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 July 18, 2013

WELL API NO. 30-025-07659

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: South Hobbs (G/SA) Unit

1. Type of Well: Oil Well ☐ Gas Well ☐ Other Temporarily Abandoned

8. Well Number 84

2. Name of Operator: Occidental Permian, Ltd

9. OGRID Number 157984

3. Address of Operator: 1017 West Stanolind Road, Hobbs NM~

10. Pool name or Wildcat: Hobbs (G/SA)

4. Well Location
Unit Letter I : 1995 feet from the South line and 660 feet from the East line
Section 9 Township 19-S Range 38-E NMPM Lea County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3585' GL

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: Casing integrity test/TA status extension ☒	

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.

Date of test: 01/25/2020
Pressure readings: Inital - 590 PSI Ending - 580 PSI
Length of test: 32 minutes
Witnessed: Gary Robinson NMOCD

HOBBS OCD
JAN 28 2020
RECEIVED

This Approval of Temporary Abandonment Expires 1-23-21

Spud Date: Rig Release Date:

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

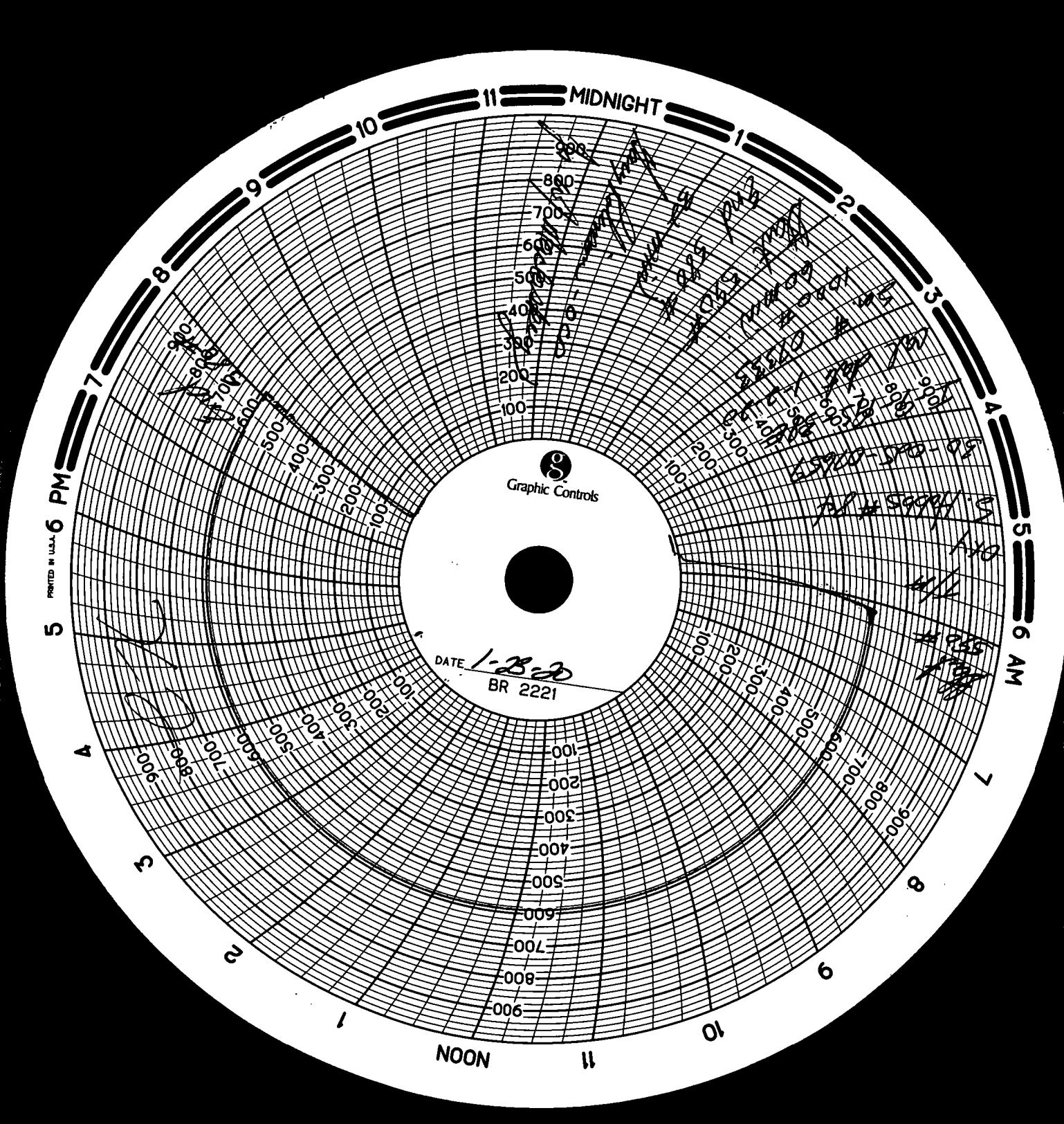
SIGNATURE [signature] TITLE Well Surveillance Lead DATE 01/27/2020 ~~02/13/2018~~

Type or print name Justin Saxon E-mail address: Justin_Saxon@oxy.com PHONE: 575-397-8206

For State Use Only

APPROVED BY: Kerry Fort TITLE C O A DATE 2-7-20

Conditions of Approval (if any):


MIDNIGHT
NOON
6 PM
6 AM
Graphic Controls
DATE 1-28-20
BR 2221
PRINTED IN U.S.A.

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

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

BRADENHEAD TEST REPORT

Operator Name	5. API Number
OXY USA WTP, LTD	30-025-07659
Property Name	**Well No.**
SOUTH HOBBS (G/SA) UNIT	84

7. Surface Location

UL - Lot	SECTION	Township	Range		Feet from	N/S Line	Feet From	E/W Line	County
I	9	19-S	38E		1995	SOUTH	660	EAST	LEA

Well Status

TA'D Well		SHUT-IN		INJECTOR		PRODUCING		DATE
(Yes)	No	(Yes)	No	(INJ)	SWD	OIL	GAS	1-23-20

OPEN BRADENHEAD AND INTERMEDIATE TO ATMOSPHERE INDIVIDUALLY FOR 15 MINUTES EACH

OBSERVED DATA

If bradenhead flowed water, check all of the descriptions that apply:

	(A)Surf-Interm	(B)Interm(1)-Interm(2)	(C)Interm-Prod	(D)Prod Csng	(E)Tubing
Pressure	0	0	0	0	NONE
Flow Characteristics					
Puff	Y / (N)	Y / (N)	Y / (N)	Y / (N)	CO2 ___
Steady Flow	Y / (N)	Y / (N)	Y / (N)	Y / (N)	WTR___
Surges	Y / (N)	Y / (N)	Y / (N)	Y / (N)	GAS___
Down to nothing	(Y) / N	(Y) / N	(Y) / N	(Y) / N	Type of Fluid Injected for Water Flood if applies
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) pertinent information regarding bleed down or continuous build up if applies.

T/A

Signature:	OIL CONSERVATION DIVISION
Printed name: JUSTIN SAXON	Entered into RBDMS
Title: WELL SURVEILLANCE LEAD	Re-test
E-mail Address: Justin_Saxon@oxy.com	
Date: 1-27-20 Phone: 575-397-8206	
Witness:	

OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTAL PERMIAN LTD
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.366.5716

September 24, 2019

Mr. Daniel Sanchez
Enforcement Compliance Manager
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Request to extend TA Status

Mr. Sanchez,

As per our meeting in Santa Fe on August 13th, Occidental Permian Ltd. (Oxy) requests to extend the temporarily abandoned status for the wells attached in Appendix A. The justification for the requested extensions is attached along with the list of wellbores affected.

If you have any further questions, please email or call me at 713-366-5716.

Respectfully,

Kelley Montgomery

Kelley Montgomery
Manager Regulatory
Kelley_montgomery@oxy.com

Occidental Permian LTD. TA Well Extension Request

Background

Occidental Permian LTD. (Oxy) operates the North Hobbs Grayburg/San Andres Unit (NHU) and South Hobbs Grayburg/San Andres Unit (SHU) Enhanced Recovery Projects. All 47 wells included in Appendix A have approved temporarily abandoned (TA) status and are located within the surface boundaries of the SHU & NHU. Oxy is requesting TA extensions to allow for plug and abandon (P&A) plans or future well utilization. The future utility is outlined in the subsequent sections of this document and the detailed extension schedule is described in Appendix A. A high level review of the proposed execution timeline is provided in Table 1 below.

Table 1: # of Wells per Remediation Plan for each Proposed Execution Year

	Proposed Execution Year									
Remediation Plan	2020	2021	2022	2023	2024	2025	2026	2028	2030	Grand Total
Plug and Abandon	6									6
Return to Production	1									1
Convert/Return to Water Injection		9	3	2						14
Pattern Down Spacing and Realignment		1	3	1						5
ROZ Development			3		1		4	3	1	12
Grayburg Oil Rim									7	7
Replacement Wellbores					1	1				2
Grand Total	7	10	9	3	2	1	4	3	8	47

Remediation Plans

Plug and Abandon (P&A) & Return to Production (RTP)

Oxy requests extensions on six wells that will be plugged and abandoned. In addition, Oxy requests an extension on one well that will be returned to production. Table 2 provides a summary of the current TA expiration schedule and Table 3 shows the proposed execution year for removing wells from TA status. The specific execution timeline for each well can be found in Appendix A.

Table 2: Current TA Expiration Year for the proposed P&A/RTP wells

	Current TA Expiration Year		
Remediation Plan	2019	2020	Grand Total
Plug and Abandon	2	4	6
Return to Production		1	1
Grand Total	2	5	7

Table 3: Proposed Execution Year for the planned P&A/RTP wells

	Proposed Execution Year
Remediation Plan	2020
Plug and Abandon	6
Return to Production	1
Grand Total	7

Convert/Return to Water Injection

Oxy requests extensions on fourteen wells that will be converted or returned to water injection. Within the CO2 flood areas of both NHU and SHU, water injectors are used to maintain reservoir pressure, contain CO2 to developed patterns, and maintain the recycled water for patterns still on water flood. For future developments, some temporarily abandoned wells will require conversion to water injection. Table 4 provides a summary of the current TA expiration schedule and Table 5 shows the proposed execution year for returning the wells to active status as water injectors. The specific execution timeline for each well can be found in Appendix A.

Table 4: Current TA Expiration Year for the proposed Convert/Return to Water Injection wells

	Current TA Expiration Year			
Remediation Plan	**2019**	**2020**	**2021**	**Grand Total**
Convert/Return to Water Injection	1	10	3	14

Table 5: Proposed Execution Years for the planned Convert/Return to Water Injection wells

	Proposed Execution Year			
Remediation Plan	**2021**	**2022**	**2023**	**Grand Total**
Convert/Return to Water Injection	9	3	2	14

Pattern Down Spacing and Realignment

Oxy requests extensions on five wells that will have pattern down spacing or realignment. The SHU and NHU's are developed on 80-acre and 40-acre respective patterns for CO2 flooding. Oxy's CO2 recovery project spacing can be reduced as small as 20–acre patterns for recovery purposes over the life of the project. In addition, it is typical that patterns are realigned as expansions occur to optimize injection and sweep efficiency. Pattern modifications were utilized in the SHU Phase 2 CO2 development completed in late 2018 as multiple temporarily abandoned wellbores were returned to production. The five wells shown in Table 6 and 7 are a part of the same program to realign patterns over the next four years. Permanently abandoning these temporarily abandoned wellbores eliminates Oxy's ability to realign patterns. Table 6 provides a summary of the current TA expiration schedule and Table 7 shows the proposed execution year for returning the wells to active status for use in pattern realignment. The specific execution timeline for each well can be found in Appendix A.

Table 6: Current TA Expiration Year for the proposed Pattern Down Spacing and Realignment wells

	Current TA Expiration Year
Remediation Plan	**2020**
Pattern Down Spacing and Realignment	5

Table 7: Proposed Execution Year for the planned Pattern Down Spacing and Realignment wells

	Proposed Execution Year			
Remediation Plan	**2021**	**2022**	**2023**	**Grand Total**
Pattern Down Spacing and Realignment	1	3	1	5

Residual oil zone (ROZ) Development

Oxy requests extensions on twelve wells that are a part of the ROZ development. Oxy delineates the San Andres reservoir into three zones for development purposes: main oil column (MOC), transition zone (TZ), and the residual oil zone (ROZ). The historical and current development in the NHU and SHU are primarily MOC and TZ production with more recent development focusing on the ROZ. CO2 injection is required to produce hydrocarbons from the ROZ. When CO2 flooding was commenced, wellbores were temporarily abandoned due to pattern alignment, and the majority of these wellbores were earmarked for future ROZ development. The ability to utilize these viable wellbores reduces the ROZ development capital expense and allows for the development of the associated reserves. Plugging and abandoning the wellbores would require Oxy to drill replacement wells for the ROZ expansions, which may make the reserves uneconomic to develop. Table 8 provides a summary of the current TA expiration schedule and Table 9 shows the proposed execution year for returning the wells to active status for use in the ROZ development. The specific execution timeline for each well can be found in Appendix A.

Table 8: Current TA Expiration Year for the proposed ROZ Development wells

	Current TA Expiration Year			
Remediation Plan	**2019**	**2020**	**2021**	**Grand Total**
ROZ Development	1	10	1	12

Table 9: Proposed Execution Years for the planned ROZ Development wells

	Proposed Execution Year					
Remediation Plan	**2022**	**2024**	**2026**	**2028**	**2030**	**Grand Total**
ROZ Development	3	1	4	3	1	12

Grayburg Oil Rim

Oxy requests extensions on seven wells that are in the Grayburg oil rim project. In the Northwest area of the NHU, a known and recoverable volume of hydrocarbon exists in the Grayburg interval. Several of the wellbores in the NHU are completed through this interval. The viability of this project is greatly improved by existing wellbores completed across the interval. This future development will be executed when ample CO2 exists in the NHU recovery project. Table 10 provides a summary of the current TA expiration schedule and Table 11 shows the proposed execution year for returning wells to active status for use in the Grayburg oil rim project. The specific execution timeline for each well can be found in Appendix A.

Table 10: Current TA Expiration Year for the proposed Grayburg Oil Rim wells

	Current TA Expiration Year			
Row Labels	**2019**	**2020**	**2021**	**Grand Total**
Grayburg Oil Rim	1	5	1	7

Table 11: Proposed Execution Year for the planned Grayburg Oil Rim wells

	Proposed Execution Year
Row Labels	**2030**
Grayburg Oil Rim	7

Replacement Wellbores

Oxy requests a five year extension for each of the two replacement wellbores with the ability for further extensions. The NHU and SHU recovery projects are operated in close proximity or within the city of Hobbs, NM. Many active wellbores are in close proximity to public structures that did not exist when the wells were originally drilled. Due to expansion of the city, it is not possible to place a drilling rig in these areas. If the active wellbores in these areas are plugged and abandoned, they cannot be re-drilled. In these cases, temporarily abandoned wellbores in close proximity can be returned to production or injection to replace these wells. Table 12 provides a summary of the current TA expiration schedule and Table 13 shows the proposed execution year for returning the wells to active status as replacement wellbores. The specific execution timeline for each well can be found in Appendix A.

Table 12: Current TA Expiration Year for the proposed Replacement wellbore wells

	Current TA Expiration Year		
Row Labels	**2019**	**2020**	**Grand Total**
Replacement Wellbores	1	1	2

Table 13: Proposed Execution Year for the planned Replacement Wellbore wells

	Proposed Execution Year		
Row Labels	**2024**	**2025**	**Grand Total**
Replacement Wellbores	1	1	2

Remediation Plan Summary

In summary, Oxy requests the following extensions for each proposed remediation plan as shown in Table 14 below.

*Table 14: Requested Extension Year per Remediation Plan**

	Proposed Execution Year									
Remediation Plan	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2028**	**2030**	**Grand Total**
Plug and Abandon	6									6
Return to Production	1									1
Convert/Return to Water Injection		9	3	2						14
Pattern Down Spacing and Realignment		1	3	1						5
ROZ Development			3		1		4	3	1	12
Grayburg Oil Rim									7	7
Replacement Wellbores					1	1				2
Grand Total	7	10	9	3	2	1	4	3	8	47

*The specific execution timeline for each well can be found in Appendix A.

Appendix A

Well Name	ULSTR	API	Well Status	Last Prod/Inj	TA Exp Date	Remediation Plan	Proposed Execution Year*
SOUTH HOBBS G/SA UNIT #031	E-04-19S-38E	30-025-07597	Approved Temporary Abandonment	05/01/2010	10/05/2019	Plug and Abandon	2020
SOUTH HOBBS G/SA UNIT #058	N-03-19S-38E	30-025-07594	Approved Temporary Abandonment	07/01/1994	10/22/2019	Plug and Abandon	2020
SOUTH HOBBS G/SA UNIT #026	H-06-19S-38E	30-025-07641	Approved Temporary Abandonment	04/01/1994	06/26/2020	Plug and Abandon	2020
NORTH HOBBS G/SA UNIT #441	P-31-18S-38E	30-025-07498	Approved Temporary Abandonment	04/01/1998	07/26/2020	Plug and Abandon	2020
SOUTH HOBBS G/SA UNIT #083	J-09-19S-38E	30-025-07668	Approved Temporary Abandonment	02/01/1994	08/21/2020	Plug and Abandon	2020
NORTH HOBBS G/SA UNIT #231	K-27-18S-38E	30-025-12495	Approved Temporary Abandonment	01/01/2012	09/27/2020	Plug and Abandon	2020
NORTH HOBBS G/SA UNIT #221	F-32-18S-38E	30-025-07520	Approved Temporary Abandonment	04/01/2012	02/05/2020	Return to Production	2020
NORTH HOBBS G/SA UNIT #114	D-33-18S-38E	30-025-23207	Approved Temporary Abandonment	01/01/2013	07/06/2020	Pattern Down Spacing and Realignment	2021
NORTH HOBBS G/SA UNIT #221	F-25-18S-37E	30-025-05496	Approved Temporary Abandonment	07/01/1994	07/26/2020	Water Injection	2021
NORTH HOBBS G/SA UNIT #411	A-29-18S-38E	30-025-07454	Approved Temporary Abandonment	08/01/1997	07/27/2020	Water Injection	2021
NORTH HOBBS G/SA UNIT #422	H-19-18S-38E	30-025-29196	Approved Temporary Abandonment	10/01/1992	07/25/2020	Water Injection	2021
NORTH HOBBS G/SA UNIT #532	G-32-18S-38E	30-025-12504	Approved Temporary Abandonment	07/01/2009	07/26/2020	Water Injection	2021
NORTH HOBBS G/SA UNIT #944	I-29-18S-38E	30-025-35999	Approved Temporary Abandonment	04/01/2010	01/16/2021	Water Injection	2021
SOUTH HOBBS G/SA UNIT #061	A-08-19S-38E	30-025-07652	Approved Temporary Abandonment	04/01/2002	01/12/2020	Water Injection	2021
SOUTH HOBBS G/SA UNIT #158	C-10-19S-38E	30-025-28361	Approved Temporary Abandonment	11/01/2004	07/25/2020	Water Injection	2021
SOUTH HOBBS G/SA UNIT #203	L-05-19S-38E	30-025-29460	Approved Temporary Abandonment	03/01/1993	01/18/2021	Water Injection	2021
SOUTH HOBBS G/SA UNIT COOP #001	2-06-19S-38E	30-025-28304	Approved Temporary Abandonment	10/01/1985	12/05/2019	Water Injection	2021
H D MCKINLEY #009	G-30-18S-38E	30-025-23221	Approved Temporary Abandonment	10/01/2009	02/27/2020	Pattern Down Spacing and Realignment	2022
NORTH HOBBS G/SA UNIT #211	C-19-18S-38E	30-025-07359	Approved Temporary Abandonment	08/01/1993	07/25/2020	Pattern Down Spacing and Realignment	2022
NORTH HOBBS G/SA UNIT #212	C-19-18S-38E	30-025-28880	Approved Temporary Abandonment	08/01/1993	07/25/2020	Pattern Down Spacing and Realignment	2022
SOUTH HOBBS G/SA UNIT #237	O-04-19S-38E	30-025-31430	Approved Temporary Abandonment	11/01/1995	07/25/2020	ROZ Development	2022
SOUTH HOBBS G/SA UNIT #242	1-05-19S-38E	30-025-35305	Approved Temporary Abandonment	10/01/2014	12/25/2019	ROZ Development	2022
SOUTH HOBBS G/SA UNIT #243	F-04-19S-38E	30-025-37266	Approved Temporary Abandonment	11/01/2014	01/29/2021	ROZ Development	2022
NORTH HOBBS G/SA UNIT #131	3-31-18S-38E	30-025-07509	Approved Temporary Abandonment	07/01/2011	07/24/2020	Water Injection	2022
NORTH HOBBS G/SA UNIT #141	4-31-18S-38E	30-025-07510	Approved Temporary Abandonment	08/01/1997	01/18/2021	Water Injection	2022
NORTH HOBBS G/SA UNIT #241	N-31-18S-38E	30-025-07508	Approved Temporary Abandonment	08/01/2002	07/26/2020	Water Injection	2022
NORTH HOBBS G/SA UNIT #231	K-30-18S-38E	30-025-07479	Approved Temporary Abandonment	03/01/2014	08/06/2020	Pattern Down Spacing and Realignment	2023
NORTH HOBBS G/SA UNIT #221	F-31-18S-38E	30-025-07504	Approved Temporary Abandonment	04/01/1997	07/24/2020	Water Injection	2023
NORTH HOBBS G/SA UNIT #321	G-36-18S-37E	30-025-05540	Approved Temporary Abandonment	08/01/1995	07/26/2020	Water Injection	2023
BYERS A #031	4-03-19S-38E	30-025-26481	Approved Temporary Abandonment	01/01/1990	12/04/2019	Replacement Wellbores	2024
SOUTH HOBBS G/SA UNIT #051	N-05-19S-38E	30-025-07633	Approved Temporary Abandonment	12/01/1993	01/15/2020	ROZ Development	2024
BYERS B #035	H-04-19S-38E	30-025-26647	Approved Temporary Abandonment	07/01/1986	01/15/2020	Replacement Wellbores	2025
SOUTH HOBBS G/SA UNIT #197	L-34-18S-38E	30-025-29444	Approved Temporary Abandonment	12/01/2008	07/24/2020	ROZ Development	2026
SOUTH HOBBS G/SA UNIT #210	D-34-18S-38E	30-025-29677	Approved Temporary Abandonment	04/01/2008	09/28/2020	ROZ Development	2026
SOUTH HOBBS G/SA UNIT #244	E-34-18S-38E	30-025-35742	Approved Temporary Abandonment	12/01/2009	07/25/2020	ROZ Development	2026
STATE A (AMOCO) #038	J-04-19S-38E	30-025-26980	Approved Temporary Abandonment	08/01/1991	01/15/2020	ROZ Development	2026
SOUTH HOBBS G/SA UNIT #062	D-09-19S-38E	30-025-07658	Approved Temporary Abandonment	03/01/1993	01/15/2020	ROZ Development	2028
SOUTH HOBBS G/SA UNIT #084	I-09-19S-38E	30-025-07659	Approved Temporary Abandonment	06/01/2003	02/05/2020	ROZ Development	2028
SOUTH HOBBS G/SA UNIT #171	D-09-19S-38E	30-025-28544	Approved Temporary Abandonment	02/01/1994	08/22/2020	ROZ Development	2028
NORTH HOBBS G/SA UNIT #121	E-13-18S-37E	30-025-05440	Approved Temporary Abandonment	07/01/1994	02/27/2020	Grayburg Oil Rim	2030
NORTH HOBBS G/SA UNIT #131	L-13-18S-37E	30-025-05448	Approved Temporary Abandonment	05/01/1996	03/14/2021	Grayburg Oil Rim	2030
NORTH HOBBS G/SA UNIT #221	F-13-18S-37E	30-025-05439	Approved Temporary Abandonment	08/01/1993	07/25/2020	Grayburg Oil Rim	2030
NORTH HOBBS G/SA UNIT #231	K-14-18S-37E	30-025-05451	Approved Temporary Abandonment	08/01/1993	01/18/2020	Grayburg Oil Rim	2030
NORTH HOBBS G/SA UNIT #331	J-14-18S-37E	30-025-05455	Approved Temporary Abandonment	03/01/1999	07/23/2020	Grayburg Oil Rim	2030
NORTH HOBBS G/SA UNIT #341	O-14-18S-37E	30-025-05450	Approved Temporary Abandonment	08/01/1993	11/07/2019	Grayburg Oil Rim	2030
NORTH HOBBS G/SA UNIT #441A	P-14-18S-37E	30-025-25020	Approved Temporary Abandonment	05/01/2001	07/23/2020	Grayburg Oil Rim	2030
SOUTH HOBBS G/SA UNIT #072	F-09-19S-38E	30-025-07667	Approved Temporary Abandonment	03/01/1994	08/21/2020	ROZ Development	2030

*To be completed by December 31st of that year.