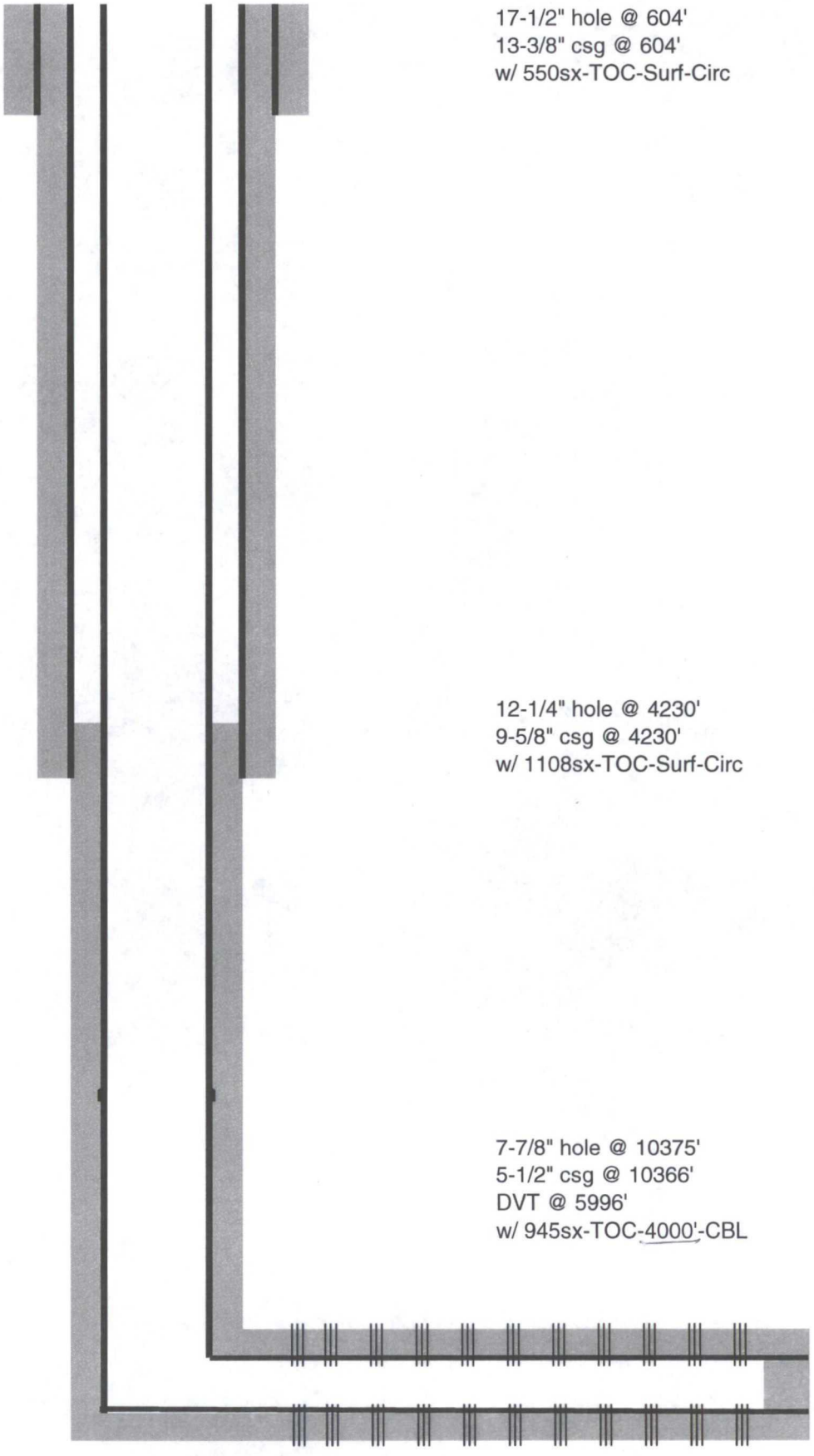
Total Depth: 10375'M 7950'V

Injection Interval

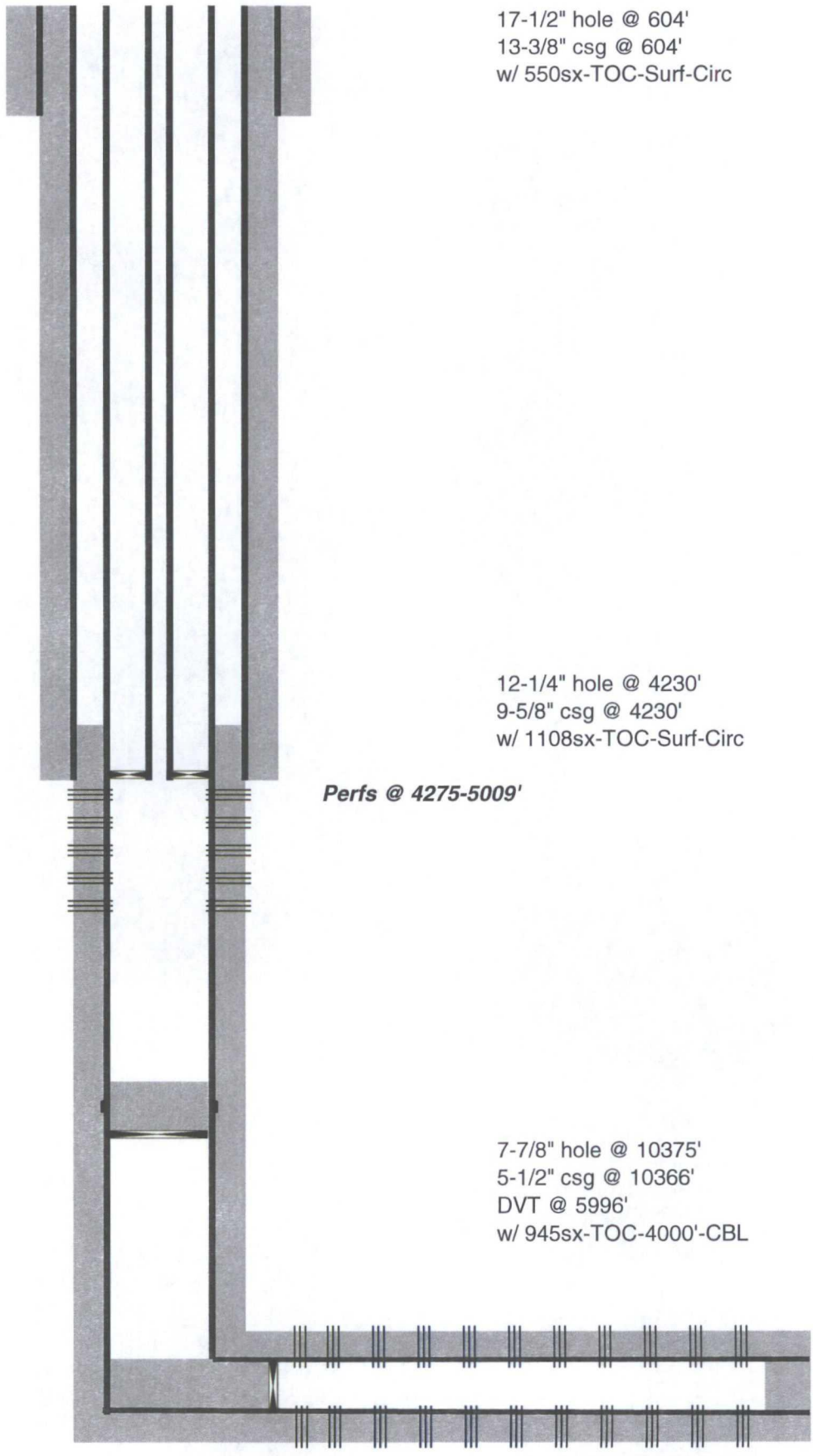
4275 feet to 5009 feet

(Perforated or Open Hole; indicate which)

OXY USA Inc. - Current
Gila 12 Federal #2H
API No. 30-015-36401



OXY USA Inc. - Proposed
Gila 12 Federal #2H
API No. 30-015-36401



17-1/2" hole @ 604'
13-3/8" csg @ 604'
w/ 550sx-TOC-Surf-Circ

12-1/4" hole @ 4230'
9-5/8" csg @ 4230'
w/ 1108sx-TOC-Surf-Circ

2-7/8" 6.5# J55 compsite tbg & nickel plated Arrow Set pkr @ 4225'

Perfs @ 4275-5009'

CIBP @ 6046' w/ 25sx to 5885' WOC-Tag

7-7/8" hole @ 10375'
5-1/2" csg @ 10366'
DVT @ 5996'
w/ 945sx-TOC-4000'-CBL

CIBP @ 8250' w/ 25sx

Perfs @ 8300-10300'

TD-10375'M 7950'V

INJECTION WELL DATA SHEET

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

Type of Packer: Nickel Plated Arrow Set

Packer Setting Depth: 4225'

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

Additional Data

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

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

2. Name of the Injection Formation: Delaware – Bell Canyon

3. Name of Field or Pool (if applicable): Poker Lake Delaware, NW

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. Yes

   8300-10300' M

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

*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.

Injection zone
Interbedded siltstone and very fine to fine-grained, rounded to sub-rounded sandstone. Minor calcite beds or cement.
Bell Canyon-Ramsey sand 4275'-5009'
Zone thickness- 734 ft

Formation	ft (MD)
Rustler	520
Salado Top	907
Potash Top	930
Potash Bottom	2030
Salado Bottom	2330
Delaware Top	4224
Bell Canyon	4254
Cherry Canyon	5142
Brushy Canyon	6366

No up hole potential (no oil shows on mudlog).
Calculated water saturation (Archie) between 50-80%

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 Gila 12#2H 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.

Cyd Ruidiaz-Santiago, Geologist

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: ***Nalco Company***

Well Number:	Red Tank 34 #2 - Delaware	Sample Temp:	70
Lease:	OXY	Date Sampled:	10/5/2012
Location:		Sampled by:	Leo Sandmann
Date Run:	10/10/2012	Employee #:	
Lab Ref #:	12-oct-n67147	Analyzed by:	GR

Dissolved Gases

			Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H2S)		.00	16.00	.00
Carbon Dioxide	(CO2)	**NOT ANALYZED**			
Dissolved Oxygen	(O2)	**NOT ANALYZED**			

Cations

Calcium	(Ca++)	21,941.16	20.10	1,091.60
Magnesium	(Mg++)	3,923.52	12.20	321.60
Sodium	(Na+)	60,922.26	23.00	2,648.79
Barium	(Ba++)	**NOT ANALYZED**		
Manganese	(Mn+)	4.73	27.50	.17

Anions

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO3=)	.00	30.00	.00
BiCarbonate	(HCO3-)	24.44	61.10	.40
Sulfate	(SO4=)	200.00	48.80	4.10
Chloride	(Cl-)	144,058.29	35.50	4,057.98
Total Iron	(Fe)	5.81	18.60	.31
Total Dissolved Solids		231,080.21		
Total Hardness as CaCO3		70,939.33		
Conductivity MICROMHOS/CM		238,000		

pH 6.140 Specific Gravity 60/60 F. 1.161

CaSO4 Solubility @ 80 F. 8.68MEq/L, CaSO4 scale is unlikely

CaCO3 Scale Index

70.0	.732	100.0	1.482	130.0	2.482
80.0	.882	110.0	2.102	140.0	2.482
90.0	1.482	120.0	2.102	150.0	2.482

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: ***Nalco Company***

Well Number:	Cypress 28-1 – Bone Spring	Sample Temp:	70
Lease:	OXY	Date Sampled:	4/29/2011
Location:		Sampled by:	Casey Summers
Date Run:	5/3/2011	Employee #:	
Lab Ref #:	11-may-n59280	Analyzed by:	GR

Dissolved Gases

			Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H2S)		.00	16.00	.00
Carbon Dioxide	(CO2)	**NOT ANALYZED**			
Dissolved Oxygen	(O2)	**NOT ANALYZED**			

Cations

Calcium	(Ca++)		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 ANALYZED**			
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	(SO4=)		450.00	48.80	9.22
Chloride	(Cl-)		100,110.00	35.50	2,820.00
Total Iron	(Fe)		2	18.60	.11
Total Dissolved Solids			165,351.69		
Total Hardness as CaCO3			6,338.44		
Conductivity MICROMHOS/CM			216,200		

pH 6.480 Specific Gravity 60/60 F. 1.115

CaSO4 Solubility @ 80 F. 84.91MEq/L, CaSO4 scale is unlikely

CaCO3 Scale Index

70.0	-.152	100.0	.188	130.0	.778
80.0	-.052	110.0	.488	140.0	.778
90.0	.188	120.0	.488	150.0	1.128

Water analysis of injecting formation (Delaware)

General Information About: Sample 5814			
POKER LAKE UNIT			
API	3001510859	Sample Number	
Unit/Section/ Township/Range	P / 28 / 24S / 31E	Field	SWD
County	Eddy	Formation	DEL
State	NM	Depth	
Lat/Long	32.18278 , -103.77553	Sample Source	SEPARATOR
TDS (mg/L)	120326	Water Type	
Sample Date (MM/DD/YYYY)	4/6/1967 12:00:00 AM	Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		**Anion Information (mg/L)**	
Potassium (K)		Sulfate (SO)	470
Sodium (Na)		Chloride (Cl)	73100
Calcium (Ca)		Carbonate (CO_3)	
Magnesium (Mg)		Bicarbonate (HCO_3)	427
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H_2S)	
Strontium (Sr)		Carbon Dioxide (CO_2)	
Iron (Fe)		Oxygen (O)	

Water analysis of injecting water (Bone Spring)

General Information About: Sample 6650			
KNOLL AOK FEDERAL			
API	3001528127	Sample Number	
Unit/Section/ Township/Range	G / 03 / 24S / 29E	Field	CEDAR CANYON
County	Eddy	Formation	B SPG
State	NM	Depth	
Lat/Long	32.24852 , -103.96978	Sample Source	
TDS (mg/L)		Water Type	
Sample Date (MM/DD/YYYY)	11/27/2000 12:00:00 AM	Analysis Date (MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		**Anion Information (mg/L)**	
Potassium (K)		Sulfate (SO)	600
Sodium (Na)		Chloride (Cl)	84981
Calcium (Ca)	2162	Carbonate (CO_3)	
Magnesium (Mg)	775	Bicarbonate (HCO_3)	381
Barium (Ba)	0	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H_2S)	0
Strontium (Sr)		Carbon Dioxide (CO_2)	
Iron (Fe)	0	Oxygen (O)	

FORM C-108
ITEM VII(5)

Endura Products (
P.O. Box 3394, Midland,
Phone (432) 684-4233 Fa

ANALYSIS – Injection Zone
Produced Water

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

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

State New Mexico
County Eddy
Well #1

DISSOLVED SOLIDS

CATIONS	mg/l	me/l
Sodium, Na+ (Calc.)	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
Sulfate, SO4-	100	2
Carbonate, CO3-	0	0
Bicarbonates, HCO3-	73	1
Sulfide, S-*	0	0
Total Dissolved Solid	149,842	

OTHER PROPERTIES

pH*	6.490
Specific Gravity,60/60 F.	1.109
Turbidity	35

SCALING INDICIES

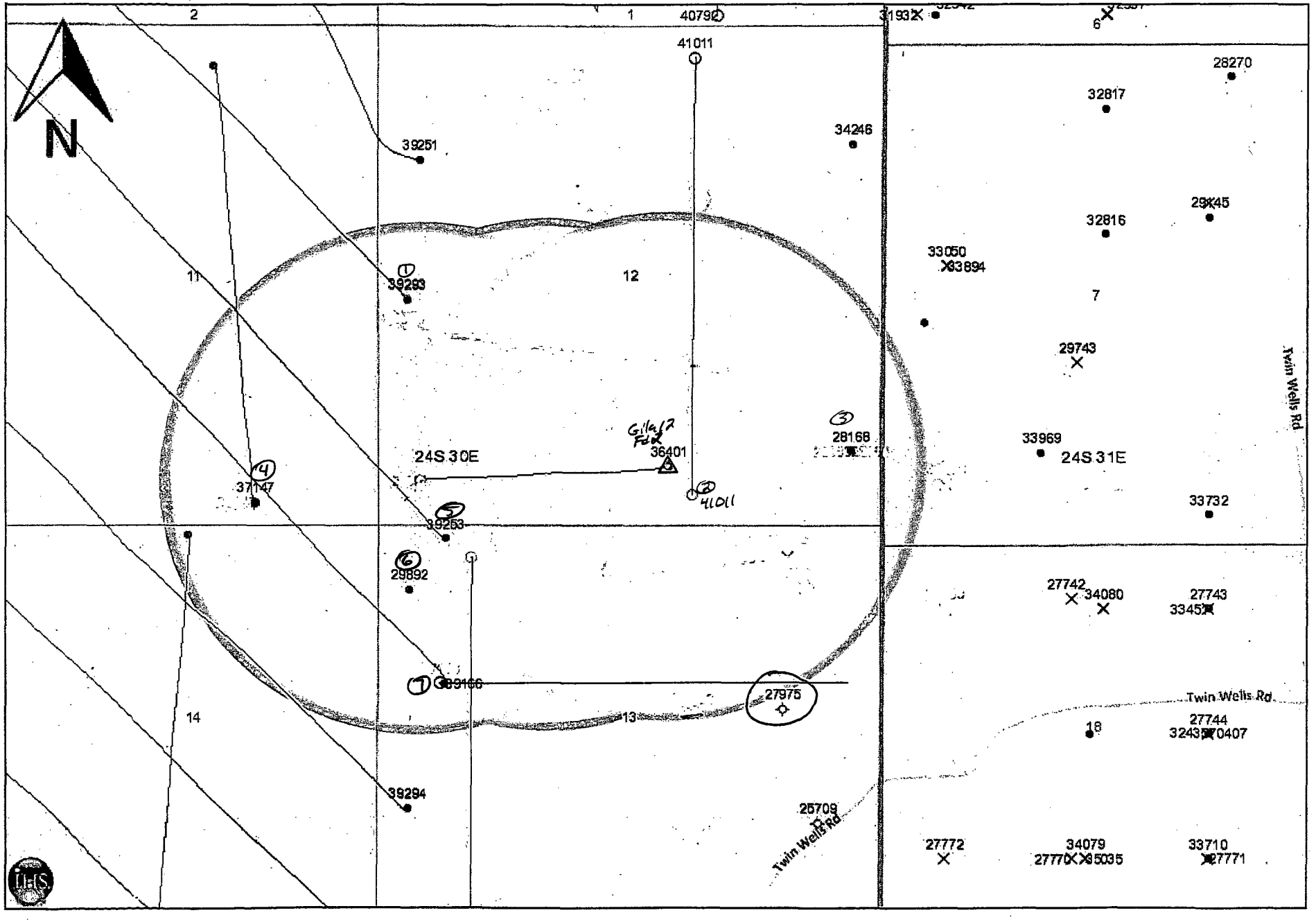
TEMP. F	CA CO3	CASO4*2H2O	CA SO4	BA SO4
80	-0.0677	-1.0097	-1.2523	-29.2957
120	0.2990	-1.0209	-1.0831	-29.4961
160	0.8653	-1.0396	-0.9292	-29.7255

PERFORATIONS

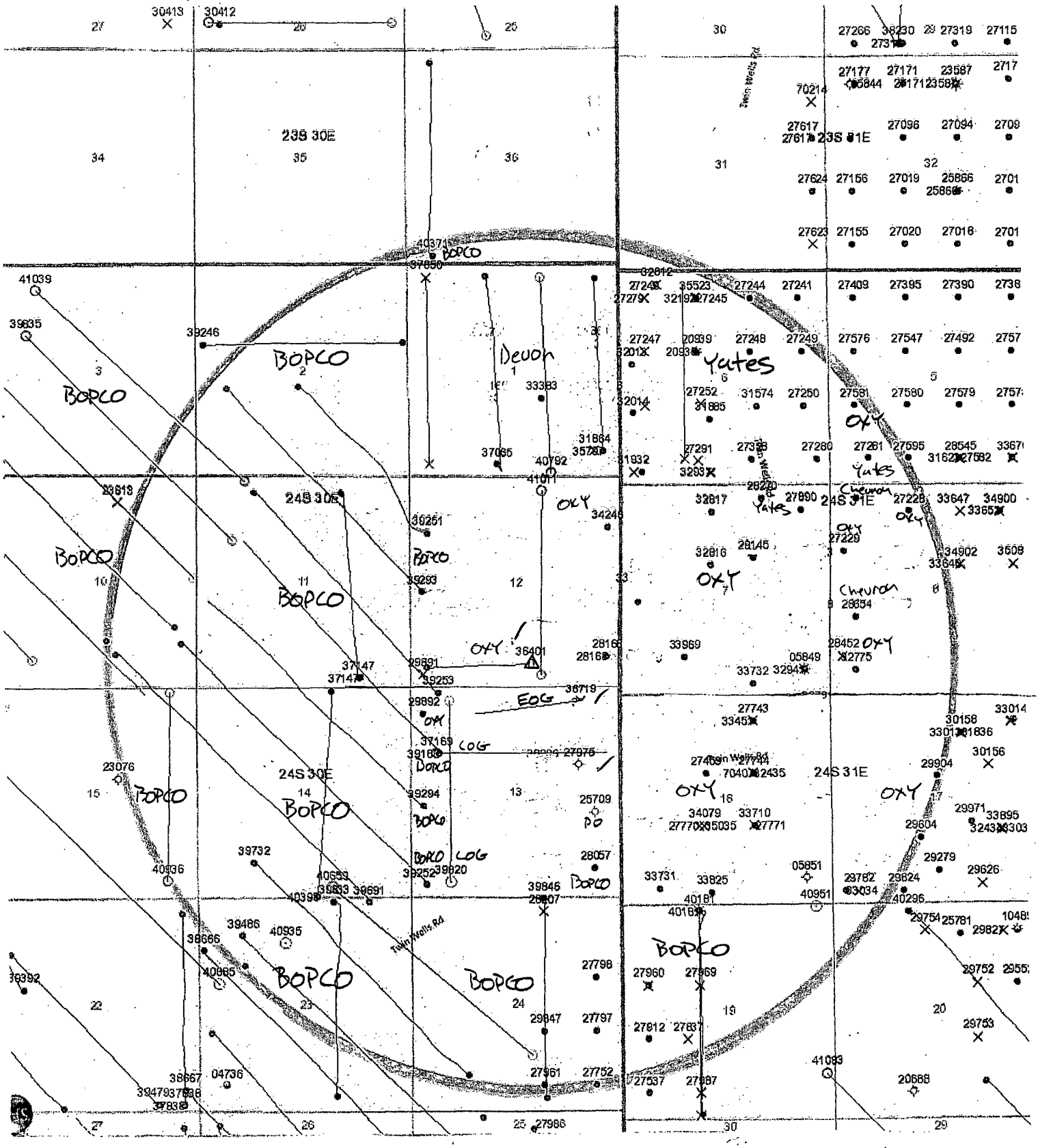
C-108 - Item VI
Gila 12 Federal #2H
AREA OF REVIEW

OPERATOR	LEASE	WELL NO.	API NO. 30-	PLAT	LOCATION	DATE DRILLED	TD	PERFS	CASING-CEMENT	STATUS
BOPCO, LP	Poker Lake Ut.	328H	015-39293	1	S-2400 FSL 305 FWL (L)	2/15/12	14715'M	8673-14667'	13-3/8" @ 865' w/ 720sx - TOC-Surf-Circ	NW Poker Lake
					12-24S-30E		7844'V		9-5/8" @ 4150' w/ 1500sx - TOC-Surf-Circ	Delaware
					B-2244 FSL 791 FWL (L)				7" @ 8590' w/ 865sx - TOC-Surf-Circ	Act Oil
					2-24S-30E				4-1/2" @ 8471-14675' Compl Liner	
OXY USA Inc.	Nimitz 12 Federal	3H	015-41011	2	S-330 FNL 2010 FEL (B)	2/9/13			13-3/8" @ 642' w/ 450sx - TOC-Surf-Circ	NW Poker Lake
					B-330 FSL 2010 FEL (O)				9-5/8" @ 4166' w/ 1400sx - TOC-Surf-Circ	Delaware
					12-24S-30E					Drilling
EOG Resources Inc.	Gila 12 Federal	1	015-28168	3	800 FSL 330 FEL (P)	10/26/94	8291'	6618-8022'	13-3/8" @ 503' w/ 530sx - TOC-Surf-Circ	NW Poker Lake
					12-24S-30E				9-5/8" @ 4147' w/ 1800sx - TOC-Surf-Circ	Delaware
									5-1/2" @ 8297' w/ 1020sx - TOC-3928'	Act Oil
BOPCO, LP	PLU Big Sinks Fed	1H	015-37147	4	S-255 FSL 1300 FEL (P)	4/26/10	13128'M	8650-13075'	13-3/8" @ 700' w/ 760sx - TOC-Surf-Circ	Wildcast
					B-405 FNL 1703 FEL (B)		8601'V		9-5/8" @ 4225' w/ 1510sx - TOC-Surf-Circ	Bone Spring
					11-24S-30E				5-1/2" @ 13113' w/ 2715sx - TOC-Surf-Circ	Act Oil
BOPCO, LP	Poker Lake Ut.	330H	015-39253	5	S-130 FNL 710 FWL (D)	11/6/11	14430'M	9257-14373'	13-3/8" @ 819' w/ 625sx - TOC-Surf-Circ	NW Poker Lake
					13-24S-30E		7829'V		9-5/8" @ 4135' w/ 1360sx - TOC-Surf-Circ	Delaware
					B-335 FNL 1430 FWL (C)				7" @ 9174' w/ 625sx - TOC-3663'-CBL	Act Oil
					11-24S-30E				4-1/2" @ 9086-14380' Compl Liner	
OXY USA Inc.	Nimitz 13 Federal	1	015-29892	6	660 FNL 330 FWL (D)	10/27/97	8200'	7916-7936'	13-3/8" @ 624' w/ 740sx - TOC-Surf-Circ	NW Poker Lake
					13-24S-30E				8-5/8" @ 4050' w/ 1275sx - TOC-Surf-Circ	Delaware
									5-1/2" @ 8200' w/ 1540sx - TOC-3160'	Act Oil
BOPCO, LP	Poker Lake Ut.	315H	015-39166	7	S-1650 FNL 710 FWL (E)	8/5/11	14819'M	9148-14762'	13-3/8" @ 793' w/ 725sx - TOC-Surf-Circ	NW Poker Lake
					13-24S-30E		7770'V		9-5/8" @ 4139' w/ 2415sx - TOC-Surf-Circ	Delaware
					B-1582 FNL 1128 FWL (E)				7" @ 9106' w/ 1180sx - TOC-3330'-CBL	Act Oil
					11-24S-30E				4-1/2" @ 9029-14511' Compl Liner	

Gila 12 Federal #2H - 1/2 Mile AOR



Gila 12 Federal #2H - 2 Mile AOR



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, 11, 12, 13, 14 **Township:** 24S **Range:** 30E

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): 6, 7, 18 **Township:** 24S **Range:** 31E

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:

March 22 2013

That the cost of publication is **$49.42** and that payment thereof has been made and will be assessed as court costs.

Kathy McCarroll

Subscribed and sworn to before me this

28 day of March, 2013

Cynthia Arredondo

My commission Expires on 2/13/17

Notary Public

OFFICIAL SEAL
Cynthia Arredondo
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires 2/13/17

March 22, 2013

Notice Of 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
Gila 12 Federal #2
630 FSL 2240 FEL
SWSE(IO) Sec 12 T24S R30E
Eddy County, NM

Formation:
Delaware - Bell Canyon
4275-4863'
Maximum Injection Rate - 4000 BWPD
Maximum Injection Pressure - 855 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.

C-108 Service List
OXY USA Inc
Gila 12 Federal #2H

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

Surface Owner

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

Offset Operators within 1/2 mile

BOPCO, L.P.
P.O. Box 2760
Midland, TX 79702

EOG Resources Inc.
P.O. Box 2267
Midland, TX 79702

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

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

Potash Lessee(s) within 1 mile

None

Copies of this application were mailed to the following individuals, companies and organiztions on or before 4/15/13.

David Stewart
OXY USA Inc.

Gila 12 Federal #2H – 30-015-36401

13-3/8" 48# @ 604' w/ 550sx, 17-1/2" hole, TOC-Surf-Circ
9-5/8" 40# @ 4230' w/ 1108sx, 12-1/4" hole, TOC-Surf-Circ
5-1/2" 17# @ 10366' w/ 945sx, DVT @ 5996', 7-7/8" hole, TOC-4000'-CBL

1. MIRU rig.
2. PR&P. LD.
3. P Tbg and LD.
4. PU work string, RIH, and set CIBP @ 8250'. POOH w/ WS and remove setting tool.
5. RIH w/ WS and spot 25 sx cmt on CIBP @ 8250'. POOH w/ WS.
6. RU WL. RIH and set CIBP @ 6046'. RD WL.
7. RIH w/ WS and spot 25 sx cmt on CIBP @ 6046'. POOH w/ WS.
8. Test casing to 3,700 psi (70% of burst). RD Rig. NU Frac valve.
9. RU WL. PU perf guns, RIH, and perf stage 1 @ 4771-5009'.
10. RU Frac and frac stage 1 down casing per Halliburton frac prog.
11. RIH w/ WL and set CBP @ 4700'. POOH.
12. PU perf guns, RIH, and perf stage 2 @ 4498-4643'.
13. Frac stage 2 per attached Halliburton frac prog.
14. RIH w/ WL and set CBP @ 4470'. POOH.
15. PU perf guns, RIH, and perf stage 3 @ 4353-4428'. RD WL.
16. Frac stage 3 per attached Halliburton frac prog. RD Frac.
17. RU rig, PU WS. Mill out plugs and clean out frac to PBTD w/ rig. RD Rig.
18. Flow back well to frac tanks to clean up all perforation debris. Truck water from site for disposal at a commercial facility.
19. RU WL and re-perforate entire interval @ 4275-5009'. POOH.
20. RIH w/ WL. Set injection packer @ +/- 4225' w/ plug in profile nipple. POOH. RD WL.
21. RU Rig. RIH w/ injection tubing and BHA and circulate packer fluid.
22. Run an MIT pressure test on the well with a witness from the OCD. RD rig. NU WH.
23. Place well on injection and report results to engineer.

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.

OXY USA Inc.
Gila 12 Fed #2H

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

NMOCD
1220 South St. Francis Dr.
Santa Fe, NM 87505

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Carey Vigil
C. Date of Delivery 04/18/13

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

APR 18 2013

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 4988 3779

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

NMOCD
811 S. First St.
Artesia, NM 88210

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) [illegible]
C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 4988 3816

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

BLM
620 E. Greene St.
Carlsbad, NM 88220

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Lisa J Scott
C. Date of Delivery 4/18/13

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 4988 3823

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

BOPCO, LP
P.O. Box 2760
Midland, TX 79702

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X B. Bell ☑ Agent ☐ Addressee

B. Received by (Printed Name) B. Bell C. Date of Delivery 4/18/13

D. Is delivery address different from item 1? ☑ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 4988 3830

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

EOG Resources Inc.
P.O. Box 2267
Midland, TX 79702

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X B. Bell ☑ Agent ☐ Addressee

B. Received by (Printed Name) B. Bell C. Date of Delivery 4/18/13

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 4988 3847

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 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 mailpiece, or on the front if space permits.

1. Article Addressed to:

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

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X J. Delgado ☑ Agent ☐ Addressee

B. Received by (Printed Name) J. Delgado C. Date of Delivery 4-18-13

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☑ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7011 3500 0002 4988 3854

Injection Permit Checklist: Received 04/19/13 First Email Date: — Final Reply Date: — Suspended?: —

Issued Permit: Type: WFX / PMX / SWD Number: 1418 Permit Date: 05/21/13 Legacy Permits or Orders: None

Well No. 2H Well Name(s): Gila 12 Federal

API : 30-0 15-36401 Spud Date: 08/01/2008 New/Old: New (UIC Cl II Primacy March 7, 1982)

Surface Footages 630 FSL / 2250 FEL Lot / Unit O Sec 12 Tsp 24S Rge 30E County Eddy

General Location: ~7.5 miles S/SE of WIPP; S of NM128 Pool: Delaware - Poker Lake, NW Pool No.: 96046

Operator: OXY USA Inc. [SWD — Delaware Bell Canyon] OGRID: 16696 Contact: David Stewart [96769]

COMPLIANCE RULE 5.9: Inactive Wells: 3 TotalWells: 1836 Fincl Assur: Yes Compl. Order? No **IS 5.9 OK?** Yes

Well File Reviewed: ✓ Current Status: Horizontal well - Delaware top 7786; horizontal perf interval 8300-10300

Planned Rehab Work to Well: Plug back at two locations; CIBP @ 8250' + 25sx (existing hor. per.); CIBP @ TVD: 7950 new perfs 4275 to 5009

Well Diagrams: Proposed — Before Conversion — After Conversion ✓ Are Elogs in Imaging?: Yes

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned __ or Existing __ Cond	—	—	—	—	—
Planned __ or Existing ✓ Surface	17 1/2 / 13 3/8	0-604	—	550	Circ. to surf.
Planned __ or Existing ✓ Interm	12 1/4 / 9 5/8	0-4230	—	1108	Circ to surf.
Planned __ or Existing ✓ LongSt	7 5/8 / 5 1/2	0-10366	5996	945	Cement bond log TOC 4000'
Planned __ or Existing __ Liner	—	—	—	—	—
Planned ✓ or Existing __ OH / PERF	7 5/8 / 5 1/2	4275-5009	New above CIBP		

Injection Formation(s):	Depths (ft)	Formation	Tops?
Above Top of Inject Formation	Salado ±1945	Salado	907
Above Top of Inject Formation	Delaware ±50'	Salado Bottom	2330
Proposed Interval TOP:	4275	Delaware	4224
Proposed Interval BOTTOM:	5009	Bell Canyon	4254
Below Bottom of Inject Formation	±133'	Cherry Canyon	5142
Below Bottom of Inject Formation	±1,357	Brushy Canyon	6366

Bell Canyon Ramsey — Next to but not in

Completion/Ops Details:

Drilled TD MD 7950 PBTD MD 10375

Open Hole — or Perfs X

Tubing Size 2 7/8 Inter Coated? Yes

Proposed Packer Depth 4225

Max Packer Depth 4175 (100-ft limit)

Proposed Max. Surface Press 800

Calc. Injt Press 855 max (0.2 psi per ft)

Calc. FPP — (0.65 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P No Noticed No **BLM Sec Ord** Yes **WIPP** No Noticed? No **SALADO** T: 907 B: 2330 **CLIFF HOUSE** NA

Fresh Water: Max Depth: 400' FW Formation Pecos River Alluvium Wells? No. 1 mile Analysis? Yes Potash 930-2030 Hydrologic Affirm Statement Yes

Disposal Fluid: Formation Source(s) Delaware & Bone Spring On Lease Only from Operator X or Commercial —

Injection Rate: 3000 BWPD Max 4000 BWPD **Disposal Interval:** Protectable Waters? No **CAPITAN REEF:** in N thru No outside of No

H/C Potential: Producing Interval? Yes but Not currently (or recently) Formerly Producing? Yes Method: E Log/Mudlog/DST/Depleted/Other Archie Calc. sat.

AOR Wells: 1/2-M Radius Map? ✓ Well List? Yes Total No. Wells Penetrating Interval: 7

Penetrating Wells: No. Active Wells 7 Num Repairs? 0 on which well(s)? (six active + one drilling) Diagrams? NA

Penetrating Wells: No. P&A Wells 0 Num Repairs? 0 on which well(s)? — Diagrams? NA

NOTICE: Newspaper Date 03/22/13 Mineral Owner — Surface Owner BLM N. Date 4/15/13

RULE 26.7(A): Identified Tracts? Y Affected Persons: BOPCO / EOG / Yates / OXY USA N. Date 4/15/13

Permit Conditions: None identified

Issues: