

State Of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor
Sarah Cottrell Propst
Cabinet Secretary
Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne Sandoval
Division Director



RECEIVED
Response Required - Deadline Enclosed
Field Inspection Program
"Preserving the Integrity of Our Environment"
BY: W
DATE: 6/24/19

HOBBS OCD
AUG 30 2019
RECEIVED

14-Jun-19

OCcidental PERMIAN LTD
P.O. Box 4294
Houston, TX 77210-4294

LETTER OF VIOLATION - Field Inspection

Dear Operator:

The following inspection indicates that the well, equipment, location or operational status of the well failed to meet standards of the New Mexico Oil Conservation Division as described in the detail section below. To comply with standards imposed by Rules and Regulations of the Division, corrective action must be taken immediately and the situation brought into compliance. The detail section indicates preliminary findings and/or probable nature of the violation. This determination is based on an inspection of your well or facility by an inspector employed by the Oil Conservation Division on the date indicated.

Please notify the proper district office of the Division, in writing, of the date corrective actions are scheduled to be made so that arrangements can be made to reinspect the well and/or facility.

INSPECTION DETAIL SECTION

[30-025-07500] NORTH HOBBS G/SA UNIT #341 ~~431~~ OGRID: 157984 O-31-18S-38E 1315 FSL 1325 FEL

Inspection Date	Type Inspection	Inspector	Corrective Action Due By	Inspection No.
6/4/2019	Routine Inspection	[GR] Gary Robinson	9/2/2019	iGR1915530282

Violations:

Rule	Violation
19.15 Oil and Gas	Mechanical Integrity Failure Recorded
Comment:	Auto Generated Violation - MIT Failure exits.

In the event that a satisfactory response is not received to this letter of direction by the "Corrective Action Due By:" date shown above, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well.

Sincerely,

Mr. Robinson,

8-28-2019

As per the attached C-103 Form, the MIT ISSUE with this well has been

Hobbs OCD District Office

Note: Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data.

Corrected.

Oil Conservation Division * 1625 N. French Drive * Hobbs, NM 88240
Phone: 575-393-6161 * Fax: 575-393-0720 * www.emnrd.state.nm.us

REGARDS,

Robert K. Wilson

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-103
 Revised August 1, 2011

RECEIVED
 MAY 11 2019
 HOBBSDCD

WELL API NO. 30-025-07500
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name North Hobbs (G/SA) Unit
8. Well Number: 341
9. OGRID Number: 157984
10. Pool name or Wildcat Hobbs (G/SA)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3640' (KB)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other: Injector

2. Name of Operator
Occidental Permian Ltd.

3. Address of Operator
HCR 1 Box 90 Denver City, TX 79323

4. Well Location
 Unit Letter O : 1315 feet from the South line and 1325 feet from the East Line
 Section 31 Township 18-S Range 38-E NMPM Lea County

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input checked="" type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

- MIRU Pulling Unit and reverse unit.
- Check pressure, ND WH and NU BOP
- POOH with Injection equipment
- RIH with RBP and Packer, test casing and locate source of the pressure.
- Remediate casing issues
- RU WL and Perf as following: 4105 - 4120, 4135 - 4150, 4160 - 4175, RD WL
- RIH with PPI tool and acid stimulate new and existing perms with ~ 3000 gals of 15% HCL IC200
- POOH with PPI Tool
- RIH with injection equipment.
- RDMO.
- Place well back on injection

During this procedure we plan to use the closed-loop system with a steel tank and haul contents to the required disposal per ODC Rule 19.15.17

NOTIFY OGD BEFORE 24 HRS CONDUCTING MIT

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE TITLE Production Engineer DATE 05/09/2019
 Type or print name Carlos Restrepo E-mail address carlos_restrepo@oxy.com PHONE: 713-366-5147

For State Use Only

APPROVED BY: TITLE Petroleum Engineer DATE 05/29/19
 Conditions of Approval (if any):

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Injector <input type="checkbox"/>		WELL API NO. 30-025-07500
2. Name of Operator Occidental Permian LTD		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
3. Address of Operator PO Box 4294 Houston, TX 77210		6. State Oil & Gas Lease No.
4. Well Location Unit Letter <u>O</u> : <u>1315</u> feet from the <u>S</u> line and <u>1325</u> feet from the <u>E</u> line Section <u>31</u> Township <u>18S</u> Range <u>38E</u> NMPM County <u>Lea</u>		7. Lease Name or Unit Agreement Name North Hobbs G/SA Unit
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3640' KB		8. Well Number <u>341</u>
		9. OGRID Number 157984
		10. Pool name or Wildcat Hobbs; (G/SA)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input checked="" type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Please see attached well work and chart

Spud Date: 07/8/2019 Rig Release Date: 07/29/2019

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *April Santos* TITLE Regulatory Specialist DATE 08/15/2019

Type or print name April Santos E-mail address: April_Hood@Oxy.com PHONE: 713-366-5771

For State Use Only

APPROVED BY: *Ray Johnson* TITLE Assistant Officer DATE 9-9-19
 Conditions of Approval (if any):

NHU 341 – 30-025-07500

7/8/19: MIRU x NDWH x NUBOP. 7/9/19: POOH 133 jts 2 7/8" tbg x inj equipment. RIH x ran CBL from 4080' to surface. 7/10/19: RIH 7" rbp @2000' x dumped 20' sand. Perforated 7" csg @1550'. Pressured up on squeeze holes to 800 psi x lost 300 psi in 5 min. RIH 7" pkr @1510' x established injection rate @2.4 bbls a min w/ 1200 psi, started getting weak circulation after 70 bbls up intermediate csg, cont circulating getting 1/4 bbls in returns @ 2.4 bbls a min w/ 1200 psi. Pumped a total of 250 bbls BW @ 900 psi. 7/11/19: Pumped 990 gals sodium silicant x 82 bbls cmt x started circulating up intermediated csg. Pumped 48 bbls cmt x displaced w/ 7 bbls BW x shut intermediated csg. Pumped 12 bbls into formation x squeezed to 1050 psi. 7/15/19 - 7/16/19: RIH x tagged cmt @1320'. Drilled cement from 1320' to 1540' x tagged cement @1555'. Drilled stringers of cement to 1609'. RIH 7" test pkr @1600' x pressure tested rbp to 1500 psi x held. Reset packer @1510' x pressured up on squeeze holes to 2000 psi but could not pump into. 7/17/19: Spotted 250 gals 15% acid X flushed w/ 9 bbls BW. RIH CBL tools x logged csg from 1791' to surface. RIH 7" CICR @1510'. 7/19/19: Pumped 150 sacks thixotropic cmt x 550 sacks class c cement w/ 2% calcium chloride x 50 sacks 3 % class c cement. Stung out of retainer. 7/22/19 – 7/24/19: Drilled CICR fom 1510' to 1672'. Pressure tested csg to 640 psi x held. Washed cmt x sand from rbp @2000' x POOH. 7/25/19: Shot new perms from 4100' - 4175' in 3 runs. 7/26/19: Pumped acid job w/ 4000 gals 15% NEFE acid. RIH 5 1/2" inj pkr x 124 jts 2 7/8" tbg @4052' 7/29/19: RIH on/off tool x Ran MIT – chart attached. RD x NDBOP x NUWH.

State of New Mexico
 Energy, Minerals and Natural Resources Department
 Oil Conservation Division Hobbs District Office

BRADENHEAD TEST REPORT

Operator Name Oxy		API Number 30-025-07500	
Property Name N. Hobbs G/SH		Well No #344	

Surface Location

UL - Lot	Section	Township	Range	East from	N/S Line	Feet From	E/W Line	County
0	31	185	38E	1315	S	1325	E	LEA

Well Status

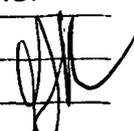
TA'D WELL YES	<input type="radio"/> NO <input checked="" type="radio"/> YES	SHUT-IN NO	<input type="radio"/> NO <input checked="" type="radio"/> INJ	INJECTOR SWD	OIL	PRODUCER GAS	DATE 7-29-19
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OBSERVED DATA

	(A) Surface	(B) Intern'l 1	(C) Intern'l 2	(D) Prod. Casing	(E) Tubing
Pressure	0	Cemented	N/A	0	0
Flow Characteristics					
Puff	Y/N	Y/N	Y/N	Y/N	CO2 <input type="checkbox"/>
Steady Flow	Y/N	Y/N	Y/N	Y/N	WTR <input type="checkbox"/>
Surges	Y/N	Y/N	Y/N	Y/N	GAS <input type="checkbox"/>
Down to working	Y/N	Y/N	Y/N	Y/N	Type of fluid enclosed in the wellhead specification
Gas or Oil	Y/N	Y/N	Y/N	Y/N	
Water	Y/N	Y/N	Y/N	Y/N	

Remarks - Please state for each string (A,B,C,D,E) permanent information regarding bleed down or continuous build up if applies.

POST WORKOVER

Signature		OIL CONSERVATION DIVISION	
Printed name:		Entered into RBDMS	
Title:		Re-test: 	
E-mail Address:			
Date:	Phone:		
Witness: Shay Robinson			

INSTRUCTIONS ON BACK OF THIS FORM

