Fòrm 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT



FORM APPROVED OMB NO 1004-0135 Expires: November 30, 2000

Expires: November 30, 2

Lease Serial No.

NMNM58940

SUNDRY NOTICES AND REPORTS ON WELLS APR 0 5 2010

Do not use this form for proposals to drill or to re-enter 10BBSOCD

6. If Indian, Allottee or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on reverse side 1. Type of Well 8. Well Name and No X Oil Well Gas Well Other WBR Federal Name of Operator OXY USA Inc. 16696 9. API Well No. 3b. Phone No. (include area code) 3a Address 30-025- **3606** P.O. Box 50250, Midland, TX 79710-0250 432-685-5717 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Red Tank Bone Spring 2160 FNL 2250 FWL SEWW(F) Sec 13 T22S R32E 11. County or Parish, State CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF SUBMISSION TYPE OF ACTION X Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Alter Casing Fracture Treat Reclamation Well Integrity Subsequent Report Other Method of Casing Repair New Construction Recomplete Change Plans Plug and Abandon Temporarily Abandon Water Disposal Final Abandonment Notice Plug Back Convert to Injection Water Disposal 13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.) **APPROVED** See Attached MAR 3 1 2010 /s/ JD Whitlock Jr BUREAU OF LAND MANAGEMENT SEE ATTACHED FOR CARLSBAD FIELD OFFICE SUBJECT TO LIKE CONDITIONS OF APPROVAL APPROVAL BY STATE 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) David Stewart Sr. Regulatory Analyst Date THIS SPACE FOR FEDERAL OR STATE OFFICE USE Title Approved by Date

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Office

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.

ATTACHMENT to Incident of Noncompliance # ATM-025 - 10

The following information is needed before your disposal of produced water can be approved, per Onshore

You may attach this information to your Sundry Notice (3160-5). Submit all required information as per this attachment, submit a Sundry Notice(3160-5), one original and five copies to this office within the required time.

1. Name(s) of all formation(s) producing water on the lease. Delaware, Bone 5 Pring
2. Amount of water produced from all formations in barrels per day
3. A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.
4. How water is stored on the lease. WATER STORAGE TANK
5. How water is moved to the disposal facility. TRANSFOR PUAP TO REATANK 28-3
6. Identify the Disposal Facility by: A. Operators' Name OXY USA TAC B. Well Name RCOTACK 28 Federal C. Well type and well number SWO #3 D. Location by quarter/quarter, section, township, and range NWNF(B) 28-27538

7. A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.

- See Attached.

MITCHELL ANALYTICAL LABORATORY

2638 Faudree Odessa, Texas 79765-8538 561-5579

Company:	Nalco Company							
Well Number: Lease: Location:	WBR Fede	eral #7			Sample Temp: Date Sampled Sampled by:	4/7/20	70 4/7/2008 Casey Summers	
Date Run: Lab Ref #:	4/11/200 08-apr-n3				Employee #: Analyzed by:	DOM	Summers	
			Dissolved	Gases	Mg/L	Ea \A/+	MP /I	
Hydrogen Sulfide (H2S		12S)			.00	Eq. Wt. 16.00	MEq/L .00	
Carbon Dioxide Dissolved Oxygen		(O2) (O2)		NOT ANALYZED NOT ANALYZED		10.00	.00	
			Cations					
Calcium	•	a++)			369.84	20.10	18.40	
Magnesium Sodium	-	lg++)			24.40	12.20	2.00	
Barium		a+) a++)	NOT ANA	77E5	58,806.10	23.00	2,556.79	
Manganese	-	n+)	NOT ANA	LYZED	.15	27.50	.01	
			Anions					
Hydroxyl	(OH-)				.00	17.00	.00	
Carbonate	(CO3=)				.00	30.00	.00	
BiCarbonate Sulfate	(HCO3-)				1,490.84	61.10	24.40	
Chloride	(SO4=) (CI-)				725.00	48.80	14.86	
Chloride	(C)	l -)			90,099.00	35.50	2,538.00	
Total Iron	(Fe	e)			1.19	18.60	.06	
Total Dissolved			•	151,516.52				
Total Hardness as CaCO3					1,024.64			
Conductivity M	CROMHOS	S/CM			205,100			
рН	7.200			Specific Gravity 60/60		0 F.	1.105	
CaSO4 Solubility @ 80 F. 107.6		7.67MEq/L,	CaSO4 s	scale is unlikel	У			
CaCO3 Scale Inde	X							
70.0	.434	100.0	.754	130.0	1.31	.4		
80.0	.524	110.0	1.014	140.0	1.31	.4		
90.0	.754	120.0	1.014	150.0				

MITCHELL ANALYTICAL LABORATORY

2638 Faudree Odessa, Texas 79765-8538 561-5579

Company:	Nalco Co	mpany	7	e (cwa	~Q.			
Well Number: Lease: Location:	WBR Federal #11 OXY				Sample Temp: Date Sampled: Sampled by:	70 4/7/200		
Date Run: Lab Ref #:	4/11/2008 08-apr-n394	143			Employee #: Analyzed by:	DOM	Summers	
			Dissolved (Gases	Mg/L	Eq. Wt.	MEq/L	
Hydrogen Sulfi Carbon Dioxide Dissolved Oxyg	e (CO2	2)	NOT ANA NOT ANA		.00	16.00	.00	
			Cations					
Calcium	(Ca+	•			13,008.72	20.10	647.20	
Magnesium Sodium	(Mg⊣	-			1,459.12	12.20	119.60	
Barlum	(Na+ (Bà+		NOT ANAL	VZED	65,628.95	23.00	2,853.43	
Manganese	(Mn+	•	IIOI ANAL	- 1 2 2 2	.65	27.50	.02	
			Anions					
Hydroxyl	(OH-)	11/11/07/15		.00	17.00	.00	
Carbonate	(CO3	=)			.00	30.00	.00	
BiCarbonate	(HCC	•			12.22	61.10	.20	
Sulfate	(SO4	=)			245.00	48.80	5.02	
Chloride	(CI-)				128,341.02	35.50	3,615.24	
Total Iron	(Fe)				3.8	18.60	.20	
Total Dissolved Solids					208,699.48			
Total Hardness as CaCO3					38,504.19			
Conductivity MI	CROMHOS/C	CM			239,300			
рН	5.770		Specific Gravity 60/60 F.		F.	1.145		
CaSO4 Solubility @ 80 F. 16.7		74MEq/L,	CaSO4 scale is unlikely					
CaCO3 Scale Index	K							
70.0	816	100.0	•316	130.0	.784			
80.0	696	110.0	.064	140.0	.784			
90.0	316	120.0	.064	150.0				

STATE OF NEW MEXICO .



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE. NEW MEXICO 87504 ISOSI 827-5800

CORRECTED ADMINISTRATIVE ORDER SWD-526

APPLICATION OF POGO PRODUCING COMPANY FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Pogo Producing Company made application to the New Mexico Oil Conservation Division on June 21, 1993, for permission to complete for salt water disposal its Red Tank "28" Federal Well No. 3 located 330 feet from the North line and 2310 feet from the East line (Unit B) of Section 28, Township 22 South, Range 32 East, NMPM, Lea 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;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, Pogo Producing Company is hereby authorized to complete its Red Tank "28" Federal Well No. 3 located 330 feet from the North line and 2310 feet from the East line (Unit B) of Section 28, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Bell Canyon and Upper Cherry Canyon formations at approximately 4690 feet to 5800 through 27/8-inch plastic-lined tubing set in a packer located at approximately 4600 feet.

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 938 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 Bell Canyon and Upper Cherry Canyon 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 Hobbs 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 Hobbs 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 the entry of 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.

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

Corrected Administrative Order SWD-526 Pogo Producing Company July 22, 1993 Page 3

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 13th day of July, 1993.

WILLIAM LEMAY, Director

WJL/BES/amg

xc: Oil Conservation Division - Hobbs

US Bureau of Land Management - Carlsbad

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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
- 6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 8. 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.
- 9. Subject to like approval by NMOCD.

3/25/2010