Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT OCD-ARTESIA

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Lease Serial No. NMNM99015

abandoned we	6. If Indian, Allottee	6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRI	7. If Unit or CA/Agre	7. If Unit or CA/Agreement, Name and/or No.			
1. Type of Well			8. Well Name and No	17 FEDERAL 2H	
Oil Well Gas Well Oth 2. Name of Operator		TI FEDERAL 2H			
2. Name of Operator Contact: JANA MENDIOLA OXY USA INCORPORATED E-Mail: janalyn_mendiola@oxy.com			9. API Well No. 30-015-41061-	30-015-41061-00-S1	
		none No. (include area code 432-685-5936	code) 10. Field and Pool, or Exploratory N SEVEN RIVERS-GLOR-YESO		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)			11. County or Parish,	11. County or Parish, and State	
Sec 17 T20S R25E NENW 33	EDDY COUNT	Y, NM			
12. CHECK APPI	ROPRIATE BOX(ES) TO INDI	CATE NATURE OF	NOTICE, REPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION	TYPE OF SUBMISSION TYPE OF ACTION				
Notice of Intent	☐ Acidize	□ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	■ New Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	☐ Change Plans	□ Plug and Abandon	☐ Temporarily Abandon		
	Convert to Injection	□ Plug Back	■ Water Disposal		
determined that the site is ready for f 1. Name(s) of formation(s) pro N. Seven Rivers; Glorieta-Yes	oducing water on the lease: from each formation in barrels possible (30-015-33430) - 9bbl (30-015-41061) - 79bbl (30-015-41062) - 41bbl lease: Water Storage Tanks	er day: NM OIL CONS ARTESIA DIS NOV 1 4	SEE ATTACHED FO CONDITIONS OF APPE ERVATION STRICT 2016	A.s.	
* RECEIVED					
14. I hereby certify that the foregoing is Con Name (Printed/Typed) DAVID ST	Electronic Submission #338245 For OXY USA INCOF mitted to AFMSS for processing	RPORATEĎ, sent to the by PRISCILLA PEREZ o	Carlsbad		
Signature (Electronic S	Submission)	Date 05/03/2	2016 A Procession Lab	an garage	
	THIS SPACE FOR FE	DERAL OR STATE	OFFICE USE		
		Title	43 MAY 2 0 201	S Date	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		rant or	JAMES A. AMC		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent				agency of the United	

Additional data for EC transaction #338245 that would not fit on the form

32. Additional remarks, continued

- 5. Operator(s) of disposal facility(ies): OXY USA WTP LP a. Lease name or well name and number: MOC SWD #1 b. Location by ? ? Section, Township, and Range of the disposal system: NESW-7-20S-25E c. The appropriate NMOCD permit number: SWD-448

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office 620 East Greene Street Carlsbad, New Mexico 88220 575-234-5972

Disposal of Produced Water From Federal Wells Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

- 1. This agency shall be notified of any change in your method or location of disposal.
- 2. Compliance with all provisions of Onshore Order No. 7.
- 3. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 5. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14

STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

ADMINISTRATIVE ORDER NO. SWD-448

APPLICATION OF NEARBURG PRODUCING COMPANY

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Nearburg Producing Company made application to the New Mexico Oil Conservation Division on October 29, 1991, for permission to complete for salt water its Mobil Federal Com Well No. 1 located in Unit K of Section 7, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations.
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

(1) The applicant herein, Nearburg Producing Company is hereby authorized to complete its Mobil Federal Com Well No. 1 located in Unit K of Section 7, Township 20 South, Range 25 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Devonian formation at approximately 10,200 feet to approximately 11,000 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 10,100 feet.

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IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 2,040 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Devonian formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

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The operator shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 18th day of November, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

cc: Oil Conservation Division - Artesia
US Bureau of Land Management - Carlsbad

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