

**Gonzales, Elidio L, EMNRD**

---

**From:** Hill, Larry, EMNRD  
**Sent:** Friday, September 24, 2010 12:52 PM  
**To:** Gonzales, Elidio L, EMNRD  
**Subject:** FW: OXY USA Inc. - Diamond 34 State #1 - SWD-640 - 30-025-33387

E.L.;

Sounds like OXY is OK! To us this well as is. Please respond and let me know.

LARRY W. 'BUDDY' HILL  
DISTRICT SUPERVISOR  
EMNRD - OCD DISTRICT 1  
1625 N. FRENCH DRIVE  
HOBBS, NM 88240  
OFFICE: 575-393-6161 X-102  
CELL: 575-370-3180  
FAX: 575-393-0720  
[LARRY.HILL@STATE.NM.US](mailto:LARRY.HILL@STATE.NM.US)

-----Original Message-----

From: David\_Stewart@oxy.com [mailto:David\_Stewart@oxy.com]  
Sent: Friday, September 24, 2010 9:49 AM  
To: Jones, William V., EMNRD; Gonzales, Elidio L, EMNRD; Hill, Larry, EMNRD  
Subject: RE: OXY USA Inc. - Diamond 34 State #1 - SWD-640 - 30-025-33387

Thank You I appreciate everyone's help on this. When you get a chance please let us know how we should proceed.

Thanks,  
David Stewart  
Sr. Regulatory Analyst  
OXY Permian  
432-685-5717  
Fax-432-685-5742

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]  
Sent: Friday, September 24, 2010 10:33 AM  
To: Gonzales, Elidio L, EMNRD; Hill, Larry, EMNRD  
Cc: Stewart, David  
Subject: RE: OXY USA Inc. - Diamond 34 State #1 - SWD-640 - 30-025-33387

Hello E.L.

David Stewart forwarded this issue by us yesterday at your request or at the request of one of your inspectors.

Today, I researched this well and the area of review.  
The Lamar is at 5094 feet and the tight Castile is above this. The upper Bell Canyon was tested in an offset well and determined to be non-productive. This well was drilled to test the Bone Spring and the Brushy Canyon - which is below the interval being used for disposal. I don't think there is a chance this Bell Canyon is productive.

The SWD-640 permitted intervals 5100 to 6516 for disposal and all notices were sent prior to this approval. Apparently POGO/OXY has only used the interval 5560 to 5748 for disposal and I see no evidence of any request for pressure increase. This area is not in the R-111-P potash and is south of the Reef. All wells around the area appear to be plugged or cemented adequately.

David Brooks is out today so I cannot run this by him for a legal review (of whether the permitted interval shrunk because it was never used), but the technical evidence seems overwhelming.

It looks fine to me for the packer to be set up to 5100 feet (or even up to 100 feet higher (5000 feet)) if needed.

Let me know if you call OXY and approve this packer setting depth and I will copy my documents into the permit file.

Thanks for letting me review this.

Will Jones  
New Mexico  
Oil Conservation Division  
Images Contacts

-----Original Message-----

From: David\_Stewart@oxy.com [mailto:David\_Stewart@oxy.com]  
Sent: Thursday, September 23, 2010 3:21 PM  
To: Jones, William V., EMNRD  
Subject: OXY USA Inc. - Diamond 34 State #1 - SWD-640 - 30-025-33387

Mr. Jones,

This is the well we discussed, the original permit was approved for the interval @ 5100-6516'. We have been currently injecting into the interval @ 5560-5748' w/ the pkr @ 5406' (which was set by Pogo back in 1999). When they perforated the tubing @ 5335' they also perforated the casing. This perf is part of the Bell Canyon where the well was already injecting. They had set the pkr @ 5317'.

I have attached a plat showing the 1/2 mile AOR, there is no Delaware production and besides the current injection well, the only wells were a old P&A well (3002520759) and a well that Pogo permitted and let the APD expire (3002533389). Do we need to pursue the AOR further? I have also attached a copy of the workover that was done.

I apologize if this is confusing, but we would appreciate your help on this.

Thanks,  
David Stewart  
Sr. Regulatory Analyst  
OXY Permian  
432-685-5717  
Fax-432-685-5742

Confidentiality Notice: This e-mail, including all attachments is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited unless specifically provided under the New Mexico Inspection of Public Records Act. If you are not the intended recipient, please contact the sender and destroy all copies of this message. -- This email has been scanned by the Sybari - Antigen Email System.