

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTCarlsbad Field Office  
OCD ArtesiaFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*Lease Serial No.  
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**7. If Unit or CA/Agreement, Name and/or No.  
Multiple--See Attached

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
Multiple--See Attached

2. Name of Operator

OXY USA INCORPORATED

Contact: TAYLOR STILLMAN  
E-Mail: Taylor\_Stillman@oxy.com9. API Well No.  
Multiple--See Attached

3a. Address

5 GREENWAY PLAZA SUITE 110  
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)

Ph: 713-366-5945

10. Field and Pool, or Exploratory  
Multiple--See Attached

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

11. County or Parish, and State

EDDY COUNTY, NM

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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/BLA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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 site is ready for final inspection.)

OXY USA INC is requesting approval for Pool Lease Commingle, and Off-lease Measurement, Storage & Sales for wells located on the attached spreadsheet. A map showing surface hole locations and laterals for each of the wells is also attached.

Oil &amp; Gas metering:

Incoming wells will be routed to the 3 phase production separator at the satellite facility located at Cedar Canyon 23-3H well pad at 32.202503,-103.963914. The production separator will be equipped with a gas orifice meter (S/N\*), oil turbine meter with prover loops (S/N\*) and water turbine (S/N\*) meters. There will also be a test separator at the satellite facility equipped with a gas orifice meter (S/N\*), oil turbine meter with prover loops (S/N\*) and water turbine (S/N\*) meters.

**NM OIL CONSERVATION**

ARTESIA DISTRICT

AUG 29 2016

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #343669 verified by the BLM Well Information System

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by PRISCILLA PEREZ on 07/05/2016 (16PP1614SE)

Name (Printed/Typed) TAYLOR STILLMAN

Title PRODUCTION ENGINEER

Signature (Electronic Submission)

Date 06/30/2016

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title TLPEET

Date 8/25/16

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.

Office CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

## Additional data for EC transaction #343669 that would not fit on the form

### 5. Lease Serial No., continued

NMNM13996  
NMNM81586  
NMNM93477

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM81586	NMNM81586	CEDAR CANYON 22 FEDERAL 2180-015-43642-00-X1		Sec 22 T24S R29E NESE 2540FSL 260FEL 32.202504 N Lat, 103.964108 W Lon
NMNM81586	NMNM81586	CEDAR CANYON 22 FEDERAL COM 6H 43708-00-X1		Sec 22 T24S R29E NESE 2540FSL 260FEL
NMNM81586	NMNM81586	CEDAR CANYON 23 FEDERAL 4H30-015-43281-00-S1		Sec 22 T24S R29E SENE 1352FNL 195FEL 32.206393 N Lat, 103.963894 W Lon
NMNM81586	NMNM81586	CEDAR CANYON 23 FEDERAL 5H30-015-43282-00-S1		Sec 22 T24S R29E NENE 1317FNL 195FEL 32.206490 N Lat, 103.963894 W Lon
NMNM81586	NMNM81586	CEDAR CANYON 23 FEDERAL COM 6H 43290-00-X1		Sec 22 T24S R29E NESE 2540FSL 200FEL
NMNM13996	NMNM13996	CEDAR CANYON 22 FEDERAL COM 6H 43758-00-X1		Sec 22 T24S R29E SWSW 1120FSL 207FWL
NMNM93477	NMNM93477	CEDAR CANYON 23 FED COM 33H		Sec 23 T24S R29E NWSW 2552FSL 285FWL
NMNM93477	NMNM93477	CEDAR CANYON 23 FED COM 6H		Sec 23 T24S R29E NWSW 2552FSL 255FWL

### 10. Field and Pool, continued

PIERCE CROSSING-BONE SPRING  
UNKNOWN

### 32. Additional remarks, continued

Oxy proposes to allocate production by well test. The wells are located on multiple Federal leases and CA's that are all 12.5% royalty. There is diverse WI & ORRI amongst some of the wells as outlined on the attached ownership list spreadsheet. Notice will be provided to all affected parties as per attached notice list. Wells are expected to decline below their top allowable within the first 4 months of production. Furthermore, the estimated percent of decline after 6 months is between 54-65%.

Gas meter on production separator S/N\* & on test separator S/N\* located at the satellite facility will serve as custody transfer point (Facility Measurement Point) for the purposes of royalty payment. Gas production from the 23-3H satellite facility will then be routed to Enterprise sales meter (S/N: 68841), located at 32.222, -103.974.

Oil production from the 23-3H satellite facility will be further metered off-lease, through a Coriolis meter (S/N\*), located at the Cedar Canyon 22 central satellite facility. This Coriolis meter will serve as custody transfer point (FMP) for the purposes of Federal royalty payment.

Water production will be routed to the Cedar Canyon 22 CTB and then sent to the Cedar Canyon Salt Water Disposal Distribution system, where it will flow to the nearest SWD which has capacity to accept water. Salt Water Disposals tied to this SWD include the Cedar Canyon 28 Federal 4 SWD, Cedar Canyon 15 SWD, Riverbend Federal 8 SWD, Harroun 15-3 SWD and Cedar Canyon 16-3.

Meters will be proved and calibrated according to current API, NMOCD and BLM standards.

#### Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well surface hole locations and laterals. Commingling this production is the most effective means of producing the reserves and will not result in reduced royalty or improper measurement of production.

OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

# Cedar Canyon 23-3H Satellite Well List

All Federal wells have 12.5% royalty rate

Lease Number	CA #	Well Name	API	Surface Location	Pool	Oil (bpd)	Gravity	Gas (MSCFD)	BTU/cf	Water (bpd)
NMNM 081586		Cedar Canyon 22 Fed 21H	30-015-43642	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*
NMNM 013996	<i>AAPD</i> Pending	Cedar Canyon 22 Fed Com 4H	30-015-43708	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*
NMNM 081586		Cedar Canyon 22 Fed Com 5H	30-015-43758	Sec 22, T 24S, R 29 E	Corral Draw Bone Spring	1327*	41	1991*	1000	796*
NMNM 081586		Cedar Canyon 23 Fed 3H	30-015-43290	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*
NMNM 081586		Cedar Canyon 23 Fed 4H	30-015-43281	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	762	42.2	1898	1000	875
NMNM 081586		Cedar Canyon 23 Fed 5H	30-015-43282	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	664	43.3	1555	1000	728
NMNM 081586		Cedar Canyon 23 Fed Com 6H <i>NOS Filed</i>	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*
NMNM 093477	Pending	Cedar Canyon 23 Fed Com 33H <i>NOS Filed</i>	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	807*	46.5	1776*	1000	2422*
NMNM 088138										
NMNM 081586										
NMNM 093477	Pending									
NMNM 088138										

\*Represents wells not yet drilled, values are estimated

**APPLICATION FOR POOL LEASE COMMINGLE, OFF-LEASE MEASUREMENT, SALES, & STORAGE,  
Commingling proposal for Cedar Canyon 23-3H Satellite**

OXY USA INC is requesting approval for Pool Lease Commingle, and Off-lease Measurement, Storage & Sales for wells located on the attached spreadsheet. A map showing surface hole locations and laterals for each of the wells is also attached.

**Oil & Gas metering:**

Incoming wells will be routed to the 3 phase production separator at the satellite facility located at Cedar Canyon 23-3H well pad at 32.202503,-103.963914. The production separator will be equipped with a gas orifice meter (S/N T152529970), oil turbine meter (S/N\*) with prover loops and water turbine (S/N\*) meters. There will also be a test separator at the satellite facility equipped with a gas orifice meter (S/N T151222200), oil turbine meter with prover loops (S/N\*) and water turbine (S/N\*) meters.

Oxy proposes to allocate production by well test. The wells are located on multiple Federal leases and CA's that are all 12.5% royalty. There is diverse WI & ORRI amongst some of the wells as outlined on the attached ownership list spreadsheet. Notice will be provided to all affected parties as per attached notice list. Wells are expected to decline below their top allowable within the first 4 months of production. Furthermore, the estimated percent of decline after 6 months is between 54-65%.

Gas meter on production separator S/N T152529970 & on test separator S/N T151222200 located at the satellite facility will serve as custody transfer point (Facility Measurement Point) for the purposes of royalty payment. Gas production from the 23-3H satellite facility will then be routed to Enterprise sales meter (S/N 68841), located at 32.222, -103.974.

Oil production from the 23-3H satellite facility will be further metered off-lease, through a Coriolis meter (S/N 14504365), located at the Cedar Canyon 22 central satellite facility, and located on private surface under an existing surface use agreement. This Coriolis meter will serve as custody transfer point (FMP) for the purposes of Federal royalty payment.

Water production will be routed to the Cedar Canyon 22 CTB and then sent to the Cedar Canyon Salt Water Disposal Distribution system, where it will flow to the nearest SWD which has capacity to accept water. Salt Water Disposals tied to this SWD include the Cedar Canyon 28 Federal 4 SWD, Cedar Canyon 15 SWD. Riverbend Federal 8 SWD, Harroun 15-3 SWD and Cedar Canyon 16-3.

Meters will be proven and calibrated according to current API, NMOCD, and BLM standards when installed, once per month for the first 3 months to establish a consistent repeatability factor and then quarterly thereafter.

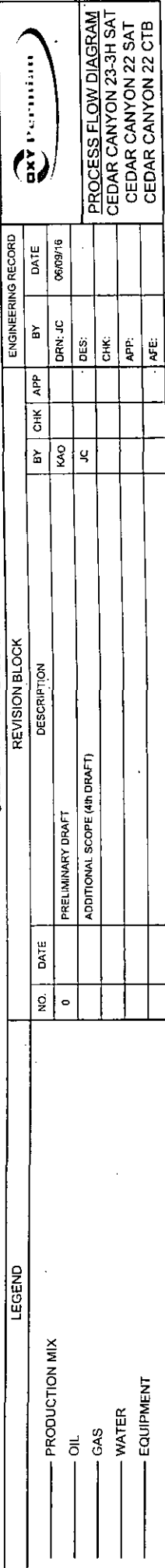
**Process and Flow Descriptions:**

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well surface hole locations and laterals. Commingling this production is the most effective means of producing the reserves and will not result in reduced royalty or improper measurement of production.

OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

Signed: \_\_\_\_\_  
Printed Name: Taylor Stillman  
Title: Production Engineer  
Date: 06/30/2016



**THIS EQUIPMENT IS  
LOCATED ON PRIVATE  
SURFACE AND FALLS  
UNDER AN EXISTING  
SURFACE USE AGREEMENT**

**Economic Justification Worksheet  
Cedar Canyon 23-3H Satellite**

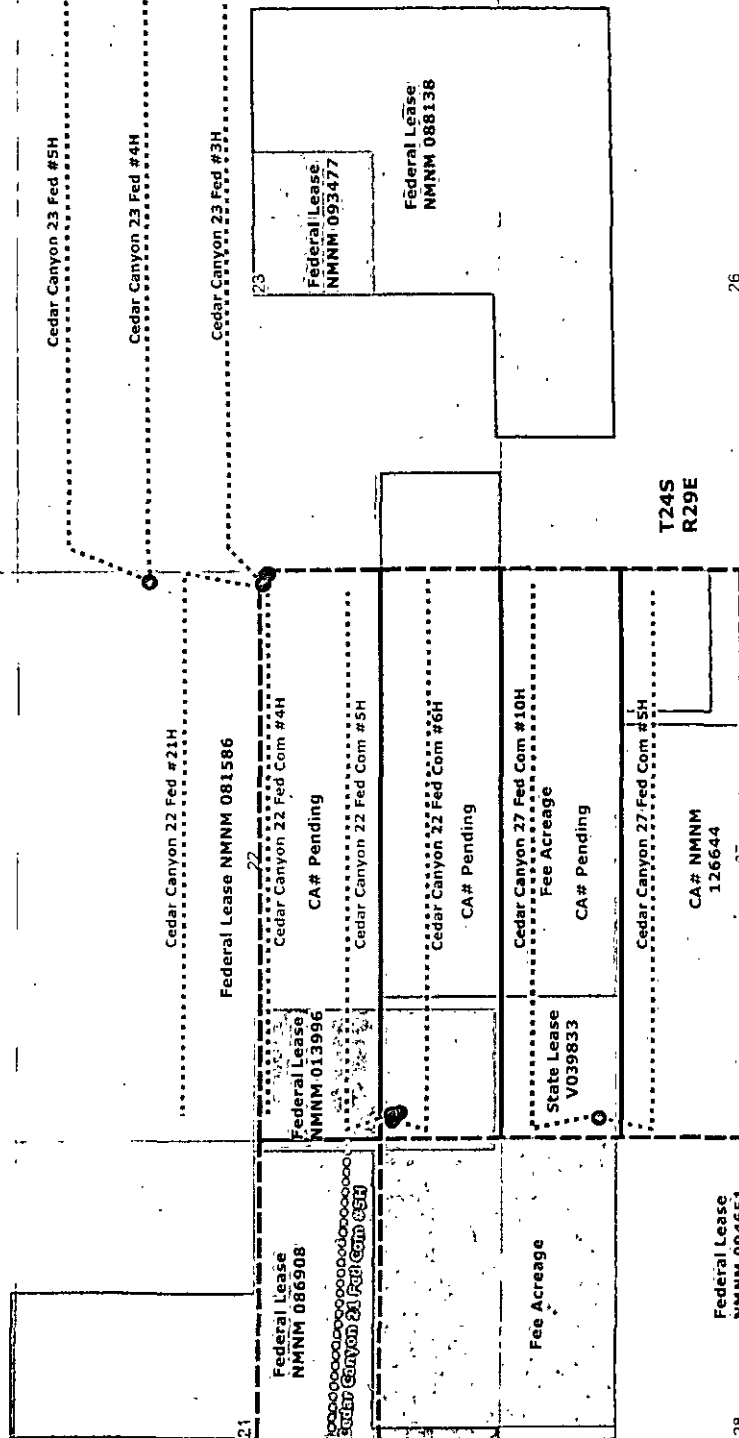
WELLS	BOPD	OIL GRAVITY @ 60	VALUE/BBL	MCFD	DRY BTU	VALUE/MCF
CEDAR CANYON 22 FED 21H	1327	41	\$41.00/bbl	2740	1000	\$2.60/mcf
CEDAR CANYON 22 FED COM 4H	1327	41		2740	1000	
CEDAR CANYON 22 FED COM 5H	1327	41		2740	1000	
CEDAR CANYON 23 FED 3H	1791	41		3800	1000	
CEDAR CANYON 23 FED 4H	762	42.2		1898	1000	
CEDAR CANYON 23 FED 5H	664	43.3		1555	1000	

**Economic Combined Production**

BATTERY	BOPD	WEIGHTED OIL GRAVITY @ 60	VALUE/BBL	MCFD	WEIGHTED DRY BTU	VALUE/MCF
Cedar Canyon 23-3H Satellite	7198	41.3	\$41.00/bbl	15473	1000	\$2.60/mcf

As per our oil purchase contract, all Bone Springs production is sold as sweet crude and paid on a flat 40 API gravity rate.

**Township 24 South, Range 29 East  
Eddy County, New Mexico**











# Cedar Canyon 23-3H Satellite Ownership

All Federal wells have 12.5% royalty rate

Lease Number	CA #	Well Name	API	Surface Location	Pool	Oil (bpd)	Gravity	Gas (MSCFD)	BTU/cf	Water (bpd)	Ownership
NMNM 081586		Cedar Canyon 22 Fed 21H	30-015-43642	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*	Identical
NMNM 013996	Pending	Cedar Canyon 22 Fed Com 4H	30-015-43708	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*	Identical
NMNM 081586											
NMNM 013996	Pending	Cedar Canyon 22 Fed Com 5H	30-015-43758	Sec 22, T 24S, R 29 E	Corral Draw Bone Spring	1327*	41	1991*	1000	796*	Identical
NMNM 081586											
NMNM 081586		Cedar Canyon 23 Fed 3H	30-015-43290	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*	Identical
NMNM 081586		Cedar Canyon 23 Fed 4H	30-015-43281	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	762	42.2	1898	1000	875	Identical
NMNM 081586		Cedar Canyon 23 Fed 5H	30-015-43282	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	664	43.3	1555	1000	728	Identical
NMNM 081586											
NMNM 081586	Pending	Cedar Canyon 23 Fed Com 6H	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*	Identical
NMNM 081586											
NMNM 081586	Pending	Cedar Canyon 23 Fed Com 33H	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	807*	46.5	1776*	1000	2422*	Identical
NMNM 081586											

\*Represents wells not yet drilled, values are estimated



Jeremy D. Murphrey, CPL  
Land Negotiator Sr.

OXY USA Inc.  
Box 27570, Houston, TX 77227-7570

Phone (713) 350-4816  
Fax (713) 985-4942  
Jeremy\_Murphrey@oxy.com

June 27, 2016

RE: Commingle Application for:  
Cedar Canyon 22 CTB

To Whom It May Concern:

OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division and the Bureau of Land Management for approval of the above mentioned commingle project.

This letter serves as notice that the operator and interest owners are identical for the wells listed below in the North Half of the South Half of Section 22, Township 24 South, Range 29 East, Eddy County, New Mexico:

Cedar Canyon 22 Fed Com #4H  
Cedar Canyon 22 Fed Com #5H

Best Regards

OXY USA Inc.

  
Jeremy Murphrey, CPL  
Land Negotiator Sr.



**OXY USA Inc.**  
Box 27570, Houston, TX 77227-7570

Jeremy D. Murphrey, CPL  
Land Negotiator Sr.

Phone (713) 350-4816  
Fax (713) 985-4942  
Jeremy\_Murphrey@oxy.com

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Cedar Canyon 22 CTB

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OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division and the Bureau of Land Management for approval of the above mentioned commingle project.

This letter serves as notice that the operator and interest owners are identical for the wells listed below in the North Half of Section 23 and the Northwest Quarter of Section 24, Township 24 South, Range 29 East, Eddy County, New Mexico:

Cedar Canyon 23 Fed #3H  
Cedar Canyon 23 Fed #4H  
Cedar Canyon 23 Fed #5H

Best Regards

OXY USA Inc.

A handwritten signature in black ink, appearing to read "J. Murphrey", is written over the printed name.

Jeremy Murphrey, CPL  
Land Negotiator Sr.



**OXY USA Inc.**  
Box 27570, Houston, TX 77227-7570

**Jeremy D. Murphrey, CPL**  
Land Negotiator Sr.

Phone (713) 350-4816  
Fax (713) 985-4942  
Jeremy\_Murphrey@oxy.com

June 27, 2016

RE: Commingle Application for:  
Cedar Canyon 22 CTB

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OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division and the Bureau of Land Management for approval of the above mentioned commingle project.

This letter serves as notice that the operator and interest owners are identical for the wells listed below in the North Half of the South Half Section 23 and the North Half of the Southwest Quarter of Section 24, Township 24 South, Range 29 East, Eddy County, New Mexico:

Cedar Canyon 23 Fed Com #6H  
Cedar Canyon 23 Fed Com #33H

Best Regards

OXY USA Inc.

A handwritten signature in black ink, appearing to read "J. Murphrey", is written over the printed name.

**Jeremy Murphrey, CPL**  
Land Negotiator Sr.

Certified Mail Tracking No.

Entity Name	Address	CITY	STATE	ZIP	Tracking No
Mobil Producing	PO BOX 951027	DALLAS	TX	77252	701418200000027150066
GD McKinney INVESTMENTS LP	300 N MARIENFELD SUITE 1100	MIDLAND	TX	79701	70141820000007323008
Wayne/Linda Newkumet	PO BOX 11330	MIDLAND	TX	79702	70141820000007323015
B. Jack Reed	506 CHARISMATIC	MIDLAND	TX	79705	70141820000007323022
Gerald A. Hancock	4200 FAIRWOOD	MIDLAND	TX	79707	70141820000007323039
DRW Energy, LLC	4107 TANFORAN	MIDLAND	TX	79707	70141820000007323046
Beryl Oil & Gas, LP	6707 PEBBLE COURT	MIDLAND	TX	79707	70141820000007323053
M'Lissa L. McKinney Schoening	300 N MARIENFELD SUITE 1100	MIDLAND	TX	79701	70141820000007323060
Sharbro Oil Ltd. Co.	PO BOX 840	ARTESIA	NM	88211	70141820000007323077
Rutter Wilbanks Corp.	PO BOX 3186	MIDLAND	TX	79701	70141820000007323084
Fina Oil and Chemical Company	PO BOX 301105	DALLAS	TX	75303	70141820000007323091
Curtis A. Anderson & Edna I. Anderson	9314 CHERRY BROOK LANE	FRISCO	TX	75033	70141820000007323107
John S. Tittl	7304 VALENCIA GROVE COURT	FORT WORTH	TX	76132	70141820000007323121
Michael A. Kulenguski	279 JONES MT ROAD	MADISON	VA	22727	70141820000007323114
MAP000+NET	P.O. BOX 268946	OKLAHOMA CITY	OK	73126	70141820000007323138
The Roach Foundation	777 TAYLOR ST PII-J	FORT WORTH	TX	76102	70141820000007323145
Kimbell Art Foundation	301 COMMERCE ST SUITE 2300	FORT WORTH	TX	76102	70141820000007323152
Bill Burton*	301 COMMERCE ST SUITE 2900	FORT WORTH	TX	76102	70141820000007323169
Ben J. Fortson, III, Children's Trust	P O BOX 29	FORT WORTH	TX	76101	70141820000007323176
Robert C. Grable	201 MAIN STREET	FORT WORTH	TX	76102	70141820000007323183
MWB 1998 Trust	301 COMMERCE ST STE 2900	FORT WORTH	TX	76102	70141820000007323190
CCB 1998 Trust	301 COMMERCE STREET	FORT WORTH	TX	76102	70141820000007323206
DCB 1998 Trust	301 COMMERCE STREET	FORT WORTH	TX	76102	70141820000007323213
Sundance Minerals I	P O BOX 17744	FORT WORTH	TX	76102	70141820000007323220
BOYT, ERIC D	P O BOX 2602	MIDLAND	TX	79702	70141820000007323237
HANTTULA, JUDITH GENE	3704 SAN GABRIEL AVENUE	FRISCO	TX	75033	70141820000007323244
HARROUN IRREV TRUST, DOROTHY S	P O BOX 3480	OMAHA	NE	68103	70141820000007323251
HARROUN REV TRUST, D STUART	515 TRES LAGUNAS LANE NE	ALBUQUERQUE	NM	87113	70141820000007321578
J M MINERAL & LAND CO INC	P O BOX 1015	MIDLAND	TX	79702	70141820000007321585
KEENE, TARA L	18700 COLLINS STREET	TARZANA	CA	91356	70141820000007321592
MAGNOLIA ROYALTY COMPANY INC	P O BOX 10703	MIDLAND	TX	79702	70141820000007321608
NEAL JEFFREY CASWELL	1311 DOEPP DRIVE	CARLSBAD	NM	88220	70141820000007321615
NELMS, PIPER L	18706 COLLIN ST	TARZANA	CA	91356	70141820000007321622
SOFTSEARCH INVESTMENT LP	P O BOX 89	ABILENE	TX	79604	70141820000007321639
SOFTVEST MANAGEMENT LP	P O BOX 89	ABILENE	TX	79604	70141820000007321646

Certified Mail Tracking No.

VOGT TRUST, ANDREW AND JANET	13404 PIEDRA GRANDE PLACE NE	ALBUQUERQUE	NM	87111	701418200000007321653
WALKER III, HERMAN CLIFFORD	P O BOX 10135	MIDLAND	TX	79702	701418200000007321660
ANDERSON AND, CURTIS A	9314 CHERRY BROOK LANE	FRISCO	TX	75033	701418200000007321677
BURTON, WILLIAM K	301 COMMERCE ST SUITE 2900	FORT WORTH	TX	76102	701418200000007321684
FORTSON III CHILDRENS TRUST, BEN J	P O BOX 29	FORT WORTH	TX	76101	701418200000007321691
GRABLE, ROBERT C	201 MAIN STREET	FORT WORTH	TX	76102	701418200000007321707
MAP00-NET TX GENERAL PARTNERSH	P O BOX 268946	OKLAHOMA CITY	OK	73126	701418200000007321714
PENROC OIL CORPORATION	P O BOX 2769	HOBBS	NM	88241	701418200000007321721
ROACH FOUNDATION INC	777 TAYLOR ST PII-J	FORT WORTH	TX	76102	701418200000007321738
RUTTER & WILBANKS CORPORATION	BOX 3186	MIDLAND	TX	79701	701418200000007321745
BERYL OIL AND GAS LP	6707 PEBBLE COURT	MIDLAND	TX	79707	701418200000007321752
DRW ENERGY LLC	4107 TANFORAN	MIDLAND	TX	79707	701418200000007321769
LEOPARD PETROLEUM LP	4200 FAIRWOOD PL	MIDLAND	TX	79707	701418200000007321776
MOBIL PRODUCING TEXAS &	4500 DACOMA ST. CORP-BH3-212	HOUSTON	TX	77092	701418200000007321783
NEWKUMET, WAYNE & LINDA	PO BOX 11330	MIDLAND	TX	79702	701418200000007321790
REED, B JACK	506 CHARISMATIC	MIDLAND	TX	79705	701418200000007321806
SCHOENING, M'LISSA M	300 N MARIENFELD STE 1100	MIDLAND	TX	79701	701418200000007321813



**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 12:14 PM

Page 1 of 2

Run Date: 11/12/2015

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres  
199.710

Serial Number  
NMNM-- 013996

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 013996

Name & Address			Int Rel	% Interest
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	OPERATING RIGHTS	0.000000000
EAGLE-K PROD CO	PO BOX 80451	MIDLAND TX 79708	OPERATING RIGHTS	0.000000000
OCCIDENTAL PERMIAN LP	5 E GREENWAY PLAZA #110	HOUSTON TX 770460521	LESSEE	100.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
PG & E RESOURCE CO	6688 N CENTRAL EXPY	DALLAS TX 75206	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- 013996

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0240S	0290E	006	ALIQ	E2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E	006	LOTS	7;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E	022	ALIQ	W2SW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- 013996

Act Date	Code	Action	Action Remark	Pending Office
05/23/1971	387	CASE ESTABLISHED	SEABERG;	
05/24/1971	866	DRAWING HELD		
06/15/1971	237	LEASE ISSUED		
07/01/1971	496	FUND CODE	05:145002	
07/01/1971	530	RLTY RATE - 12 1/2%		
07/01/1971	866	EFFECTIVE DATE		
05/22/1981	246	LEASE COMMITTED TO CA	SCR93 EFF 4/1/81	
04/27/1982	500	GEOGRAPHIC NAME	MALAGA FLO;	
04/27/1982	500	GEOGRAPHIC NAME	WILLCAT HAPPOW;	
04/27/1982	510	KMA CLASSIFIED		
04/27/1982	660	MEMO OF 1ST PROD-ALLOC	SCR-93	
08/02/1982	102	NOTICE SENT-PROD STATUS		
02/21/1984	522	CA TERMINATED	SCR-93	
02/24/1984	246	LEASE COMMITTED TO CA	NMNM94448;	
02/24/1984	660	MEMO OF 1ST PROD-ALLOC	NMNM94448;	
08/07/1985	512	KMA EXPANDED		
09/21/1987	974	AUTOMATED RECORD VERIF	FAT/KG	
10/03/1988	963	CASE MICROFILMED/SCANNED	CNUM 108,268	
04/09/1991	940	NAME CHANGE RECOGNIZED	TEXACO PROD/EXPL&PROD	
08/14/1991	932	TRF OPER PGTS FILED	AMOCO PROD/MW PETRO	
10/16/1991	933	TRF OPER PGTS APPROVED	EFF 09/01/91;	
10/16/1991	974	AUTOMATED RECORD VERIF	ST/VHG	
10/03/1994	899	TRF OF ORF FILED		
11/18/1994	932	TRF OPER PGTS FILED	MW PETRO/PG&E RES CO	
02/03/1995	933	TRF OPER PGTS APPROVED	EFF 12/01/94;	
02/03/1995	974	AUTOMATED RECORD VERIF	ANN	
10/31/1995	522	CA TERMINATED	NMNM94448;	
02/01/1996	235	EXTENDED	THPU 10/31/97;	
02/01/1996	974	AUTOMATED RECORD VERIF	SSP	
06/17/1996	064	PENTAL RECEIVED BY ONRR	599.86;23/0000026443	

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**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 12:12 PM

Page 1 of 3

Run Date: 11/12/2015

**01 12-22-1987;101STAT1330;30USC181 ET SE**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres 1,040.000**  
**Serial Number NMNM-- - 081586**

Name & Address			Serial Number: NMNM-- - 081586	Int Rel	% Interest
DOMINION OK TX EXPL & PROD INC	14000 QUAIL SPGS PKY #600	OKLAHOMA CITY OK 73134	OPERATING RIGHTS	0.000000000	
FORTSON OIL CO	301 COMMERCE #3301	FORT WORTH TX 761024133	OPERATING RIGHTS	0.000000000	
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	LESSEE	100.000000000	
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000	
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000	
PXP PRODUCING CO LLC	717 TEXAS ST STE 2100	HOUSTON TX 770022753	OPERATING RIGHTS	0.000000000	

Serial Number: NMNM-- - 081586								
Mer Twp	Rng	Sec	SType	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23	0240S	0290E 022	ALIQ		S2N2,NESW,N2SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E 023	ALIQ		N2,N2SW,SESW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E 024	ALIQ		W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 081586				
Act Date	Code	Action	Action Remark	Pending Office
04/18/1989	367	CASE ESTABLISHED	PARCEL #227	
04/19/1989	191	SALE HELD		
04/19/1989	267	BID RECEIVED	\$260000.00;	
04/19/1989	392	MONIES RECEIVED	\$2080.00;	
04/20/1989	111	RENTAL RECEIVED	\$1560.00;1YR/89-90	
04/20/1989	392	MONIES RECEIVED	\$257920.00;	
05/23/1989	237	LEASE ISSUED		
05/23/1989	974	AUTOMATED RECORD VERIF	MLG/LG	
06/01/1989	496	FUND CODE	05;145003	
06/01/1989	530	RLTY RATE - 12 1/2%		
06/01/1989	868	EFFECTIVE DATE		
06/01/1989	309	BOND ACCEPTED	EFF 07/24/78;WFO405	
06/14/1989	600	RECORDS NOTED		
06/14/1989	963	CASE MICROFILMED/SCANNED	CNUM 566,666	
05/07/1990	111	RENTAL RECEIVED	\$1560.00;21/2765	
11/07/1990	932	TRF OPER RGTS FILED	COLLINS&WARE/FORTECH	
11/08/1990	899	TRF OF ORR FILED	(1)	
11/08/1990	899	TRF OF ORP FILED	(2)	
01/28/1991	933	TRF OPER RGTS APPROVED	EFF 12/01/90;	
01/28/1991	974	AUTOMATED RECORD VERIF	MRP/JLV	
03/25/1991	932	TRF OPER RGTS FILED	CORTEZ/COLLINS & WARE	
04/12/1991	111	RENTAL RECEIVED	\$1560.00;21/4774	
05/22/1991	933	TRF OPER RGTS APPROVED	EFF 04/01/91;	
05/22/1991	974	AUTOMATED RECORD VERIF	ST/CG	
06/19/1991	899	TRF OF ORP FILED		
05/17/1993	111	RENTAL RECEIVED	\$1560.00;21/1117	
03/10/1994	975	APD FILED	COLLINS & WARE INC	
04/11/1994	084	RENTAL RECEIVED BY OARR	\$2080.00;21/1013	
04/26/1994	575	APD FILED	POGO PROD CO	

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**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

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**01 12-22-1987;101STAT1330;30USC181 ET SEQ**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED Case File Juris:**

**Total Acres 240.000**  
**Serial Number NMNM-- - 088138**

**Serial Number: NMNM-- - 088138**

Name & Address	Int Rel	%Interest
DEVON ENERGY PROD CO LP 333 W SHERIDAN AVE OKLAHOMA CITY OK 731025010	OPERATING RIGHTS	0.000000000
DOMINION OK TX EXPL & PROD INC 14000 QUAIL SPGS PKY #600 OKLAHOMA CITY OK 73134	OPERATING RIGHTS	0.000000000
FORTSON OIL CO 301 COMMERCE #3301 FORT WORTH TX 761024133	OPERATING RIGHTS	0.000000000
KHODY LAND & MINERALS CO 210 PARK AVE STE 700 OKLAHOMA CITY OK 731025600	OPERATING RIGHTS	0.000000000
OXY USA INC PO BOX 27570 HOUSTON TX 772277570	LESSEE	100.000000000
OXY USA WTP LP 5 GREENWAY PLAZA #110 HOUSTON TX 77046	OPERATING RIGHTS	0.000000000
PENWELL ENERGY INC 600 N MARIENFELD #1100 MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
PXP PRODUCING CO LLC 717 TEXAS ST STE 2100 HOUSTON TX 770022753	OPERATING RIGHTS	0.000000000

**Serial Number: NMNM-- - 088138**

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0240S	0290E	023	ALIQ	SWSE,E2SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E	026	ALIQ	N2NE,NENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 088138**

Act Date	Code	Action	Action Remarks	Pending Office
01/21/1992	387	CASE ESTABLISHED	9201165	
01/22/1992	191	SALE HELD		
01/22/1992	267	BID RECEIVED	\$8400.00;	
01/22/1992	392	MONIES RECEIVED	\$480.00;	
02/04/1992	392	MONIES RECEIVED	\$7920.00;	
02/28/1992	237	LEASE ISSUED		
02/28/1992	974	AUTOMATED RECORD VERIF	AT/LBO	
03/01/1992	496	FUND CODE	05;145003	
03/01/1992	530	RLTY RATE - 12 1/2%		
03/01/1992	868	EFFECTIVE DATE		
03/18/1992	111	RENTAL RECEIVED	\$360.00;21/0118712163	
04/14/1992	600	RECORDS NOTED		
02/16/1993	111	RENTAL RECEIVED	\$360.00;21/1016	
06/28/1993	932	TRF OPER RGTS FILED	COLLINS/FORTSON OIL	
09/28/1993	933	TRF OPER RGTS APPROVED	EFF 07/01/93;	
09/28/1993	974	AUTOMATED RECORD VERIF	ANN/KRP	
10/08/1993	963	CASE MICROFILMED/SCANNED	CNUM 569,211 JS	
02/18/1994	111	RENTAL RECEIVED	\$360.00;21/1347	
07/21/1994	899	TRF OF ORR FILED	(1)	
07/21/1994	899	TRF OF ORR FILED	(2)	
09/19/1994	932	TRF OPER RGTS FILED	FORTSON/POGO PROD CO	
10/17/1994	140	ASGN FILED	COLLIN&WARE/POGO PROD	
10/17/1994	932	TRF OPER RGTS FILED	COLLINS&WARE/POGO	
12/15/1994	932	TRF OPER RGTS FILED	FORTSON OIL/POGO PROD	
12/22/1994	084	RENTAL RECEIVED BY ONRR	\$360.00;21/0000000015	
12/28/1994	933	TRF OPER RGTS APPROVED	EFF 10/01/94;	

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**BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/25/16 07:37 AM

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**01 12-22-1987;101STAT1330;30USC181 ET SEQ**  
**Case Type 312021: O&G LSE COMP PD -1987**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED Case File Juris:**

**Total Acres**  
40.000

**Serial Number**  
NMNM-- - 093477

**Serial Number: NMNM-- - 093477**

Name & Address			Int Rel	%Interest
DOMINION OK TX EXPL & PROD INC	14000 QUAIL SPGS PKY #600	OKLAHOMA CITY OK 73134	OPERATING RIGHTS	0.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	LESSEE	100.000000000
PXP PRODUCING CO LLC	717 TEXAS ST STE 2100	HOUSTON TX 770022753	OPERATING RIGHTS	0.000000000

**Serial Number: NMNM-- - 093477**

MerTwp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0240S	0290E	023	ALIQ	NWSE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 093477**

Act Date	Code	Action	Action Remarks	Pending Office
07/19/1994	387	CASE ESTABLISHED	9407065	
07/20/1994	191	SALE HELD		
07/20/1994	267	BID RECEIVED	\$31600.00;	
07/20/1994	392	MONIES RECEIVED	\$31600.00;	
08/17/1994	237	LEASE ISSUED		
08/17/1994	974	AUTOMATED RECORD VERIF	RAYO	
08/30/1994	600	RECORDS NOTED		
09/01/1994	496	FUND CODE	05;145003	
09/01/1994	530	RLTY RATE - 12 1/2%		
09/01/1994	868	EFFECTIVE DATE		
09/20/1994	111	RENTAL RECEIVED	\$60.00;11/MULTIPLE	
10/20/1994	963	CASE MICROFILMED/SCANNED		
01/11/1995	140	ASGN FILED	TORRANS & CO/POGO;	
01/30/1995	932	TRF OPER RGTS FILED	POGO/COLLINS & WARE	
02/06/1995	899	TRF OF ORR FILED		
04/13/1995	933	TRF OPER RGTS APPROVED	EFF 02/01/95;	
04/13/1995	974	AUTOMATED RECORD VERIF	JLV	
05/23/1995	139	ASGN APPROVED	EFF 02/01/95;	
05/23/1995	974	AUTOMATED RECORD VERIF	GSB	
08/14/1995	084	RENTAL RECEIVED BY ONRR	\$60.00;21/0000000013	
08/12/1996	084	RENTAL RECEIVED BY ONRR	\$60.00;21/0000000001	
02/01/1997	246	LEASE COMMITTED TO CA	NMNM94527;	
03/28/1997	932	TRF OPER RGTS FILED	COLLINS&WARE/DREYFUS	
04/14/1997	933	TRF OPER RGTS APPROVED	EFF 04/01/97;	
04/14/1997	974	AUTOMATED RECORD VERIF	MV/MV	
08/04/1997	084	RENTAL RECEIVED BY ONRR	\$60.00;21/0000000004	
07/29/1998	084	RENTAL RECEIVED BY ONRR	\$60.00;21/0000000007	
01/31/1999	522	CA TERMINATED	NMNM94527;	
08/09/1999	084	RENTAL RECEIVED BY ONRR	\$80.00;21/0000000009	

**NO WARRANTY IS MADE BY BLM  
FOR USE OF THE DATA FOR  
PURPOSES NOT INTENDED BY BLM**

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

**[A] Location - Spacing Unit - Simultaneous Dedication**  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

**[B] Commingling - Storage - Measurement**  
☐ DHC ☐ CTB ☒ PLC ☐ PC ☒ OLS ☒ OLM

**[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**[D] Other: Specify \_\_\_\_\_**

**NM OIL CONSERVATION**  
 ARTESIA DISTRICT

AUG 29 2016

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**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners**
- [B] ☐ Offset Operators, Leaseholders or Surface Owner**
- [C] ☐ Application is One Which Requires Published Legal Notice**
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO**  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,**
- [F] ☐ Waivers are Attached**

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

TAYLOR STILLMAN  
 Print or Type Name

*Taylor Stillman*  
 Signature

PRODUCTION ENGINEER  
 Title

6/30/16  
 Date

TAYLOR\_STILLMAN@OXY.COM  
 e-mail Address

District I  
1625 N French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

ARTESIA DISTRICT  
AUG 29 2016  
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Form C-107-B  
Revised August 1, 2011

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

### APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA INC  
OPERATOR ADDRESS: PO BOX 4294 HOUSTON, TX 77210  
APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

#### (A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
SEE ATTACHED					

- (2) Are any wells producing at top allowances? ☒ Yes \* ☐ No \*Estimated Values  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☐ Metering ☒ Other (Specify) ALLOCATION BY WELL TEST  
(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

#### (B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code.  
(2) Is all production from same source of supply? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No  
(4) Measurement type: ☐ Metering ☐ Other (Specify)

#### (C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

- (1) Complete Sections A and E.

#### (D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

#### (E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Taylor Stillman TITLE: PRODUCTION ENGINEER

DATE: 6/30/16

TYPE OR PRINT NAME: TAYLOR STILLMAN TELEPHONE NO.: 713-366-5945

E-MAIL ADDRESS: Taylor\_Stillman@oxy.com

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

Cedar Canyon 22 Fed Com 4H - 3001543708, Lease NMNM81586 / CA-NMNM Pending  
Cedar Canyon 22 Fed Com 5H - 3001543758, Lease NMNM13996 / CA-NMNM Pending  
Cedar Canyon 22 Fed 21H - 3001543642, Lease NMNM81586  
Cedar Canyon 23 Fed 3H - 3001543290, Lease NMNM81586  
Cedar Canyon 23 Fed 4H - 3001543281, Lease NMNM81586  
Cedar Canyon 23 Fed 5H - 3001543282, Lease NMNM81586  
Cedar Canyon 23 Fed Com 6H - API pending, Lease NMNM81586 / CA-NMNM Pending  
Cedar Canyon 23 Fed Com 33H - API pending, Lease NMNM81586 / CA-NMNM Pending

**Oxy USA WTP LP**

August 25, 2016

**Condition of Approval**

**Commingling of lease/CA production and Off lease/CA Storage, Measurement, & Sales of production. Approval to use LACT Coriolis Meter for oil sales**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. *This agency shall be notified of any spill or discharge as required by NTL-3A.*
3. 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.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. The Coriolis meter shall be designed, installed and operated in accordance with all applicable API standards, including API 5.6, as may be amended or revised from time to time.

12. The metering facility shall include a temperature probe to monitor the actual oil temperature during custody transfer. This information will be recorded and used in calculating the volume of oil metered during each transaction.
13. The meter shall have a non-resettable totalizer.
14. The custody transfer meter shall be proven monthly in conformance with Onshore Oil and Gas Order No. 4.III.D. The meter proving is to be witnessed by BLM, contact 575-361-2822; a minimum of 24 hours prior to meter proving. Meter proving records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
15. A copy of the monthly meter proving will be submitted to the appropriate BLM office within 30 days of proving.
16. The run ticket associated with each oil transfer shall include the measured or calculated BS&W, oil gravity, temperature recorded during the transfer and beginning & ending totalizer readings. Such records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
17. Upon request a copy of run tickets shall be submitted to the appropriate BLM office and will be made available for audit.
18. Operator to maintain tank gauging data to be used as a comparison with the LACT meter readings.
19. All other provisions of the Onshore Oil and Gas Orders, especially No. 3 and No. 4 shall be met.
20. This approval may be subject to future review and if determined inadequate with regards to accurate measurement, the approval will be withdrawn.