

DATE IN 04/18/03	SUSPENSE	ENGINEER RE	LOGGED IN 04/19/2013	TYPE SWD	PPRG NO. 1310951390
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
RECEIVED OOD - Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505
2013 APR 18 P 2:45



30-025-26976
NBR #1
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:

Delaware Mbr:
Upper Bell &
Cherry

[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		SR. Regulatory Advisor	4/15/13
Print or Type Name	Signature	Title	Date
		david_stewart@oxy.com	
		e-mail Address	

WBR #1 - 30-025-26976

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 NBR #1 - 30-025-26976
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-2500BWPd - Max-4000BWPd ✓
 2. Whether the system is open or closed; Closed
 3. Proposed average and maximum injection pressure; Avg-900psi - Max-990 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: [Signature] DATE: 4/5/13
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: _____

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.

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

Proposed injection zone: 4952' -5998'

Geologic Formation: Delaware Mtn. Group; Upper Bell Canyon , Cherry Canyon

Bell Canyon Zone thickness: 930'

Bell Canyon Top Depth: 4852'

Lithologic description (Bell Canyon): Interbedded arkosic to subarkosic sandstone, siltstone and limestone with occasional shale beds, average porosity about 18%

Cherry Canyon Zone thickness: 930'

Cherry Canyon Top Depth: 5782'

Lithologic description (Cherry Canyon): Primarily arkosic to subarkosic sandstone and siltstone interbedded with occasional limestone and shale beds, average porosity about 16%

Our data sources indicate that neither the Upper Bell Canyon, nor the Upper Cherry canyon intervals which we are targeting in this proposed SWD well, are productive in the area.

Mark Boehm


Senior Geological Advisor

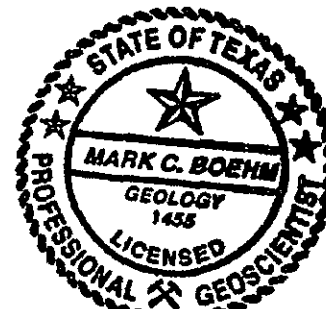
IX. Describe the proposed stimulation program, if any.

Two stage sand fracture treatment in the Bell / Cherry Canyon in the interval 4952' -5998'

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 NBR#1 well and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.


Mark Boehm, Sr. Geological Advisor



INJECTION WELL DATA SHEET

OPERATOR: OXY USA Inc.WELL NAME & NUMBER: NBR #1

WELL LOCATION: 1980 FSL 1980 FEL J 18 22S 33E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATICPROPOSED WELL CONSTRUCTION DATASurface CasingHole Size: 17-1/2" Casing Size: 13-3/8" @ 762'Cemented with: 870 sx. **or** 1148 ft³Top of Cement: Surface Method Determined: CircIntermediate CasingHole Size: 12-1/4" Casing Size: 10-3/4" @ 5006'Cemented with: 3135 sx. **or** 4138 ft³Top of Cement: Surface Method Determined: CircProduction CasingHole Size: 9-1/2" Casing Size: 7-5/8" @ 12066'Cemented with: 2040 sx. **or** 2142 ft³Top of Cement: 5240' Method Determined: CBLTotal Depth: 15372'Injection Interval4952 feet to 5998 feet

(Perforated or Open Hole; indicate which)

Liner:

6 1/4" Hole @ 15372'

5" liner @ 11768-15120'

Cmt w/ 580sx (609cuft), TOC-11768'-Circ

INJECTION WELL DATA SHEETTubing Size: 2-7/8" 6.5# J55 Lining Material: compositeType of Packer: Nickel Plated Arrow SetPacker Setting Depth: 4902'Other Type of Tubing/Casing Seal (if applicable): N/AAdditional Data

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

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

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

3. Name of Field or Pool (if applicable): Undesignated Delaware

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

14739-14956'-7/91 CIBP @ 14725' w/ 50' cmt – 13921-13927'-12/96 CIBP @ 13910' –

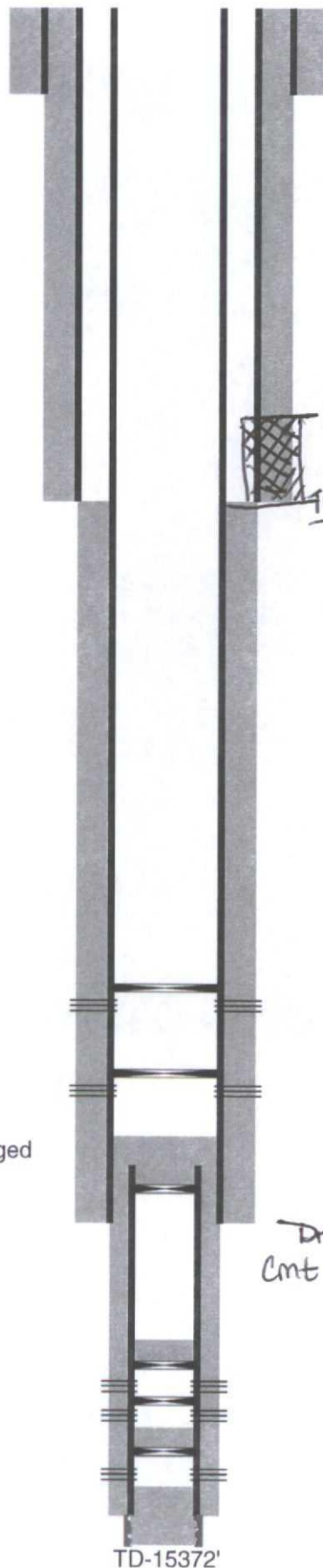
13756-13895'-2/03 CIBP @ 13720' w/ 50' cmt - 2/03 CIBP @ 11868' w/ 60sx cmt to 11540' –

11160-11184'-2/03 CIBP @ 11100' - 9898-9920'-9/07 CIBP @ 9823'

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/Wolfcamp/Strawn/Atoka/Morrow

OXY USA Inc. - Current
NBR #1
API No. 30-025-26976





17-1/2" hole @ 762'
 13-3/8" csg @ 762'
 w/ 870sx-TOC-Surf-Circ

5006
 TOC 5240'
 { 12-1/4" hole @ 5006'
 10-3/4" csg @ 5006'
 w/ 3135sx-TOC-Surf-Circ

9/07-CIBP @ 9823' ✓

2/03-CIBP @ 11100' ✓

2/03-CIBP @ 11868' w/ 60sx cmt 11540'-Tagged
 300'

2/03-CIBP @ 13720' w/ 50' cmt ✓

12/96-CIBP @ 13910'
 7/91-CIBP @ 14725' w/ 50' cmt

Perf @ 9898-9920' ✓

Perf @ 11160-11184' ✓

9-1/2" hole @ 12066'
 7-5/8" csg @ 12066'
 w/ 2040sx-TOC-5240'-CBL

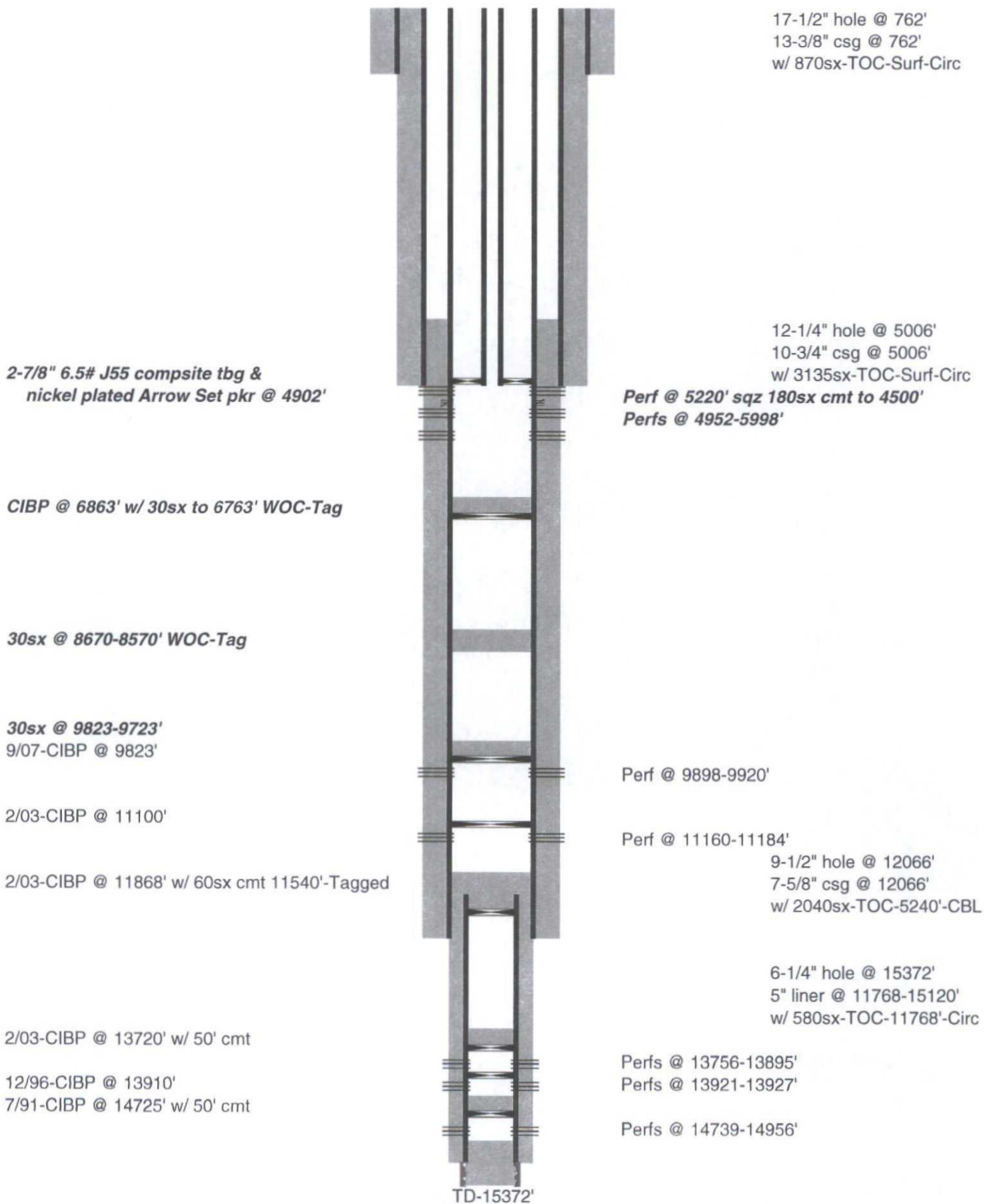
Drilled out w/ 6 1/2 mil bit
 Cmt 11,759'-11768'
 6-1/4" hole @ 15372'
 5" liner @ 11768-15120'
 w/ 580sx-TOC-11768'-Circ

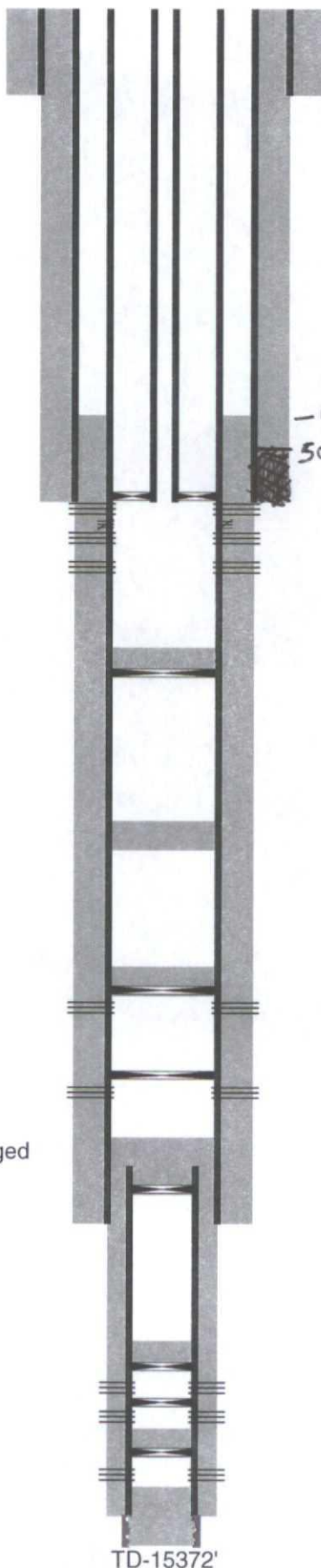
Perfs @ 13756-13895'
 Perfs @ 13921-13927'

Perfs @ 14739-14956'

TD-15372'

OXY USA Inc. - Proposed
NBR #1
API No. 30-025-26976





17-1/2" hole @ 762'
 13-3/8" csg @ 762'
 w/ 870sx-TOC-Surf-Circ

2-7/8" 6.5# J55 compsite tbg &
 nickel plated Arrow Set pkr @ 4902'

Condition:
 CBL after squeeze
 -4500
 5006

12-1/4" hole @ 5006'
 10-3/4" csg @ 5006'
 w/ 3135sx-TOC-Surf-Circ

Perf @ 5220' sqz 180sx cmt to 4500'
 Perfs @ 4952-5998'

CIBP @ 6863' w/ 30sx to 6763' WOC-Tag

30sx @ 8670-8570' WOC-Tag

30sx @ 9823-9723' } Add cmt to
 9/07-CIBP @ 9823' CIBP in place

Perf @ 9898-9920'

2/03-CIBP @ 11100'

Perf @ 11160-11184'

2/03-CIBP @ 11868' w/ 60sx cmt 11540'-Tagged

9-1/2" hole @ 12066'
 7-5/8" csg @ 12066'
 w/ 2040sx-TOC-5240'-CBL

2/03-CIBP @ 13720' w/ 50' cmt

6-1/4" hole @ 15372'
 5" liner @ 11768-15120'
 w/ 580sx-TOC-11768'-Circ

12/96-CIBP @ 13910'

Perfs @ 13756-13895'
 Perfs @ 13921-13927'

7/91-CIBP @ 14725' w/ 50' cmt

Perfs @ 14739-14956'

TD-15372'

[illegible]

A hand-drawn map of a coastal area, likely a harbor or bay, enclosed by a large circle. The map is divided into sections by a grid of lines. A compass rose in the top left corner indicates North (N). Various points are marked with numbers and symbols, including crosses (X), dots, and circles. Some points are labeled with coordinates or bearings, such as 22S 32E and 22S 33E. A large circle is drawn across the map, possibly representing a boundary or a specific area of interest. The map includes several labels for points, some of which are circled or checked. The overall appearance is that of a field sketch or a preliminary map.

Compass rose pointing North (N).

Grid lines labeled 13, 18, 17, 19, 20, 24.

Points marked with numbers and symbols:

- 30137
- 36453 X
- 36883
- 08106
- 35696
- 36047
- 35489 X
- 34028 X
- 31643 X
- 33739 X
- 29175
- 29175
- 40107 (4)
- 40439 BH
- 40440 BH
- 46441 BH
- 27780 (1) ✓
- 26976
- 27266 (2) ✓

Coordinates/Bearings:

- 22S 32E
- 22S 33E

Other labels:

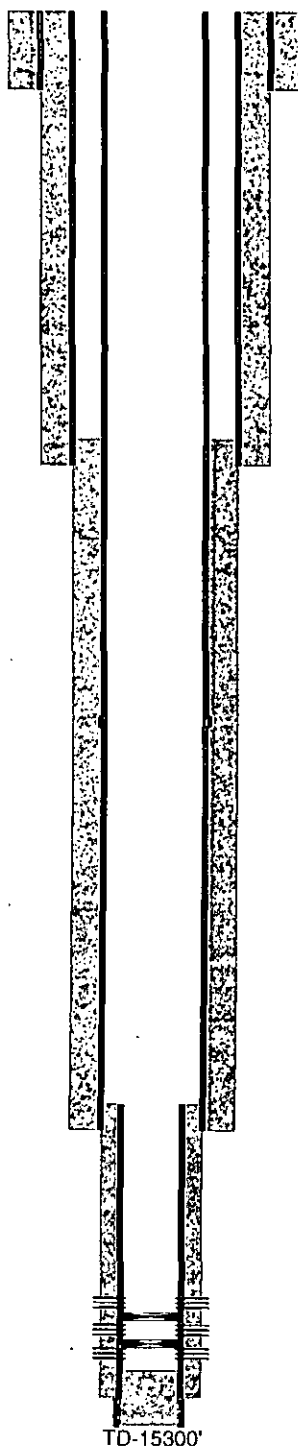
- New BS
- BH



AREA OF REVIEW

OPERATOR	LEASE	WELL NO.	API NO.	PLAT	LOCATION	DATE DRILLED	TD	PERFS	CASING-CEMENT	STATUS
OXY USA Inc.	NBR	2	025-27780	1	1980 FNL 1864 FWL	4/22/82	15300'	14702-14941'	13-3/8" @ 768' w/ 500sx - TOC-Surf-Circ	East Red Tank
					F-18-22S-33E		PE-9950'	9860-9890'	10-3/4" @ 4751' w/ 1650sx - TOC-Surf-Circ	Bone Spring
									7-5/8" @ 12201' w/ 2000sx TOC-4810'-TS	Act Oil
									5" @ 11788-15040' w/ 625sx - TOC-11788'-Circ	
OXY USA Inc.	Federal EBR	1	025-27266	2	1980 FSL 660 FWL	3/25/81	15270'	14039-14740'	13-3/8" @ 740' w/ 730sx - TOC-Surf-Circ	Bootleg Ridge
					L-17-22S-33E				10-3/4" @ 4974' w/ 2200sx - TOC-Surf-Circ	Morrow
									7-5/8" @ 12114' w/ 1050sx - TOC-6280'-Calc 2,230'-Calc	SI-Pending RC
									5" @ 11737-14813' w/ 700sx - TOC-11737'-Circ	
OXY USA Inc.	NBR	3H	025-40720	3	S-340 FSL 350 FWL (M)	8/29/12	14229'M	10364-14044'	13-3/8" @ 1015' w/ 1160sx - TOC-Surf-Circ	East Red Tank
					B-342 FNL 333 FWL (D)		9905'V		9-5/8" @ 4970' w/ 2255sx - TOC-240'-TS	Bone Spring
					18-22S-33E				5-1/2" @ 14207' w/ 2440sx - TOC-600'CBL	Act Oil
Cimarex Energy Co.	Merchant Livestock	1H	025-40107	4	S-660 FNL 330 FWL (D)	5/15/11	15230'M	10801-15178'	13-3/8" @ 1204' w/ 920sx - TOC-Surf-Circ	East Red Tank
					B-536 FNL 4836 FWL (A)		10978'V		9-5/8" @ 4860' w/ 1819sx - TOC-Surf-Circ	Bone Spring
					19-22S-33E				5-1/2" @ 15230' w/ 2800sx TOC-4145'-Calc	Act Oil

OXY USA Inc. - Current
NBR #2
API No. 30-025-27780



17-1/2" hole @ 770'
13-3/8" csg @ 768'
w/ 800sx-TOC-Surf-Circ

12-1/4" hole @ 4851'
10-3/4" csg @ 4851'
w/ 1650sx-TOC-Surf-Circ

9-1/2" hole @ 12201'
7-5/8" csg @ 12201'
DVT @ 7979'
1st w/ 800sx-TOC-7975'-Circ
2nd w/ 1200sx-TOC-4810'-TS

6-1/2" hole @ 15300'
5" liner @ 11788-15040'
w/ 625sx-TOC-11788'-15040'

2/97-CIBP @ 14525'
2/97-CIBP @ 14675'

PB-14996'

Perfs @ 14422-14426'
Perfs @ 14560-14568'
Perfs @ 14702-14941'

TD-15300'

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Company**

Well Number: Red Tank 34 #2 - Delaware
Lease: OXY
Location:
Date Run: 10/10/2012
Lab Ref #: 12-oct-n67147

Sample Temp: 70
Date Sampled: 10/5/2012
Sampled by: Leo Sandmann
Employee #:
Analyzed by: GR

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 ⁺⁺)		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 (CO ₃ ⁼)		.00	30.00	.00
BiCarbonate (HCO ₃ ⁻)		24.44	61.10	.40
Sulfate (SO ₄ ⁼)		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 CaCO ₃		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

Nalco Company

MITCHELL ANALYTICAL LABORATORY

2638 Faudree
Odessa, Texas 79765-8538
561-5579

Company: **Nalco Company**

Well Number: Cypress 28-1 – Bone Spring
Lease: OXY
Location:
Date Run: 5/3/2011
Lab Ref #: 11-may-n59280

Sample Temp: 70
Date Sampled: 4/29/2011
Sampled by: Casey Summers
Employee #:
Analyzed by: GR

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++)	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	(CO ₃ =)	.00	30.00	.00
BiCarbonate	(HCO ₃ -)	391.04	61.10	6.40
Sulfate	(SO ₄ =)	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 CaCO ₃		6,338.44		
Conductivity MICROMHOS/CM		216,200		

pH	6.480	Specific Gravity 60/60 F.	1.115
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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

Nalco Company

Endura Products (

P.O. Box 3394, Midland,
Phone (432) 884-4233 Fax

WATER ANAL

Date 10/10/2006 Endura Rep Norman Small
Sampling Point/Date Wellhead 10/4/2006
Company Pogo Producing Co.
Formation *up. Delaware* Lease COYOTE 21

FORM C-108
ITEM VII(5)

ANALYSIS - Injection Zone
Produced Water

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

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

	mg/l	me/l
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 INDICES

TEMP. F	CA CO3	CASO4*2H2O	CA SO4	BA SO4
80	-0.0677	-1.0097	-1.2523	-29.2957
120	0.2990	-1.0209	-1.0631	-29.4961
160	0.8653	-1.0396	-0.9292	-29.7255

PERFORATIONS



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): 7, 8, 17, 18, 19, **Township:** 22S **Range:** 33E
20

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

3/20/13 1:29 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER



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): 12, 13, 24 **Township:** 22S **Range:** 32E

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

3/20/13 1:30 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER

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 \$50.08 and that
payment thereof has been made and will be
assessed as court costs.

Kathy McCarroll

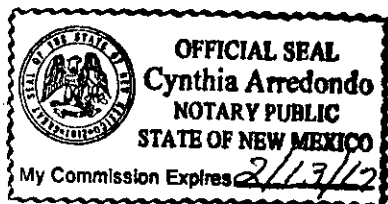
Subscribed and sworn to before me this

28 day of March, 2013

Cynthia Arredondo

My commission Expires on 2/13/17

Notary Public



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

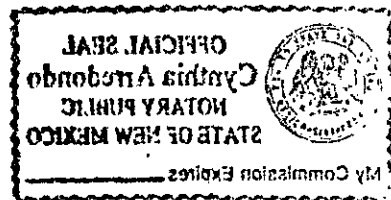
Purpose - Well:

Disposal of Produced Wa-
ter Into A Zone Non Pro-
ductive of Oil & Gas
NBR #1
1980 FSL 1980 FEL
NWSE(J) Sec 18 T22S
R33E
Lea County, NM

Formation:
Delaware : Bell-Cherry
Canyon
4952-5998'

Maximum Injection Rate -
4000 BWPD
Maximum Injection Pres-
sure - 990 psi

Interested parties must
file objections or re-
quests for hearing with
the Oil Conservation Divi-
sion, 1220 South St.
Francis Dr., Santa Fe,
New Mexico 87505 with-
in 15 days of this applica-
tion.



C-108 Service List
OXY USA Inc
NBR #1

New Mexico Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

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

Surface Owner

State Land Office
P.O. Box 1148
Santa Fe, NM 87504

Offset Operators within 1/2 mile

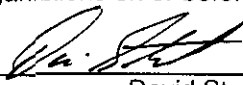
Cimarex Energy Co.
600 N. Marienfeld ST. Ste. 600
Midland, TX 79701

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

Potash Lessee(s) within 1 mile

None

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



David Stewart
OXY USA Inc.

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:

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

2. Article Number

(Transfer from service label)

7011 3500 0002 4988 3779

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-44-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

LEILA V. GIL

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

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:

NMCCD
1625 N. French Dr.
Hobbs, NM 88240

2. Article Number

(Transfer from service label)

7011 3500 0002 4988 3786

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-44-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

LEILA V. GIL

C. Date of Delivery

04/18/13

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

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:

State Land Office
P.O. Box 1148
Santa Fe, NM 87504

2. Article Number

(Transfer from service label)

7011 3500 0002 4988 3793

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-44-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

LEILA V. GIL

C. Date of Delivery

04/19/13

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

APR 19 2013

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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:

Cimarex Energy Co.
600 N. Mainfield St.
Ste. 600
Midland, TX 79701

2. Article Number

(Transfer from service label)

7011 3500 0002 4988 3809

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Addressee

B. Received by (Printed Name)

LEILA V. GIL

C. Date of Delivery

4/19/13

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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 334-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised November 14, 2012

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address OXY USA Inc. P.O. Box 50250 Midland, TX 79710		² OGRID Number 16696
		³ API Number 30-025-26974
⁴ Property Code	⁵ Property Name NBIS	⁶ Well No. 1

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
J	18	22S	33E		1980	South	1980	east	Lea

*** Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

⁹ Pool Name Undesignated Delaware	¹⁰ Pool Code
---	-------------------------

Additional Well Information

¹¹ Work Type P	¹² Well Type S	¹³ Cable/Rotary —	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3631'
¹⁶ Multiple No	¹⁷ Proposed Depth 6000'	¹⁸ Formation Delaware	¹⁹ Contractor TBD	²⁰ Spud Date After Approval
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

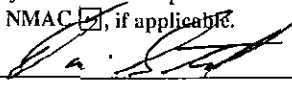
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
	17 1/2"	13 3/8"	54.5 #	762'	870	Surf-Circ
	12 1/4"	10 3/4"	40.5-51 #	5006'	3135	Surf-Circ
	9 1/2"	7 5/8"	26.4-29.7 #	12066'	2040	5240'-CBL

Casing/Cement Program: Additional Comments

5" liner @ 11768'-15120' w/ 580 sx, 6 1/4" hole, TOC-11768'-Circ.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	
Annular	3000	3000	

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> if applicable. Signature: 		OIL CONSERVATION DIVISION	
Printed name: David Stewart Title: Sr. Regulatory Advisor E-mail Address: david_stewart@oxy.com Date: 4/15/13		Approved By: Title: Approved Date: Expiration Date:	
Phone: 432-685-5717		Conditions of Approval Attached	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1280 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-26976	² Pool Code	³ Pool Name Undesignated Delaware
⁴ Property Code	⁵ Property Name NBR	⁶ Well Number 1
⁷ OGRID No. 16696	⁸ Operator Name OXY USA Inc.	⁹ Elevation 3631

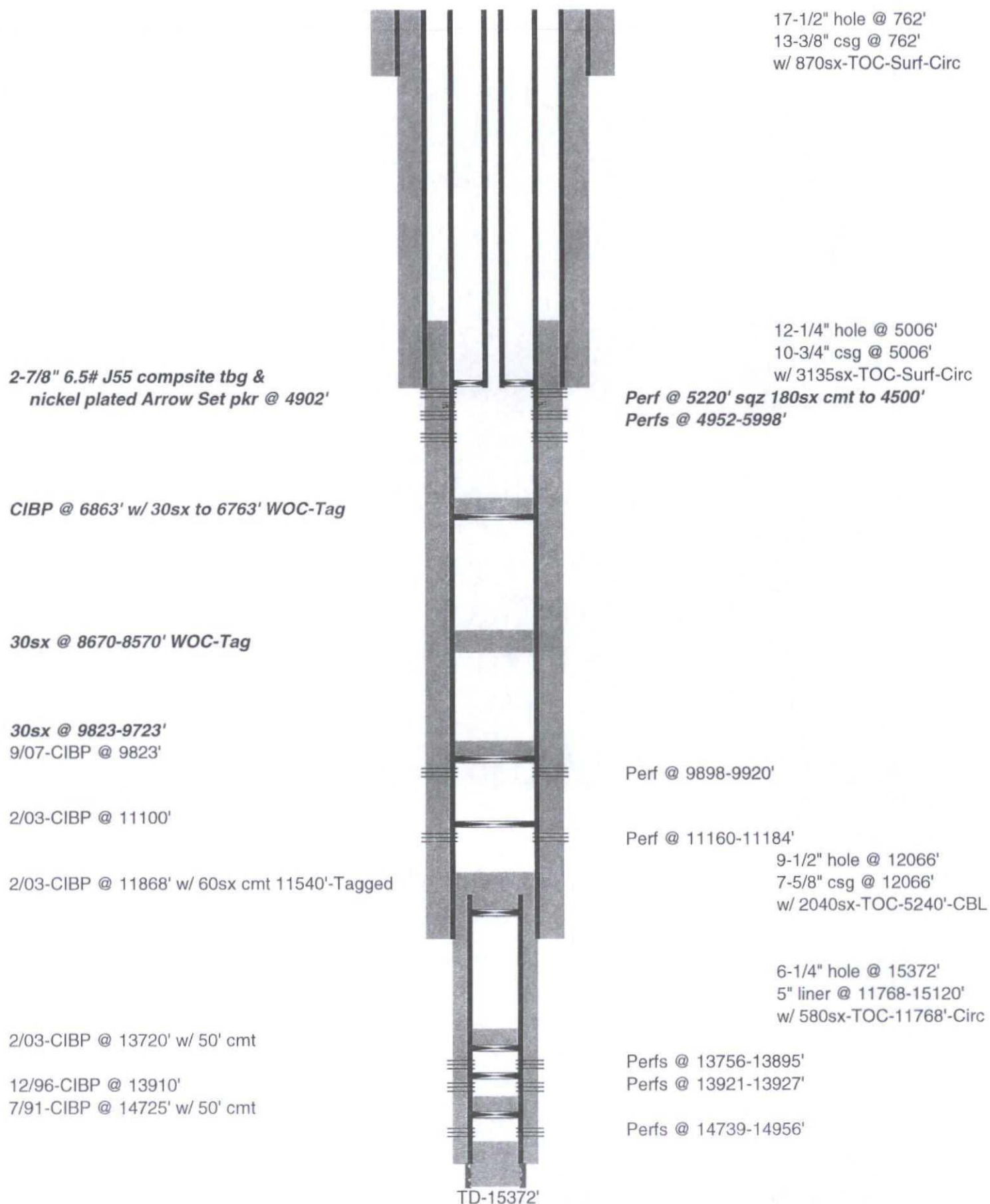
¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	18	22S	33E		1980	South	1980	East	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres N	¹³ Joint or Infill -	¹⁴ Consolidation Code	¹⁵ Order No.						

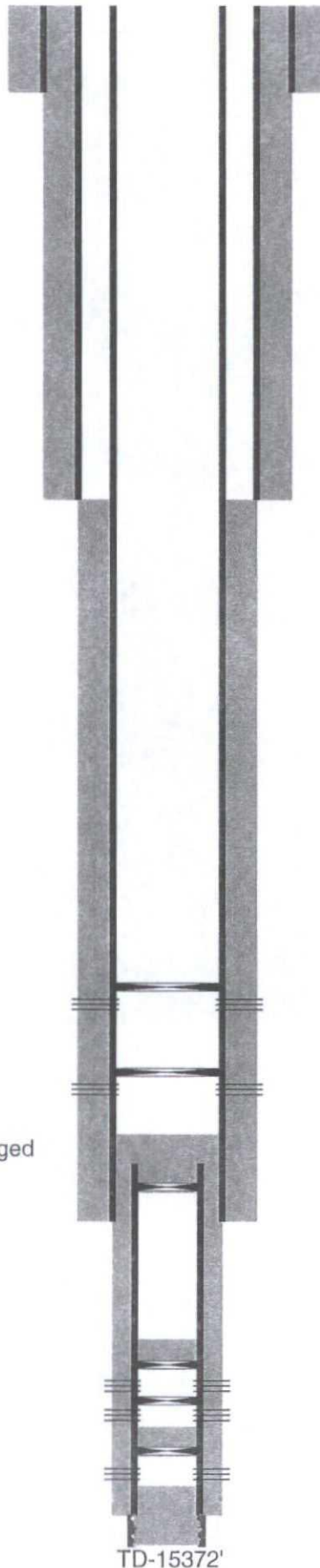
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.	
	Signature: Date: 4/15/13	
	Printed Name: David Stewart SR. Reg. Adv.	
	E-mail Address: david_stewart@oxy.com	
¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	Date of Survey	
	Signature and Seal of Professional Surveyor:	
	Certificate Number	

OXY USA Inc. - Proposed
NBR #1
API No. 30-025-26976



OXY USA Inc. - Current
NBR #1
API No. 30-025-26976



NBR #1 – 30-025-26976

13/3/8" 54.5 csg @ 762' w/ 870sx, 17-1/2" hole, TOC-Surf-Circ
10-3/4" 40.5-51# csg @ 5006' w/ 3135sx, 12-1/4" hole, TOC-Surf-Circ
7-5/8" 26.4-29.7 csg @ 12066' w/ 2040sx, 9-1/2" hole, TOC-5240'-CBL
5" liner @ 11768-15120' w/ 580sx, 6-1/4" hole, TOC-11768'-Circ

1. MI & RU Rig. ND WH and NU BOP.
2. PU work string, RIH, and cap existing CIBP @ 9823' w/ 30 sx cmt.
3. Pull up WS and pump 30 sx cmt @ 8670' – 8570'. WOC and Tag. POOH.
4. RU WL. RIH and set CIBP @ 6863'. POOH. RD WL.
5. RIH w/ WS and spot 30 sx cmt on CIBP @ 6863'. POOH w/ WS.
6. RU WL. RIH w/ WL and set CBP @ 5250'. POOH.
7. PU and RIH w/ perf guns and perforate for cmt squeeze @ 5220'. RD WL.
8. PU cmt retainer and RIH w/ WS. Set retainer above squeeze perfs @ approximately 5200'.
9. RU cementers.
10. Maintain 500 psi pressure in WS x 7 5/8" casing annulus to prevent casing collapse.
11. Establish circulation in 10 3/4" x 7 5/8" casing annulus through bradenhead by pumping 500 gals 15% HCl down work string followed by 300 bbls freshwater. **Do not exceed a 2400 psi (70% of collapse pressure) bottomhole pressure.**
12. After establishing circulation, pump 180 sx cmt down WS. **Do not exceed a 2400 psi bottomhole pressure.**
13. Displace cement out of WS.
14. POO retainer and POOH w/ WS.
15. With rig, DO cmt retainer @ 5200' and CBP @ 5250' and CO to PBTD @ approximately 6760'.
16. RU WLU and run CBL from PBTD to surface. RD WL.
17. **Obtain engineering approval before continuing.**
18. Pressure test casing to 4200 psi (~70% of burst – 26.4# N80). RD Rig. NU Frac valve.
19. RU WL. PU perf guns and perforate Stage 1 @ 5641-5954'. POOH.
20. RU Frac crew and frac stage 1 per Halliburton frac program. **Do not exceed 4200 psi in casing.**
21. RIH w/ WL and set CBP @ 5400'. POOH.
22. PU perf guns, RIH, and perforate Stage 2 @ 5030-5270'. POOH. RD WL.
23. Frac Stage 2 per Halliburton frac program. RD Frac. **Do not exceed 4200 psi in casing.**
24. RU Rig, PU WS. Mill out CBP @ 5400' and clean out frac to PBTD. RD Rig.
25. Flow back well to frac tanks to clean up all perforation debris. Truck water from site for disposal at a commercial facility.
26. RU WL and re-perforate the entire injection interval @ 4952-5998'. POOH.
27. PU injection pkr and RIH w/ WL. Set injection pkr @ 4900' w/ plug in profile nipple. POOH. RD WL.
28. RU Rig. RIH w/ injection tubing and BHA and circulate pkr fluid.
29. Run an MIT pressure test on the well with a witness from the OCD. RD Rig. NU WH.
30. 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.

Injection Permit Checklist: Received 04/18/03 First Email Date: 05/23/13 Final Reply Date: 05/23/13 Suspended?: None

Issued Permit: Type: WFX / PMX / SWD Number: 1420 Permit Date: 05/23/13 Legacy Permits or Orders: None

Well No. 1 Well Name(s): NBR

API: 30-0 25-26976 Spud Date: 08/18/80 New/Old: Old (UIC CI II Primacy March 7, 1982)

Footages 1980 FSL/1980 FEL Lot 5 Sec 18 Tsp 22S Rge 33E County Lea

General Location: East of WIPP in San Simon Pool: Inject: Cherry & Bell Pool No.: (51683)

Operator: OXY USA Inc. Swale NW of Sal OGRID: 16696 Contact: David Stewart

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

Well File Reviewed: ✓ Current Status: Well is SI with all perfs PB to 9823 CIB installed 2007;

Planned Rehab Work to Well: Cement top of shallowest CIB, squeeze cement over injection interval; perf

Well Diagrams: Proposed Before Conversion After Conversion Are Elogs in Imaging?: Yes inject. interval

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sk or Cf	Cement Top and Determination Method
Planned <u>or</u> Existing <u>Cond</u>	—	—	—	—	—
Planned <u>or</u> Existing <u>Surface</u>	17 1/2 / 13 3/8	0-762	—	870	Stimulate to surf
Planned <u>or</u> Existing <u>Interm</u>	12 1/4 / 10 3/4	0-5006	—	3135	Circulate to surf
Planned <u>or</u> Existing <u>LongSt</u>	9 1/2 / 7 5/8	0-12066	—	2040	CBL/cmt at 5240
Planned <u>or</u> Existing <u>Liner</u>	6 1/2 / 5	11,768-15,120	—	580	Drilling log/milling
Planned <u>or</u> Existing <u>OH (PERF)</u>	—	4952-5998	—	—	—

Injection Formation(s):	Depths (ft)	Formation	Tops?
Above Top of Inject Formation	~3950	Dewey Lake	760
Above Top of Inject Formation	±1	Rustler (4853)	898
Proposed Interval TOP:	4952	Bell Canyon	4852
Proposed Interval BOTTOM:	5998	Cherry Canyon	5782
Below Bottom of Inject Formation	—	Bone Spring	8661
Below Bottom of Inject Formation	—	3rd BS sand	11852

Completion/Ops Details:
Drilled TD <u>15,372</u> PBTD <u>15,060</u>
Open Hole <u>or</u> Perfs <u>X</u>
Tubing Size <u>2 7/8</u> Inter Coated? <u>✓</u>
Proposed Packer Depth <u>4902</u>
Max Packer Depth <u>4852</u> (100-ft limit)
Proposed Max. Surface Press <u>990</u>
Calc. Injt Press <u>990</u> (0.2 psi per ft)
Calc. FPP <u>990</u> (0.65 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P No Noticed? No BLM Sec Ord No WIPP No Noticed? No SALADO T: 998 B: — CLIFF HOUSE VA

Fresh Water: Max Depth: ~480 FW Formation Alluvial + Wells? 0 Analysis? No Hydrologic Affirm Statement Yes

Disposal Fluid: Formation Source(s) Delaware Group & BS On Lease Only from Operator or Commercial —

Injection Rate: 2500/4000 BWPD Disposal Interval: Protectable Waters? No CAPITAN REEF: in No thru No outside of Yes - south

H/C Potential: Producing Interval? N Formerly Producing? N Method: E Log / Mudlog / DST / Depleted / Other Other

AOR Wells: 1/2-M Radius Map? 4 Well List? 4 Total No. Wells Penetrating Interval: 4

Penetrating Wells: No. Active Wells 3 Num Repairs? 0 on which well(s)? 3 Diagrams? N

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

NOTICE: Newspaper Date 03/23/13 Mineral Owner SLO Surface Owner SLO N. Date 04/15/13

RULE 26.7(A): Identified Tracts? ✓ Affected Persons: Amarex / Oxy N. Date 04/15/13

Permit Conditions: Added CBL requirement for squeezed interval

Issues: