

Michael Feldewert

From: Donna_Havins@oxy.com
Sent: Monday, September 28, 2015 9:27 AM
To: Keith_Sevin@oxy.com; Omar_Lisigurski@oxy.com; Charles_Wagner@oxy.com; Thomas_Clifford@oxy.com
Cc: Laura_Drum@oxy.com
Subject: FW: Diamond 34 State #1 SWD (30-025-33387)
Importance: High

Please see Devon's email below.

We have a meeting tomorrow at 10 AM to discuss this situation.
Donna

From: Allen, Cari [<mailto:Cari.Allen@dvn.com>]
Sent: Monday, September 28, 2015 7:24 AM
To: Havins, Donna; Norman, David L; Murphy, Keith
Cc: Patrick, Larry; Hathcock, Roy; Johnson, Kyle; Martin, Joe; Prejean, John
Subject: Diamond 34 State #1 SWD (30-025-33387)

Donna/David,

First of all, thanks for helping to coordinate additional conversation between OXY and Devon. Also, we appreciate OXY agreeing to shut-in its Diamond 34 State #1 SWD (30-025-33387) while Devon finishes drilling its North Thistle 34 State Com 1H well (30-025-42465).

Based on conversations between Devon's technical experts and Keith Murphy, we understand that OXY's latest MIT test indicated there are no casing leaks; therefore, this still leaves the unanswered question of why Devon began experiencing abnormally high water pressure at 1820' at a zone considerably higher than OXY's approved injection zone of 5100' - 6,516', and that the pressure increases and decreases were in direct correlation with activity on OXY's Diamond 34 State #1 SWD. For example, when OXY stopped injecting, Devon saw the pressure decrease at these shallower depths.

Since these questions have not been answered and Devon is unaware of any repairs that were made that would've corrected these issues, Devon feels it has no choice but to file for an Application to Revoke OXY's Right to Inject in the Diamond 34 State #1 SWD and allow the NMOCD the opportunity to fully evaluate the situation. If OXY has discovered and repaired what caused the abnormally high water pressure in the shallower zone, please advise.

Devon owns 100% working interest in Section 34-22S-33E and as I mentioned to you in previous conversations, Devon has halted its plans to drill a second well from the same pad as the North Thistle 34 State Com 1H due to the risk at the shallower depths. We will also delay drilling from the north side of the section until we have a good estimate on how far the flooded shallow zone extends.

Please let me know what day and time we can meet and I will get the conference call set up on our end.

Thanks,

BEFORE THE OIL CONVERSION
DIVISION
Santa Fe, New Mexico
Exhibit No. 28
Submitted by: OXY USA Inc.
Hearing Date: March 29, 2016