

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**NMOCD**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS Artesia**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM86024

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
CYPRESS 34 FEDERAL 10H

9. API Well No.  
30-015-43076

10. Field and Pool or Exploratory Area  
CEDAR CANYON BONE SPRING

11. County or Parish, State  
EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
OXY USA INC  
Contact: TAYLOR L STILLMAN  
E-Mail: TAYLOR\_STILLMAN@OXY.COM

3a. Address  
PO BOX 4294  
HOUSTON, TX 77210

3b. Phone No. (include area code)  
Ph: 713-366-5945

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

**12. CHECK THE 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"/> Hydraulic Fracturing | <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<br>Surface Commingling |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       |  |
|  | <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 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must 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 to amend the previously approved commingle permit to include the following additional wells: Cypress 34#12H, Cypress 33 Federal Com #8H and #9H.

The central tank battery is located on the well pad for the Goodnight 27 Federal #4H located at 32.269382, -103.974739 on Federal lease NMNM105557 in Eddy County, New Mexico.

Due to identical ownership between all wells, wells will be routed to a common three phase production separator. All wells will be tested monthly through a three phase test separator with meters for gas (S/N T151120531), oil (S/N 64086) and water (S/N 64079) for allocation purposes.

Oil production from the production and test separators will be combined and routed to a heater treater for further separation. From the heater treater, production will flow to oil tanks and

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

FEB 22 2017

**SEE ATTACHED FOR RECEIVED  
CONDITIONS OF APPROVAL**

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

**Electronic Submission #361174 verified by the BLM Well Information System  
For OXY USA INC, sent to the Carlsbad  
Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/17/2017**

Name (Printed/Typed) TAYLOR L STILLMAN Title PRODUCTION ENGINEER

Signature (Electronic Submission) Date 12/16/2016

**APPROVED**  
**FEB 2 2017**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By \_\_\_\_\_ Title BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE Date \_\_\_\_\_

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.

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.

(Instructions on page 2)

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

Accepted for record - NMOCD

*RP 3-6-17*

## **Additional data for EC transaction #361174 that would not fit on the form**

### **32. Additional remarks, continued**

then be sent through a LACT meter (S/N 3298052). Gas production will be metered by one of two Oxy check meters (S/N T15122197 or S/N TT151120537) before being sent to Energy Transfer Sales Meter (S/N 57324) located at 32.270700, -103.974224. Water production will be sent to the Cedar Canyon water disposal gathering system.

All meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

## APPLICATION FOR POOL AND LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

Proposal for Cypress 34 Federal #10H, #11H and #12H, Cypress 33 Federal Com #8H and #9H to produce to Goodnight 27-4 CTB.

OXY USA INC is requesting approval for Pool & Lease Commingle, and Off Lease Measurement, Sales, & Storage from the following wells:

### Pool: Cedar Canyon Bone Spring (11520); CA # NM135945

| WELL NAME                  | API No.        | LOCATION     | BOPD | GRAVITY | MSCFD | BTU  |
|----------------------------|----------------|--------------|------|---------|-------|------|
| Cypress 33 Federal Com #8H | 30-015-43075 ✓ | D-33-23S-29E | 93   | 44.5    | 293   | 1313 |
| Cypress 33 Federal Com #9H | 30-015-43751 ✓ | N-28-23S-29E | 574  | 44.5    | 1265  | 1313 |

### Pool: Cedar Canyon Bone Spring (11520); Lease # NMNM086024

| WELL NAME               | API No.        | LOCATION     | BOPD | GRAVITY | MSCFD | BTU  |
|-------------------------|----------------|--------------|------|---------|-------|------|
| Cypress 34 Federal #10H | 30-015-43076 ✓ | D-34-23S-29E | 80   | 44.5    | 173   | 1313 |
| Cypress 34 Federal #11H | 30-015-42920 ✓ | C-34-23S-29E | 72   | 44.5    | 713   | 1313 |

### Pool: WC-015 G-07 S242903; UPPER WOLFCAMP (98214); Lease # NMNM086024

| WELL NAME               | API No.        | LOCATION     | BOPD | GRAVITY | MSCFD | BTU   |
|-------------------------|----------------|--------------|------|---------|-------|-------|
| Cypress 34 Federal #12H | 30-015-43849 ✓ | 1-03-24S-29E | *600 | *44.5   | *1300 | *1300 |

\*Estimated production volumes.

The BLM's Royalty Interest rate is 12.5% for all wells.

A map is enclosed showing the Federal leases and well locations.

#### Oil & Gas metering:

The central tank battery is located on the well pad for the Goodnight 27 Federal #4H located at 32.269382, -103.974739 on Federal lease NMNM105557 in Eddy County, New Mexico.

Due to identical ownership between all wells, wells will be routed to a common three phase production separator. All wells will be tested monthly through a three phase test separator with meters for gas (S/N T151120531), oil (S/N 64086) and water (S/N 64079) for allocation purposes.

Oil production from the production and test separators will be combined and routed to a heater treater for further separation. From the heater treater, production will flow to oil tanks and then be sent through a LACT meter (S/N 3298052). Gas production will be metered by one of two Oxy check meters (S/N T15122197 or S/N TT151120537) and sent to Energy Transfer Sales Meter (S/N 57324) located at 32.270700, -103.974224. Water production will be sent to the Cedar Canyon water disposal gathering system.

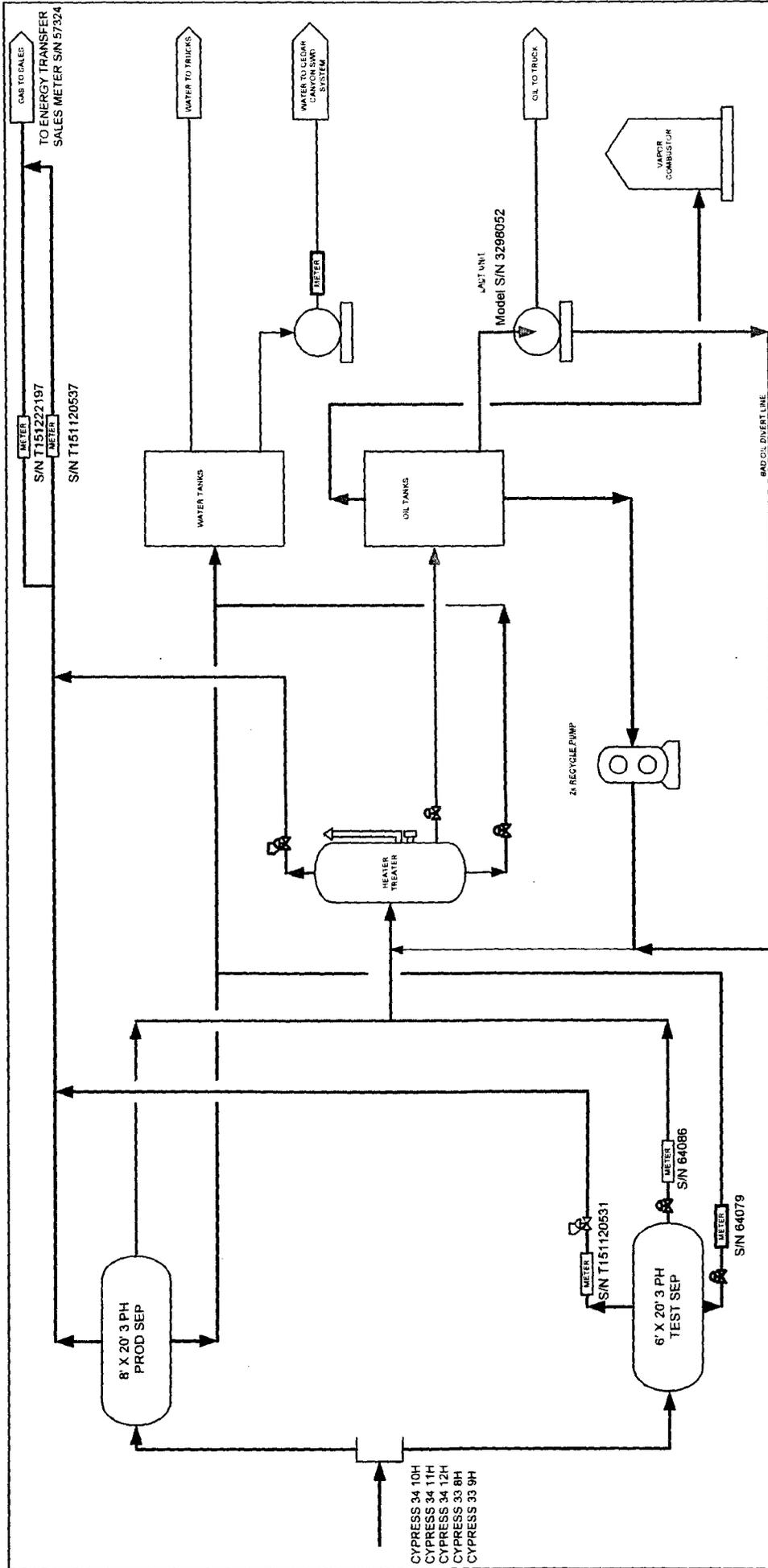
All meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

#### Process and Flow Descriptions:

The flow of production is shown in detail on enclosed facility diagram and map which shows the lease boundaries, Communitization agreement boundaries, location of wells, facility, and gas sales meter. The commingling of this production is the most effective means of producing the reserves.

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 BLM and NMOCD will be notified of any future changes in the facilities.



| REVISION BLOCK |      | ENGINEERING RECORD |          |
|----------------|------|--------------------|----------|
| NO             | DATE | BY                 | DATE     |
| 0              |      | DRN KAO            | 10/12/16 |
|                |      | DES                |          |
|                |      | CHK                |          |
|                |      | APP                |          |
|                |      | AFE                |          |

| LEGEND |                |
|--------|----------------|
| ---    | PRODUCTION MIX |
| ---    | OIL            |
| ---    | GAS            |
| ---    | WATER          |
| ---    | EQUIPMENT      |

| BY  | CHK | APP |
|-----|-----|-----|
| KAO |     |     |
|     |     |     |
|     |     |     |
|     |     |     |
|     |     |     |



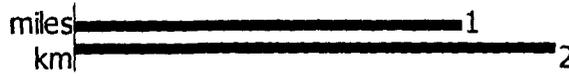
**PROCESS FLOW DIAGRAM**  
 GOODNIGHT 27-4 CTB



# Goodnight 27-4 CTB Flowline & Gas Sales Map



Google Earth Pro





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

December 8, 2016

RE: Surface Commingle Application  
Cypress 33 Federal Com #8H (API: 30-015-43075)  
Cypress 33 Federal Com #9H (API: 30-015-43751)  
Cypress 34 Federal #10H (API: 30-015-43076)  
Cypress 34 Federal #11H (API: 30-015-42920)  
Cypress 34 Federal #12H (API: 30-015-43849)

To Whom It May Concern:

OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division for approval of the above mentioned commingle project. After a review of internal records, this letter serves as notice that the operator and interest owners are identical for the wells mentioned above. If you have any questions or require any additional information please contact me.

Best Regards

OXY USA Inc.

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

Jeremy Murphrey, CPL  
Land Negotiator Sr.

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

Run Time: 07:17 AM

Page 1 of 2

Run Date: 10/19/2016

**01 02-25-1920;041STAT0437;30USC181ETSEQ**  
**Case Type 311211: O&G LSE SIMO PUBLIC LAND**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres**  
**1,440.000**

**Serial Number**  
**NMNM-- - 086024**

| Name & Address      |                        | Serial Number: NMNM-- - 086024 |                  | Int Rel | % Interest    |
|---------------------|------------------------|--------------------------------|------------------|---------|---------------|
| EXXONMOBIL OIL CORP | PO BOX 4358            | HOUSTON TX 772104358           | OPERATING RIGHTS |         | 0.000000000   |
| EXXONMOBIL OIL CORP | PO BOX 4358            | HOUSTON TX 772104358           | 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   |
| PENWELL ENERGY INC  | 600 N MARIENFELD #1100 | MIDLAND TX 79701               | OPERATING RIGHTS |         | 0.000000000   |

| Serial Number: NMNM-- - 086024 |       |       |      |          |             |                       |        |                     |
|--------------------------------|-------|-------|------|----------|-------------|-----------------------|--------|---------------------|
| Mer Twp                        | Rng   | Sec   | STyp | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency         |
| 23                             | 02305 | 0290E | 028  | ALIQ     | W2E2,W2;    | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 02305 | 0290E | 033  | ALIQ     | N2;         | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23                             | 02305 | 0290E | 034  | ALIQ     | ALL;        | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

| Serial Number: NMNM-- - 086024 |      |                          |                        |                |
|--------------------------------|------|--------------------------|------------------------|----------------|
| Act Date                       | Code | Action                   | Action Remark          | Pending Office |
| 10/22/1973                     | 387  | CASE ESTABLISHED         | SPAR52;                |                |
| 05/01/1974                     | 496  | FUND CODE                | 05;145003              |                |
| 05/01/1974                     | 530  | RLTY RATE - 12 1/2%      |                        |                |
| 05/01/1974                     | 868  | EFFECTIVE DATE           |                        |                |
| 03/27/1976                     | 500  | GEOGRAPHIC NAME          | UDEFINED FLD;          |                |
| 03/27/1976                     | 510  | KMA CLASSIFIED           |                        |                |
| 06/15/1976                     | 315  | RENTAL RATE DET/ADJ      | \$2.00;                |                |
| 09/13/1976                     | 512  | KMA EXPANDED             |                        |                |
| 06/27/1990                     | 209  | CASE CREATED BY SEGR     | OUT OF NMNM19848;      |                |
| 06/27/1990                     | 232  | LEASE COMMITTED TO UNIT  | NMNM82520X;LAGUNA SAL  |                |
| 06/27/1990                     | 647  | MEMO OF LAST PROD-ALLO   | NMNM19848;             |                |
| 12/02/1992                     | 974  | AUTOMATED RECORD VERIF   |                        | CM/JS          |
| 12/21/1992                     | 963  | CASE MICROFILMED/SCANNED | CNUM 569,689           | JMV            |
| 12/29/1992                     | 111  | RENTAL RECEIVED          | \$1440.00;11/710305    |                |
| 04/16/1993                     | 111  | RENTAL RECEIVED          | \$1440.00;21/179895    |                |
| 04/19/1994                     | 111  | RENTAL RECEIVED          | \$1440.00;21/185920    |                |
| 08/01/1994                     | 235  | EXTENDED                 | THRU 08/01/96;         |                |
| 08/01/1994                     | 336  | UNIT AGRMT TERMINATED    | NMNM82520X;LAGUNA SAL  |                |
| 04/24/1995                     | 084  | RENTAL RECEIVED BY ONRR  | \$1440.00;21/000000500 |                |
| 04/24/1996                     | 084  | RENTAL RECEIVED BY ONRR  | \$1440.00;21/000000503 |                |
| 10/24/1996                     | 974  | AUTOMATED RECORD VERIF   | GAG;                   |                |
| 04/21/1997                     | 084  | RENTAL RECEIVED BY ONRR  | \$2880.00;21/000000506 |                |
| 05/29/1997                     | 932  | TRF OPER RGTS FILED      | EXXON/PENWELL ENE      |                |
| 07/08/1997                     | 933  | TRF OPER RGTS APPROVED   | EFF 06/01/97;          |                |
| 07/08/1997                     | 974  | AUTOMATED RECORD VERIF   | MV/MV                  |                |
| 01/15/1998                     | 575  | APD FILED                |                        |                |
| 02/23/1998                     | 576  | APD APPROVED             | #1 COCHITI "28" FED    |                |
| 04/17/1998                     | 084  | RENTAL RECEIVED BY ONRR  | \$2880.00;21/000000508 |                |
| 10/29/1998                     | 650  | HELD BY PROD - ACTUAL    | /1/                    |                |
| 10/29/1998                     | 658  | MEMO OF 1ST PROD-ACTUAL  | /1/#1 COCHITI 28 FED;  |                |

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

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

Run Time: 07:17 AM

Page 1 of 3

Run Date: 10/19/2016

**01 02-25-1920;041STAT0437;30USC181ETSEQ**  
**Case Type 311211: O&G LSE SIMO PUBLIC LAND**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres 960.000**  
**Serial Number NMNM-- - 019848**

**Serial Number: NMNM-- - 019848**

| Name & Address           |                     | Int Rel              | % Interest                  |
|--------------------------|---------------------|----------------------|-----------------------------|
| BIRD CREEK RESOURCES INC | 1412 S BOSTON #550  | TULSA OK 74119       | OPERATING RIGHTS 0.00000000 |
| EXXONMOBIL OIL CORP      | PO BOX 4358         | HOUSTON TX 772104358 | OPERATING RIGHTS 0.00000000 |
| EXXONMOBIL OIL CORP      | PO BOX 4358         | HOUSTON TX 772104358 | LESSEE 100.00000000         |
| OXY USA INC              | PO BOX 27570        | HOUSTON TX 772277570 | OPERATING RIGHTS 0.00000000 |
| OXY USA INC              | 5 GREENWAY PLZ #110 | HOUSTON TX 770460521 | OPERATING RIGHTS 0.00000000 |

**Serial Number: NMNM-- - 019848**

| Mer Twp | Rng   | Sec   | Srty | SNr Suff | Subdivision | District/Field Office | County | Mgmt Agency         |
|---------|-------|-------|------|----------|-------------|-----------------------|--------|---------------------|
| 23      | 0230S | 0290E | 029  | ALIQ     | ALL;        | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |
| 23      | 0230S | 0290E | 033  | ALIQ     | S2;         | CARLSBAD FIELD OFFICE | EDDY   | BUREAU OF LAND MGMT |

**Serial Number: NMNM-- - 019848**

**Relinquished/Withdrawn Lands**

|    |       |       |     |    |                 |                       |      |                     |
|----|-------|-------|-----|----|-----------------|-----------------------|------|---------------------|
| 23 | 0230S | 0290E | 734 | FF | ALL,SEGR;       | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0230S | 0290E | 733 | FF | N2,SEGR;        | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0230S | 0290E | 735 | FF | N2NW,SWNW,SEGR; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0230S | 0290E | 720 | FF | SWSE,SEGR;      | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0230S | 0290E | 728 | FF | W2E2,W2,SEGR;   | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

**Serial Number: NMNM-- - 019848**

| Act Date   | Code | Action                    | Action Remark         | Pending Office |
|------------|------|---------------------------|-----------------------|----------------|
| 10/22/1973 | 387  | CASE ESTABLISHED          | SPAR52;               |                |
| 10/23/1973 | 888  | DRAWING HELD              |                       |                |
| 04/24/1974 | 237  | LEASE ISSUED              |                       |                |
| 05/01/1974 | 496  | FUND CODE                 | 05;145003             |                |
| 05/01/1974 | 530  | RLTY RATE - 12 1/2%       |                       |                |
| 05/01/1974 | 868  | EFFECTIVE DATE            |                       |                |
| 12/01/1975 | 232  | LEASE COMMITTED TO UNIT   | NMNM70967X;LAGUNA GRA |                |
| 12/01/1975 | 700  | LEASE SEGREGATED          | INTO NMNM27728;       |                |
| 03/27/1976 | 500  | GEOGRAPHIC NAME           | UNDEFINED FLD;        |                |
| 03/27/1976 | 510  | KMA CLASSIFIED            |                       |                |
| 06/15/1976 | 315  | RENTAL RATE DET/ADJ       | \$2.00;               |                |
| 07/20/1976 | 102  | NOTICE SENT-PROD STATUS   |                       |                |
| 09/13/1976 | 512  | KMA EXPANDED              |                       |                |
| 01/16/1981 | 512  | KMA EXPANDED              |                       |                |
| 01/16/1981 | 650  | HELD BY PROD - ACTUAL     | LAGUNA GRANDE UNIT    |                |
| 03/27/1981 | 253  | ELIM BY CONTRAC (PARTIAL) | NMNM70967X;LAGUNA GRA |                |
| 09/26/1987 | 974  | AUTOMATED RECORD VERIF    | GG/LR                 |                |
| 10/20/1988 | 963  | CASE MICROFILMED/SCANNED  | CNUM,102,942          |                |
| 06/27/1990 | 700  | LEASE SEGREGATED          | INTO NMNMB6024;       |                |
| 06/03/1991 | 899  | TRF OF ORR FILED          | (1)                   |                |
| 06/03/1991 | 899  | TRF OF ORR FILED          | (2)                   |                |
| 09/10/1991 | 932  | TRF OPER RGTS FILED       | TRIPOD/BIRD CREEK     |                |
| 01/13/1992 | 933  | TRF OPER RGTS APPROVED    | EFF 10/01/91;         |                |
| 01/13/1992 | 974  | AUTOMATED RECORD VERIF    | AR/CG                 |                |
| 07/13/1992 | 899  | TRF OF ORR FILED          |                       |                |
| 12/02/1992 | 974  | AUTOMATED RECORD VERIF    | CM/JS                 |                |

**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 |
|---------|----------|----------|-----------|------|--------|

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 \_\_\_\_\_
- [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      Taylor Stillman      PRODUCTION ENGINEER      12/14/16  
 Print or Type Name      Signature      Title      Date

TAYLOR\_STILLMAN@OXY.COM  
 e-mail Address

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

|  |
|--|
| WELL API NO.<br>MULTIPLE   |
| 5. Indicate Type of Lease<br>STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.   |
| 7. Lease Name or Unit Agreement Name<br>Cypress 33 and Cypress 34                        |
| 8. Well Number MULTIPLE  |
| 9. OGRID Number  |
| 10. Pool name or Wildcat<br>MULTIPLE   |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)                                       |

**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

2. Name of Operator  
OXY USA INC

3. Address of Operator  
PO BOX 4294 HOUSTON, TX 77210

4. Well Location  
 Unit Letter \_\_\_\_\_ : \_\_\_ feet from the NORTH line and \_\_\_ feet from the WEST line  
 Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ County \_\_\_\_\_

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

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

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.

Oxy USA Inc requests approval for the pool and lease commingling and off-lease measurement, sales and storage for the Goodnight 27-4 CTB fed by the Cypress 33 Fed Com 8H, Cypress 33 Fed Com 9H, Cypress 34 Federal 10H, 11H and 12H.

The central tank battery is located on the well pad for the Goodnight 27 Federal #4H located at 32.269382, -103.974739 on Federal lease NMNM105557 in Eddy County, New Mexico.

Due to identical ownership between all wells, wells will be routed to a common three phase production separator. All wells will be tested monthly through a three phase test separator with meters for gas (S/N T151120531), oil (S/N 64086) and water (S/N 64079) for allocation purposes.

Oil production from the production and test separators will be combined and routed to a heater treater for further separation. From the heater treater, production will flow to oil tanks and then be sent through a LACT meter (S/N 3298052). Gas production will be metered by one of two Oxy check meters (S/N T15122197 or S/N TT151120537) and sent to Energy Transfer Sales Meter (S/N 57324) located at 32.270700, -103.974224. Water production will be sent to the Cedar Canyon water disposal gathering system.

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: 12/14/2016  
 Type or print name TAYLOR STILLMAN E-mail address: TAYLOR\_STILLMAN@OXY.COM PHONE: (713) 366-5945  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_

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

**Condition of Approval**

Surface commingling, off lease/off CA storage measurement and 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 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.

**Five wells are being commingled (30-015-43075, 30-015-43751, 30-015-43076, 30-015-42920, & 30-015-43849). Two Federal Leases are involved NMNM-86024 and NMNM-19848. Two of the wells have are in a Com Agreement NMNM-135945. Formations being produced are 2<sup>nd</sup> Bone Spring, 3<sup>rd</sup> Bone Spring and Wolfcamp. The Operator stated that the quality of hydrocarbons from the three formations will not affect the overall value when combined. Each well is 100% Federal and all leases are 12.5%, thus no royalties will be affected.**

**JAM 020217**