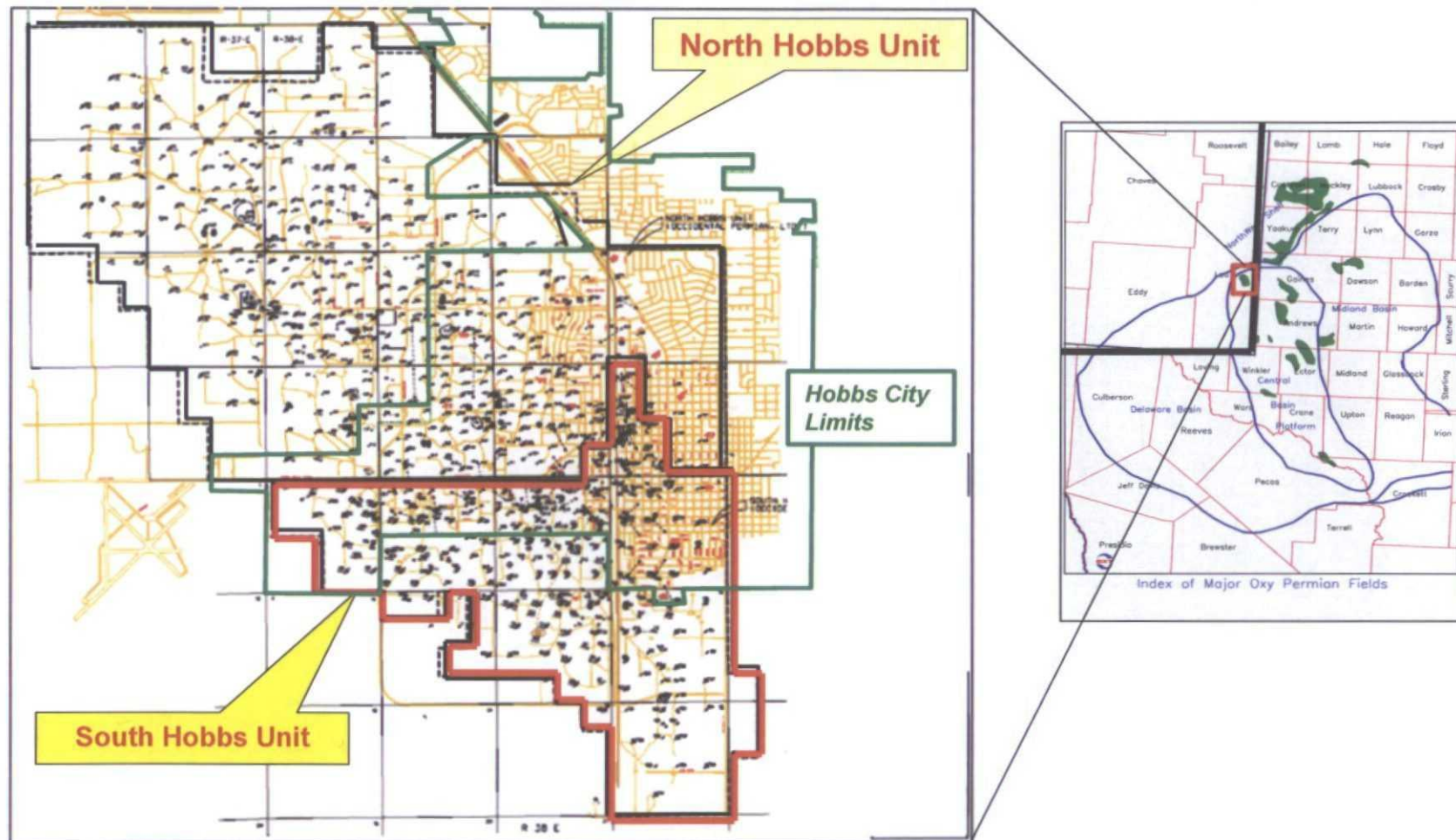
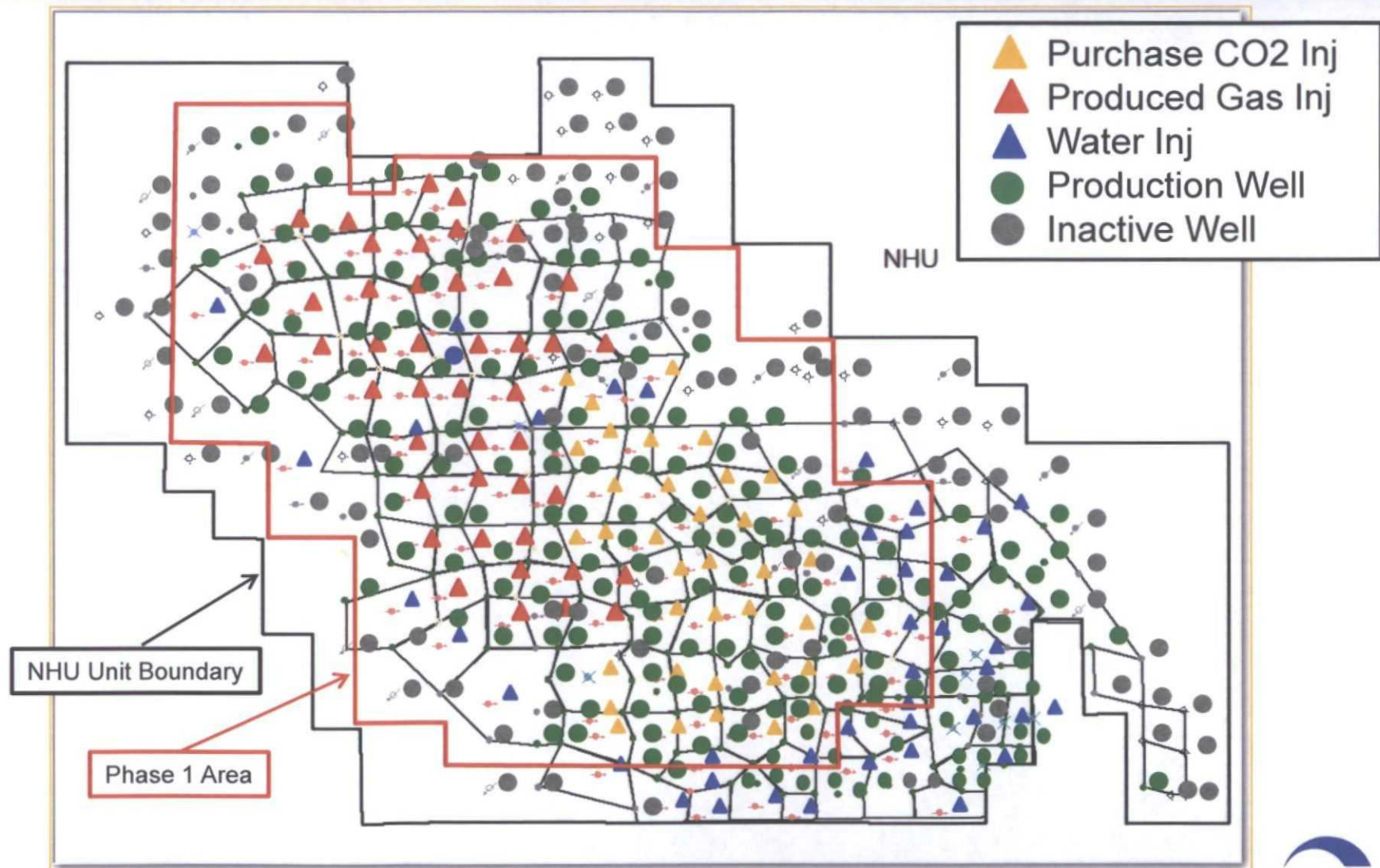


North & South Hobbs Units



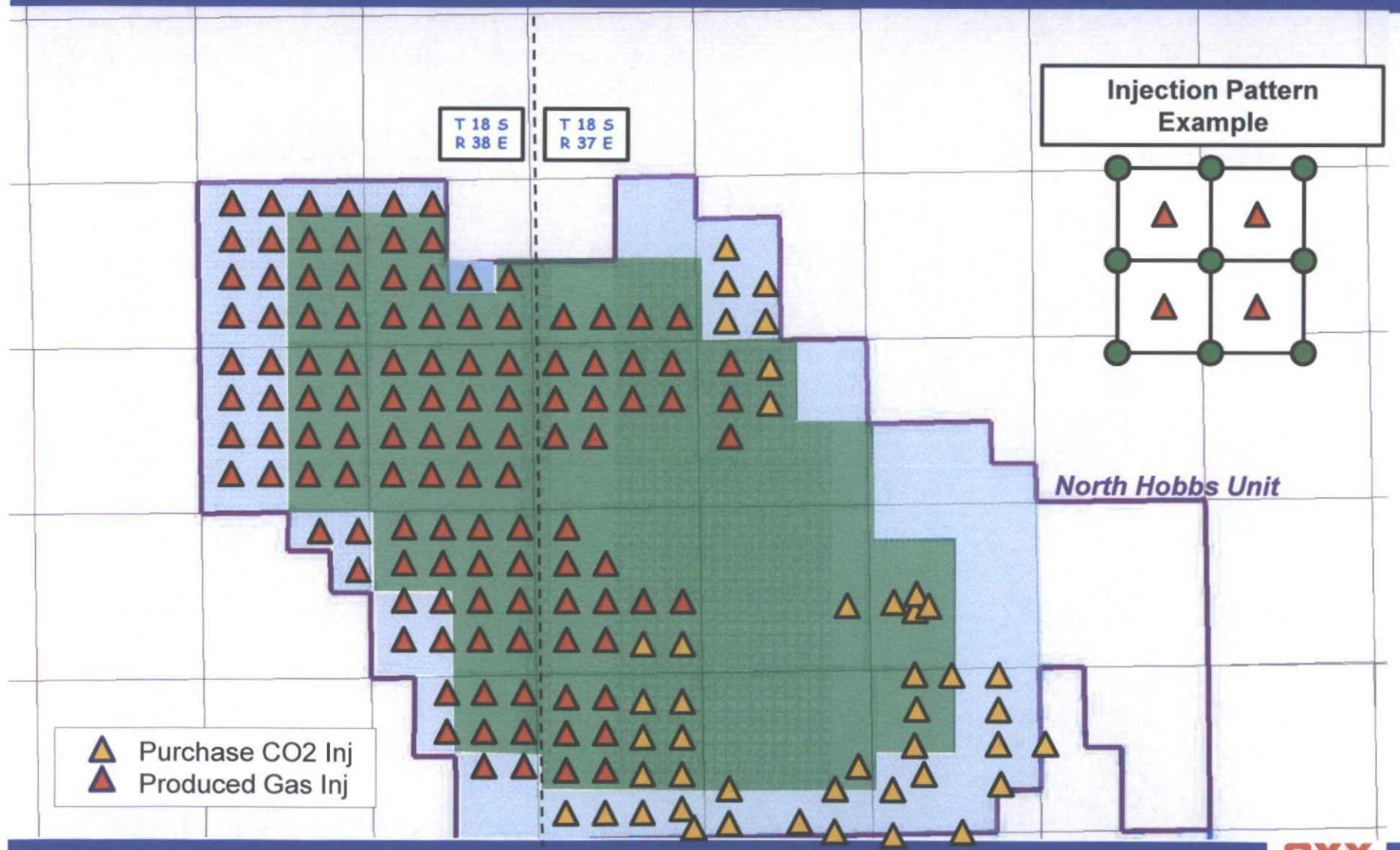
North Hobbs Unit Current Operations



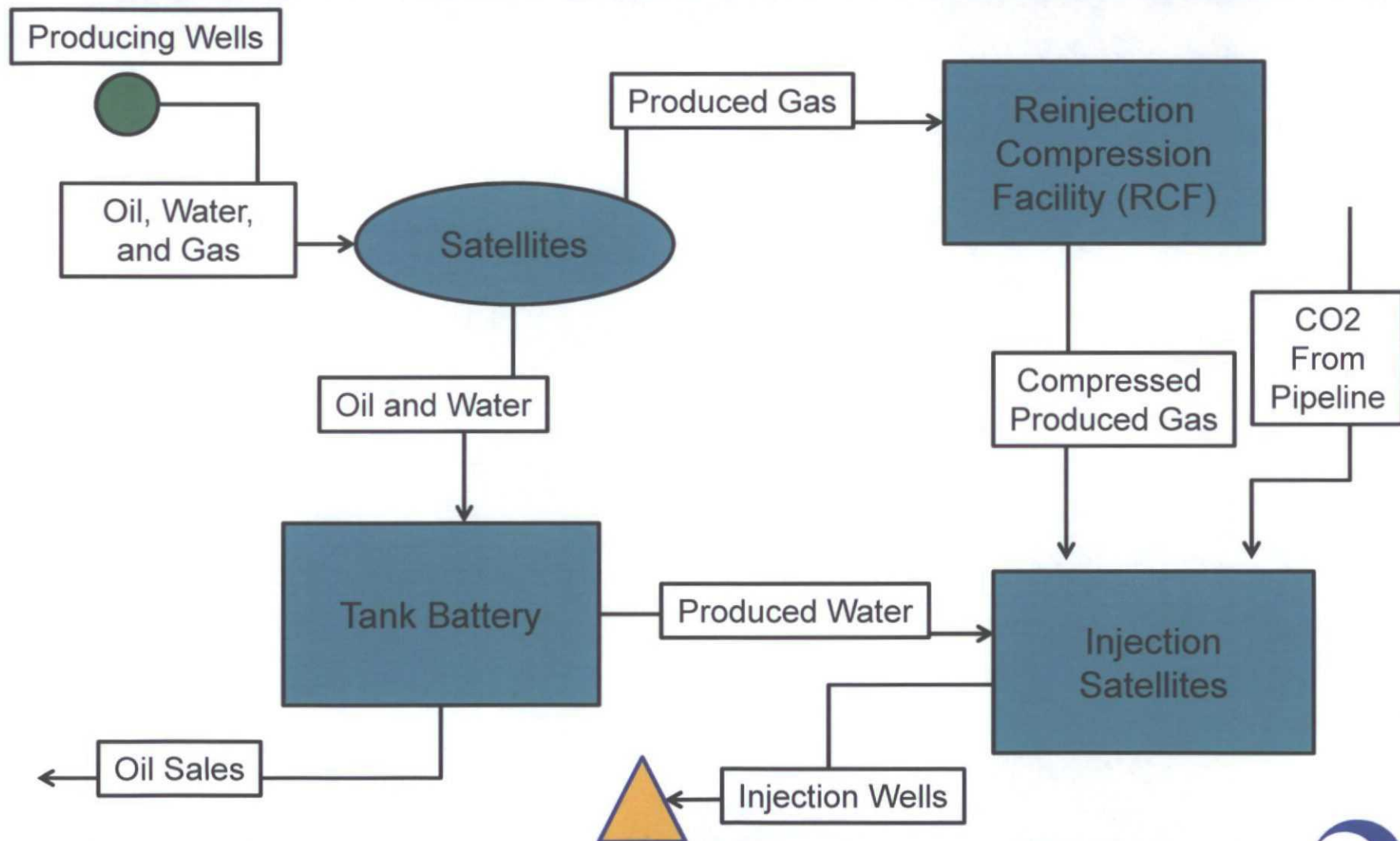
North Hobbs Phase 1 Expansion

- Expand the approved Phase 1 CO2 geographic area
- Expand the injection authority to include new wells on qtr/qtr section and convert existing wells
- Grant exception to NMAC 19.15.15.13(A) to allow wells to be closer than 10 ft. to a qtr/qtr section line or subdivision inner boundary within NHU area
- Confirm that well limitation for qtr/qtr sections set forth in NMAC 19.15.15.9(A) does not apply to tertiary recovery projects
- Modify packer setting depth requirement by allowing injection packer to be set anywhere above top perforation and below top of Grayburg Formation

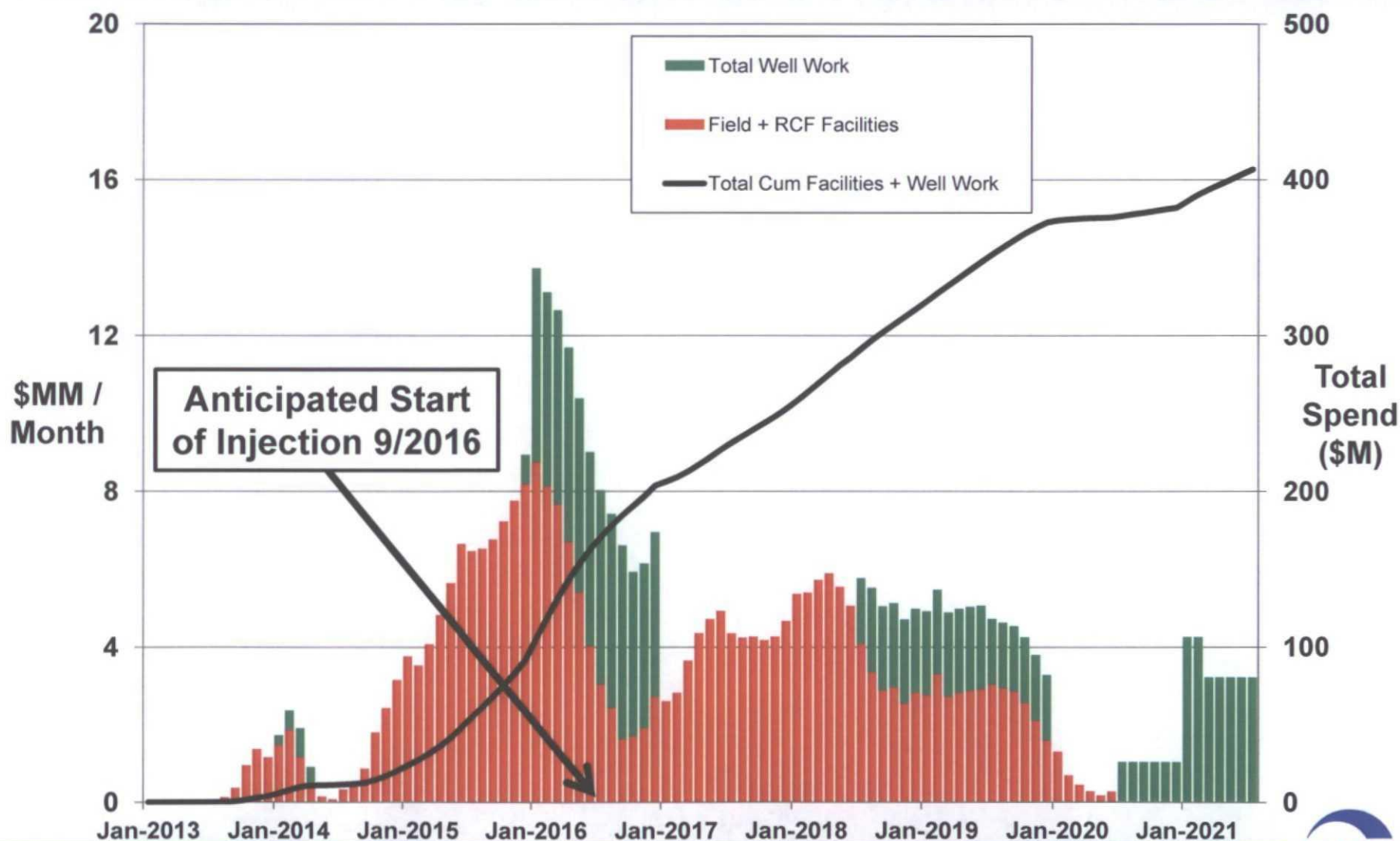
North Hobbs Unit Phase 1 Expansion



Field Flow Diagram



NHU CO₂ Flood Expansion Capital Expenditures – Overall Project

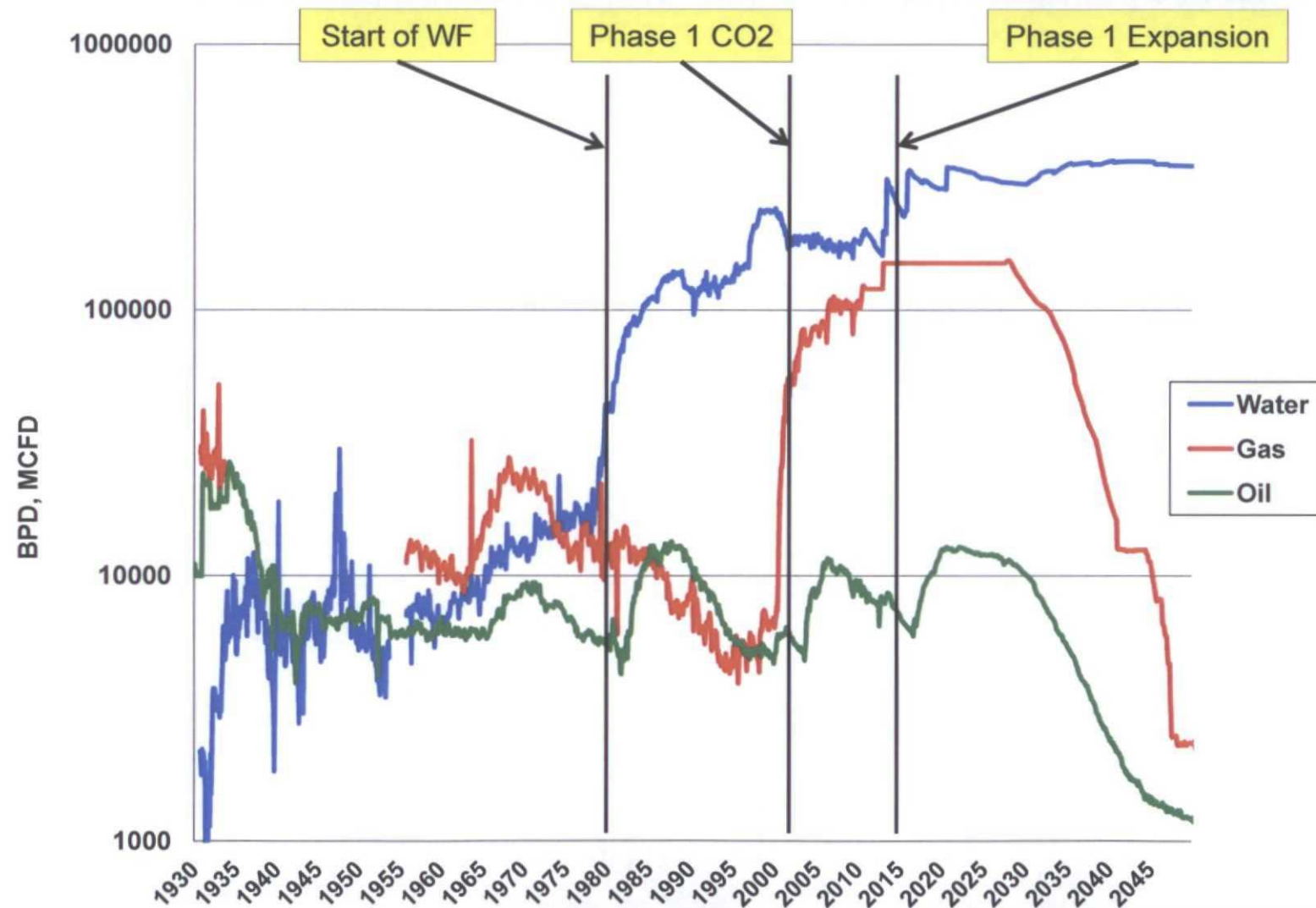


NHU Phase 1 Expansion– Projected Schedule

Project Key Milestone Start Dates

Detailed Design Engineering	Aug– 2014
Procurement Begins	Dec – 2014
Field Construction Begins	Aug – 2015
RCF Expansion Begins	April – 2015
Field Well Work Over & Drilling	Jan - 2016
1 st CO ₂ Injection in Expansion Area	Sept – 2016
Additional Compression Startup	Sept – 2016

North Hobbs Unit Production - Historical and Forecast



Order R-4934-F (Entered July 18, 2013)

27. The geologic and other evidence presented demonstrates Oxy should be allowed to set packers in injection wells in the South Hobbs Project Area anywhere above the uppermost injection perforations or casing shoes, so long as the packer is set below the top of the Grayburg formation.

South Hobbs Unit Type Log

