RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geolog	above this table for ocd d CO OIL CONSERV, ical & Engineering rancis Drive, Sant	ATION DIVISION 9 Bureau –	• THE REPORTED THE REPORT
	ADMINIST HECKLIST IS MANDATORY FOR A			to division rules and
		EQUIRE PROCESSING AT THE		
	INC IDGE CC 20 17 FEDERAL CO G; BONE SPRING & OTHER	M#021H & OTHER	API: <u>3</u>	ID Number: 16696 0-015-44945 & OTHER Code: 50371 & OTHER
SUBMIT ACCURA	TE AND COMPLETE IN	FORMATION REQUI		THE TYPE OF APPLICATION
A. Location -	CATION: Check those -Spacing Unit – Simu SL NSP(F ne only for [1] or [11] ningling – Storage – N DHC CTB F ion – Disposal – Press WFX PMX S REQUIRED TO: Check operators or lease ho y, overriding royalty of ation requires publish ation and/or concurr ation and/or concurr	Itaneous Dedicatio PROJECT AREA) DO VROJECT AREA) DNS PLC DPC C Ure Increase – Enho SWD DIPI DE those which apply olders owners, revenue ow ned notice rent approval by SL	n P(proration unit) DLS OLM anced Oil Recove OR PPR	SD ery FOR OCD ONLY Notice Complete Application Content Complete
F. ☐ Surface G. ■ For all (H. ☐ No not 3) CERTIFICATION	e owner of the above, proof o ice required : I hereby certify that	of notification or pu the information su	blication is attac omitted with this	application for
understand the notifications are	approval is accurate at no action will be to e submitted to the Di e: Statement must be compl	iken on this applice vision.	ation until the req	uired information and

ELIZABETH (BETH) SCHENKEL

Print or Type Name

apulth V Sn

Signature

10/13/2020 Date

713-497-2055

Phone Number

BETH_SCHENKEL@OXY.COM e-mail Address 811 S. First St., Artesia, NM 88210

1220 S. St Francis Dr, Santa Fe, NM

1625 N. French Drive, Hobbs, NM 88240

1000 Rio Brazos Road, Aztec, NM 87410

District I

District II

District III

District IV

87505

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-B Revised August 1, 2011

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

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

TELEPHONE NO.:___713-497-2055_

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY US	A INC				
OPERATOR ADDRESS: PO BOX	4294 HOUSTON, TX	77210			
APPLICATION TYPE:					
Pool Commingling Lease Comminglin	g Pool and Lease Cor	nmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE: Fee	State 🛛 Feder	ral			
Is this an Amendment to existing Order					
Have the Bureau of Land Management	(BLM) and State Land	office (SLO) been not	tified in writing of	of the proposed commi	ingling
Yes No					
		L COMMINGLIN s with the following in			
(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 allowal (3) Has all interest owners been notified by (4) Measurement type: Metering 2 (5) Will commingling decrease the value of 	y certified mail of the pro ☐ Other (Specify) WELL	L TEST	⊠Yes □No. be why commingli	ng should be approved	
		SE COMMINGLIN s with the following in			
(1) Pool Name and Code.					
(2) Is all production from same source of s				_	
 (3) Has all interest owners been notified by (4) Measurement type: Metering 		losed commingling?	∐Yes ∐N	0	
	ould (speeny)				
		LEASE COMMIN			
(1) Complete Sections A and E.	Please attach sheet	s with the following in	normation		
(1) Complete Sections A and E.					
(D) OFF-LEASE ST	ORAGE and MEA	SUREMENT		
``````````````````````````````````````		ts with the following			
(1) Is all production from same source of s	supply?  Yes  N	0			
(2) Include proof of notice to all interest or	wners.				
		DMATION (for all	annling tion to		
(E) AL		RMATION (for all s with the following in		(pes)	
(1) A schematic diagram of facility, include		5 with the following in	normation		
<ul><li>(2) A plat with lease boundaries showing a</li></ul>		ons. Include lease numbe	ers if Federal or Sta	ate lands are involved.	
(3) Lease Names, Lease and Well Number	s, and API Numbers.				
I hereby certify that the information above is	true and complete to the	hest of my knowledge on	d balief		
	<u> </u>				
SIGNATURE: Guilting	me TI	TLE:FACILITIES EN	NGINEER	DATE:10/	13/2020

TYPE OR PRINT NAME___ELIZABETH (BETH) SCHENKEL

E-MAIL ADDRESS:___BETH_SCHENKEL@OXY.COM__

## APPLICATION FOR POOL AND LEASE COMMINGLE AND OFF LEASE MEASUREMENT Commingling proposal for Salt Ridge CC 17 CTB

OXY USA INC requests approval of a pool and lease commingle and off-lease measurement amendment for the Salt Ridge CC 17 CTB, located in Eddy County, Section 17 T24S-R29E (104°0'44.5'W, 32°13'16.531"N). The wells feeding the battery are listed below.

Commingling this production is the only way to economically produce Morning Federal Com #01H. This well is currently shut in due to extensive damage at its battery. BLM interest in this well cannot support the capital cost of \$420,000 to build a new train facility. Commingling production will result in maximum economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources, as per 43 CFR 3162.1(a).

#### POOL: PIERCE CROSSING; BONE SPRING (50371) - CA PENDING

#### 16.67% FEE & 66.67% BLM 12.5% NRI (NMNM17224) & 16.67% BLM 12.5% NRI (NMNM94651)

CA ALLOCATED 83.3% OF THE PRODUCTION TO THE FEDERAL LEASES AT A ROYALTY RATE OF 12.5%, FOR THE INTEREST ALLOCATION OF 10.417%

Well Name	ΑΡΙ	Surface Location	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
SALT RIDGE CC 20 17 FEDERAL COM #021H	30-015-44945	F-17-24S-29F	9/3/2018	125	47	996	1150	528

#### POOL: PIERCE CROSSING; BONE SPRING (50371) - CA PENDING

16.67% FEE & 66.67% BLM 12.5% NRI (NMNM17224) & 16.67% BLM 12.5% NRI (NMNM94651)

CA ALLOCATED 83.3% OF THE PRODUCTION TO THE FEDERAL LEASES AT A ROYALTY RATE OF 12.5%, FOR THE INTEREST ALLOCATION OF 10.417%

Well Name	ΑΡΙ	Surface Location	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
SALT RIDGE CC 20 17 FEDERAL COM #023H	30-015-44947	F-17-24S-29E	9/3/2018	154	47	586	1250	376

#### POOL: CEDAR CANYON; BONE SPRING (11520)

#### BLM 12.5% NRI (NMNM117120)

Well Name	ΑΡΙ	Surface Location	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
MORNING FEDERAL COM #01H	30-015-37644	E-08-24S-29E	9/4/2010	27	44	122	1100	70

All three of the wells at the Salt Ridge CC 17 CTB will be commingled in a bulk/test setup with two 6' X 20' three-phase separators. Each vessel will be equipped with oil turbine meters, gas orifice meters, and water turbine meters.

Oil production will flow through a 6' X 20' heater treater then sent to four oil storage tanks. It will then be pumped through a LACT (FMP, S/N 14664826) and sent to sales. Oil production will be allocated back to each well based on well test.

Gas will be sent from the separators to a gas scrubber. It will then flow to either an Oxy check meter (S/N T182324609) and sent to sales, or flow through a gas compressor and be used for gas lift purposes. The Oxy check meter will serve as the gas FMP for the purpose of royalty payment. Gas production will be allocated back to each well based on well test.

All water from the Salt Ridge CC 17 CTB will be sent to the Cedar Canyon Disposal System.

The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

#### Additional Application Components:

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

The working interest, royalty interest and overriding royalty interest owners are identical, so notice was not required.

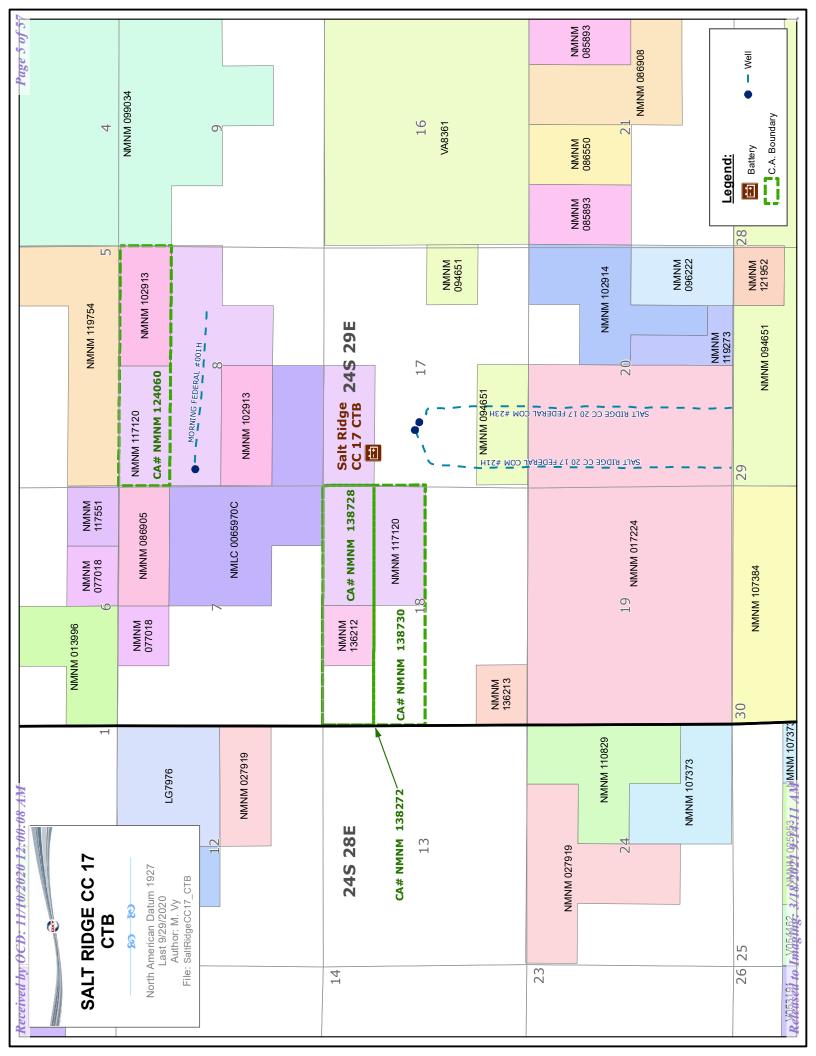
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

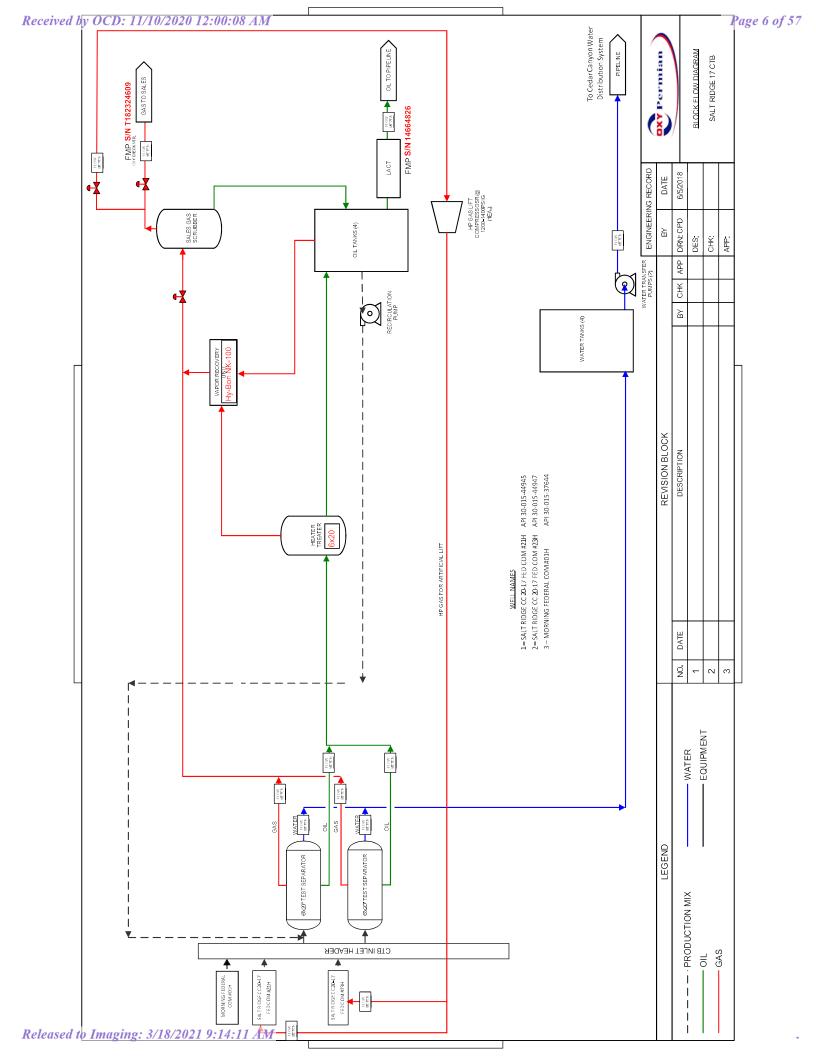
If a well is converted to gas lift in the future, a request for beneficial use will be submitted.

Commingling this production is the most effective means of producing the reserves. The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

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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.





# **NM OIL CONSERVATION**

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District 1 1623 N. French Dr., Hobba, F.M. 88240 Phone: (372) 393-6161 Fast: (375) 393-0720 Phone: (372) 348-1201 Fast: (375) 748-9720 Phone: 173 348-1201 Fast: (375) 748-9720 Phone: 173 348-1201 Fast: (375) 748-9720 Phone: (320) 334-6170 Fast: (320) 314-6170 Phone: (320) 334-6170 Fast: (320) 314-6170 Phone: (320) 334-6176 Fast: (320) 314-6170 Phone: (320) 34-6450 Fast: (320) 476-3463	Energy, Minerals & Nat OIL CONSER V 1220 South	New Mexico tural Resource /ATION DIV St. Francis L c, NM 87505	ISION	AUG 30	Submit o VED	District Office
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Jal377	•	nerty Name )—17"FEDI	ERAL COM			Well Number 21H
OGRID Na 16696	•	rator Name ISA INC.				Elevation 2933.9'
······	Surface	Location			·····	
UL or lot no. Section Township			North/South line	Feet from the	EastWe	st line County
E 17 24 SOUTH	29 EAST, N.M.P.M.	2359'	NORTH	1302'	WES	T EDDY
· · · · · · · · · · · · · · · · · · ·	Bottom Hole Location	If Different F	rom Surface	<del>,</del>		
UL or lot no. Section Township	Range Lot	Idn Feet from the	North South line	Feet from the	East/We	st line County
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Dedicated Acres 240 No allowable will be assigned to division.		TP - 161 1 <u>TP - 2438</u> 1 have been cons	FSL 46:	7 FWL	unit has b	een approved by the
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BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 Y=435278.96 US FT X=640127.86 US FT LAT.: N 32.1962359' LONG.: W 104.0139611'

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## NM OIL CONSERVATION ARTESIA DISTRICT

District 1 1623 N. French Dr., Prome: (375) 391 4. District 11. 1813 S. Fren St., Arta Phane: (375) 748-1. District 11. 1000 Ris Amazos Ru Phane: (305) 314-4. District 11. Phane: (305) 476-3.	16) Fast (S) enia, NM &A 28J Fast (S) nul, Astron, F 178 Fast (S) Dr., Santa Fi	25) 393-07 2310 75) 748-97 75) 87410 75) 334-61 75) 334-61 6, NM 875	20 70 70	E		DTL	erals & 1 CONSE 1220 Sol	Natura RVAT uth St.	v Mexico Il Resourc FION DIV Francis I M 87505	ces Di /ISIC		AUG 3 ( ent RECE	Seten ^{it}	one copy	Form C-102 August 1, 2011 y to appropriate District Office IDED REPORT
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					- <u>6kU</u> <u>AZ</u> = <u>178-57'20</u> - 724.55' <u>1Ν</u> <u>Α</u>	Kum min		0110M P MEXICO NAD 191 55432 90 11947,73 N 32,15 W 104,1 1947,1 NAD 1 435272, 841947,1 T: N 32	EAST US FT US FT 0080763 E LOCATION CO EAST	      		I hereb plus w made h sume is	su floared from	RY J A	Lille 2017

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<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 <u>District II</u> 1301 W. Grand Avenue, Artesia, NM 88210 <u>District III</u> 1000 Ris Brazos Rd., Aztec, NM 87410 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	1220 South St. Francis Dr. Santa Fe. NM 87505	Form C-102 Revised July 16, 2010 Submit one copy to appropriate District Office
1		

## WELL LOCATION AND ACREAGE DEDICATION PLAT

T,	API Numbe	ľ		² Pool Code	o (		Pool Na	me	
30-	-015-376	44		11520		С	edar Canyon;	Bone Spring	
¹ Property (	Code				5 Property	Name	;	6	Well Number
¹ 38062	2				Morning I	⁷ ederal			1H
OGRID	No.				⁸ Operator	Name			⁹ Elevation
14049	)			М	arbob Energy	Corporation			3010'
					¹⁰ Surface	Location	·····		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	24S	29E	E	1980	North	330	West	Eddy
			ПВо	ottom Ho	le Location I	f Different From	n Surface	L	J
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
н	8	248	29E	Н	2332	North	325	East	Eddy
Dedicated Acres 160	¹³ Joint ø	r Infill	onsolidation	Code ¹⁵ Or	der No.	· · · · · · · · · · · · · · · · · · ·	L	、 、	

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16			17 OPERATOR CERTIFICATION 1 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral inverses in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a wohnlary pooling agreement or a compulsory pooling order heretafore entered by the division.
330		<u></u>	Stormi Davis Production Assistant Printed Name
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
			Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT

Coff



OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTAL PERMIAN LTD A subsidiary of Occidental Petroleum Corporation 5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713.497.2055 Beth_Schenkel@oxy.com

Page 10 of 57

October 13, 2020

### <u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Re: Application for Pool and Lease Commingle Permit and Off-lease Measurement, Sales, & Storage for Wells at the Salt Ridge CC 17 Battery in Eddy County, New Mexico

Dear Interest Owner:

This is to advise you that OXY USA INC is filing to surface commingle the wells at the Salt Ridge 17 CC Battery. A copy of the application submitted to the Division is attached.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact Beth Schenkel at (713) 497-2055.

Respectfully,

apulth V Sml

OXY USA INC Beth Schenkel Facilities Engineer Beth_Schenkel@oxy.com

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C D MARTIN RUTTER & WILBANKS CORPORATION J F NEAL REVOCABLE TRUST	JAY R NUNNALLY	HARROUN ENERGY LLC	MERPEL LLC	PONY OIL OPERATING LLC	JOSEPHINE T HUDSON TEST TR	MLE LLC	LISA M ENFIELD TRUST	PEGASUS RESOURCES LLC	MCMULLEN MINERALS LLC	ARD OIL LTD	ARD ENERGY GROUP LTD	TD MINERALS LLC	ANDREW AND JANET VOGT TRUST	LESLIE ROBERT HONEYMAN TRUST	LANELL HONEYMAN	SCOTT BROTHERS TRUST	JEANETTE PROBANDT TRUST	HERMAN C WALKER III	THOMAS D & BARBARA E COFFMAN	DOROTHY S HARROUN IRREV TRUST	JUDITH N HANTTULA	MURPHY PETROLEUM CORP	C D & JUDITH K MARTIN MARTIN	CURTIS A & EDNA I ANDERSON ANDERSON	JAVELINA PARTNERS	ZORRO PARTNERS	EMG REVOC TRUST	ERIC D BOYT	DELMAR HUDSON LEWIS LVG TRUST	ROBERT N ENFIELD REV TRUST	MANIX ROYALTY LTD	MAGNOLIA ROYALTY COMPANY INC	WORRALL INVESTMENTS	PERMIAN BASIN INVESTMENT CORP	MITCHELL EXPLORATION	LINDYS LIVING TRUST	J M MINERAL & LAND CO INC	JACK V WALKER REV TR DTD 5-21-81	STRATA PRODUCTION COMPANY	COLLINS & WARE INC	EDWARD R HUDSON JR	NESTEGG ENERGY CORPORATION	COG OPERATING LLC	To Name
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# Carlsbad Current Argus.

Affidavit of Publication Ad # 0004409455 This is not an invoice

**OXY USA INC** 5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

0/08/2020

Notice of Application for Surface Commingling

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit at Salt Ridge CC 17 CTB, located in Eddy County, Section 17 T24S-R29E. Wells going to the aforementioned battery are located in Sections 8 and 17. Production is from the Cedar Canyon; Bone Spring and Pierce Crossing; Bone Spring.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.

For questions pertaining to the application, please contact Beth Schenkel at (713) 497-2055. #4409455, Current Argus, October 8, 2020

Subscribed and sworn before me this November 4, 2020:

Legal Clerk

State of WI, County of Brown NOTARY PUBLIC

My commission expires



Ad # 0004409455 PO #: # of Affidavits: 1 This is not an invoice **Page 12 of 57** 

RECEIVED:	REVIEWER:	TYPE:	APP NO:
	- Geologia	ABOVE THIS TABLE FOR OCD DI CO OIL CONSERVA Cal & Engineering ancis Drive, Santo	ATION DIVISION g Bureau –
TURCO			ON CHECKLIST ATIONS FOR EXCEPTIONS TO DIVISION RULES AND
THIS C			E DIVISION LEVEL IN SANTA FE
Applicant: <u>OXY USA</u>	INC		OGRID Number:
	IDGE CC 20 17 FEDERAL COM	1#021H & OTHER	<b>API:</b> 30-015-44945 & OTHER
<b>POOI:</b> <u>PIERCE CROSSIN</u>	G; BONE SPRING & OTHER		Pool Code: <u>50371 &amp; OTHER</u>
SUBMIT ACCURA	TE AND COMPLETE INF	ORMATION REQUI	IRED TO PROCESS THE TYPE OF APPLICATIO
A. Location - N B. Check or [1] Comr [1] Inject	CATION: Check those - Spacing Unit – Simult SL NSP _{(PR} ne only for [1] or [11] ningling – Storage – M DHC CTB PPI tion – Disposal – Pressu WFX PMX SN	aneous Dedicatio oject AREA) DNS easurement LC DPC DO ire Increase – Enhc	DES OLM anced Oil Recovery COR PPR
A. Offset B. Royalt C. Applic D. Notific E. Notific F. Surfac G. For all	<b>REQUIRED TO:</b> Check operators or lease hol y, overriding royalty ov ation requires publishe ation and/or concurre ation and/or concurre of the above, proof or ice required	ders wners, revenue ow ed notice ent approval by SL ent approval by BL	vners O Application Content
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No	le: Statement must be comple	ted by an individual with	n managerial and/or supervisory capacity.

ELIZABETH (BETH) SCHENKEL

Print or Type Name

apulth V Sm

Signature

10/13/2020	
Date	

713-497-2055

Phone Number

BETH_SCHENKEL@OXY.COM e-mail Address 811 S. First St., Artesia, NM 88210

1220 S. St Francis Dr, Santa Fe, NM

1625 N. French Drive, Hobbs, NM 88240

1000 Rio Brazos Road, Aztec, NM 87410

District I

District II

District III

District IV

87505

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-B Revised August 1, 2011

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

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

__ DATE: <u>10/13/20</u>20

TELEPHONE NO .: ___713-497-2055_

## APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY US	A INC						
OPERATOR ADDRESS: PO BOX 4294 HOUSTON, TX 77210							
APPLICATION TYPE:							
Pool Commingling     Lease Commingling	ng Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)		
	State 🛛 Fede						
Is this an Amendment to existing Order Have the Bureau of Land Management ⊠Yes □No							
		DL COMMINGLIN ts with the following in					
(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							
		_					
<ul><li>(2) Are any wells producing at top allowa</li><li>(3) Has all interest owners been notified b</li></ul>		oposed commingling?	⊠Yes □No.				
(4) Measurement type: Metering							
(5) Will commingling decrease the value			be why commingli	ng should be approved			
	(B) LEA	SE COMMINGLIN	G				
	Please attach sheet	ts with the following in	nformation				
(1) Pool Name and Code.		_					
<ul><li>(2) Is all production from same source of</li><li>(3) Has all interest owners been notified by</li></ul>			□Yes □N				
<ul> <li>(3) Has all interest owners been notified by</li> <li>(4) Measurement type: Metering </li> </ul>		posed comminging :		0			
	(2) 2007		~				
		LEASE COMMIN ts with the following in					
(1) Complete Sections A and E.	Thease attach sheet	is with the following in	normation				
(1		ORAGE and MEA					
(1) Is all and heating for meaning of f		ets with the following	information				
<ol> <li>Is all production from same source of</li> <li>Include proof of notice to all interest of</li> </ol>		10					
(E) Al		ORMATION (for all		/pes)			
		ts with the following in	nformation				
(1) A schematic diagram of facility, inclu	ding legal location.						
(2) A plat with lease boundaries showing	11 11 1 0 111 1		· C E 1 1 ~				
(3) Lease Names Lassa and Wall Numba		ions. Include lease numbe	ers if Federal or Sta	ate lands are involved.			
(3) Lease Names, Lease and Well Numbe		ions. Include lease numbe	ers if Federal or Sta	ate lands are involved.			

TITLE:____FACILITIES ENGINEER_____

SIGNATURE: Gulth Sml

TYPE OR PRINT NAME__ELIZABETH (BETH) SCHENKEL_

E-MAIL ADDRESS:___BETH_SCHENKEL@OXY.COM__

OXY USA INC requests approval of a pool and lease commingle and off-lease measurement amendment for the Salt Ridge CC 17 CTB, located in Eddy County, Section 17 T24S-R29E (104°0'44.5'W, 32°13'16.531"N). The wells feeding the battery are listed below.

Commingling this production is the only way to economically produce Morning Federal Com #01H. This well is currently shut in due to extensive damage at its battery. BLM interest in this well cannot support the capital cost of \$420,000 to build a new train facility. Commingling production will result in maximum economic recovery of oil and gas with minimum waste and with minimum adverse effect on ultimate recovery of other mineral resources, as per 43 CFR 3162.1(a).

#### POOL: PIERCE CROSSING; BONE SPRING (50371)

#### 16.67% FEE & 66.67% BLM 12.5% NRI (NMNM17224) & 16.67% BLM 12.5% NRI (NMNM94651)

CA ALLOCATED 83.3% OF THE PRODUCTION TO THE FEDERAL LEASES AT A ROYALTY RATE OF 12.5%, FOR THE INTEREST ALLOCATION OF 10.417%

Well Name	API	Surface Location	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
SALT RIDGE CC 20 17 FEDERAL COM #021H	30-015-44945	E-17-24S-29E	9/3/2018	125	47	996	1150	528
SALT RIDGE CC 20 17 FEDERAL COM #023H	30-015-44947	F-17-24S-29E	9/3/2018	154	47	586	1250	376

#### POOL: CEDAR CANYON;BONE SPRING (11520)

#### BLM 12.5% NRI (NMNM117120)

Well Name	ΑΡΙ	Surface Location	Date Online	Oil (bpd)	Gravity API	Gas (MSCFD)	BTU/cf	Water (bpd)
MORNING FEDERAL COM #01H	30-015-37644	E-08-24S-29E	9/4/2010	27	44	122	1100	70

All three of the wells at the Salt Ridge CC 17 CTB will be commingled in a bulk/test setup with two 6' X 20' three-phase separators. Each vessel will be equipped with oil turbine meters, gas orifice meters, and water turbine meters.

Oil production will flow through a 6' X 20' heater treater then sent to four oil storage tanks. It will then be pumped through a LACT (FMP, S/N 14664826) and sent to sales. Oil production will be allocated back to each well based on well test.

Gas will be sent from the separators to a gas scrubber. It will then flow to either an Oxy check meter (S/N T182324609) and sent to sales, or flow through a gas compressor and be used for gas lift purposes. The Oxy check meter will serve as the gas FMP for the purpose of royalty payment. Gas production will be allocated back to each well based on well test.

All water from the Salt Ridge CC 17 CTB will be sent to the Cedar Canyon Disposal System.

The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

#### **Additional Application Components:**

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

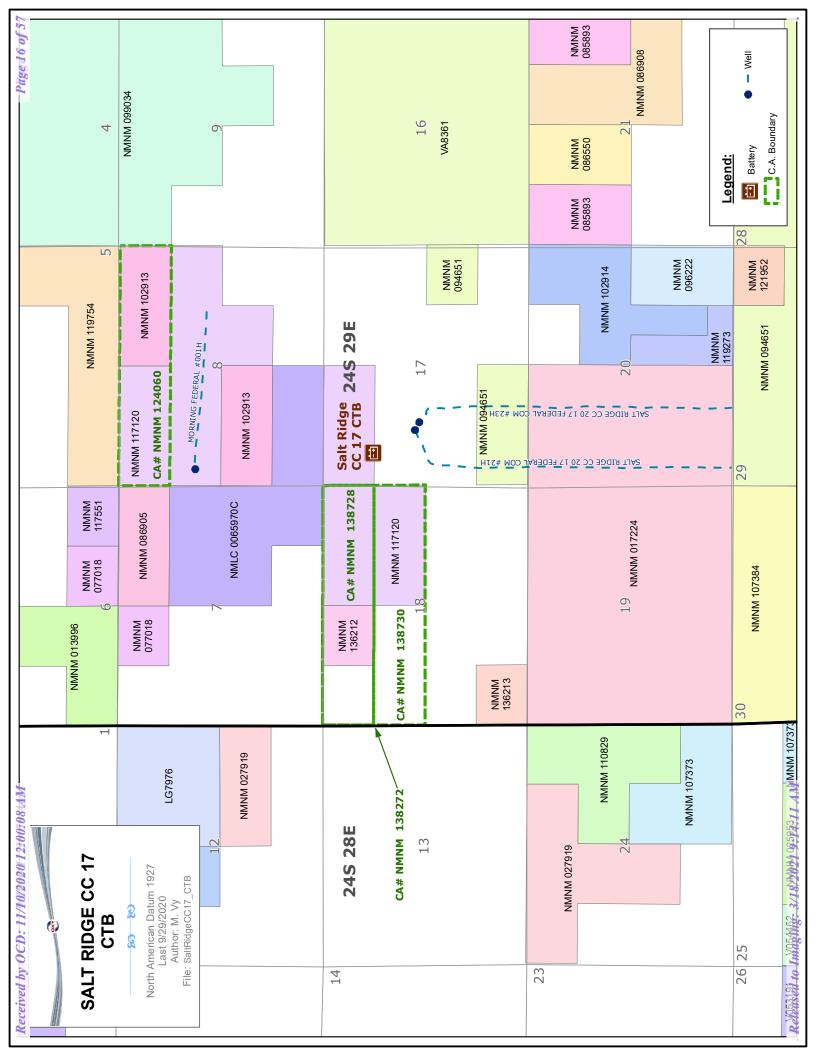
The working interest, royalty interest and overriding royalty interest owners are identical, so notice was not required.

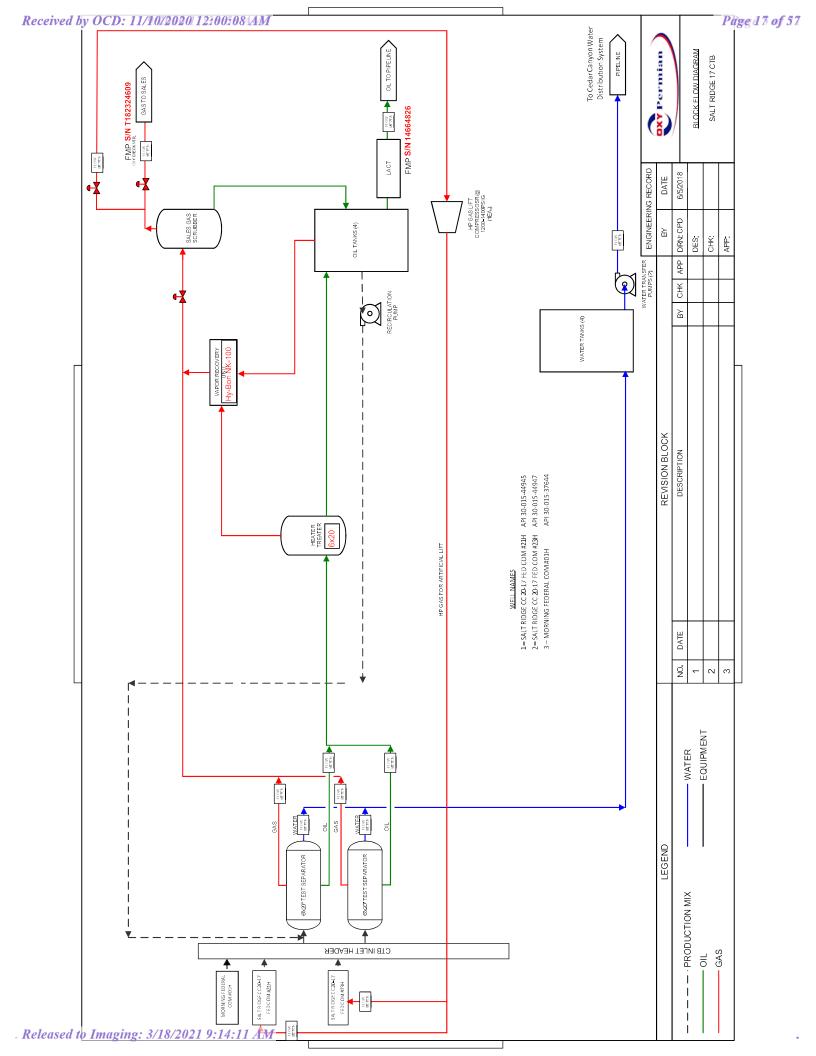
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

If a well is converted to gas lift in the future, a request for beneficial use will be submitted.

Commingling this production is the most effective means of producing the reserves. The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

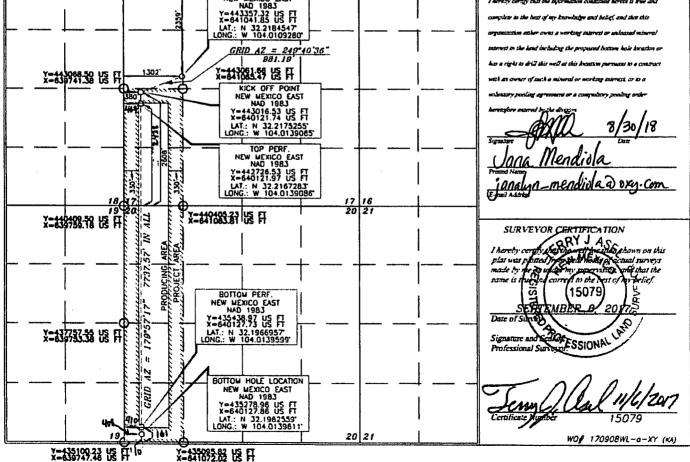
OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.





### NM OIL CONSERVATION **ARTESIA DISTRICT**

Diariet I 1623 N. Franch Dr., Phana: (173) 9104 Britheff II. Britheff II. Phana: (173) 944-1 Phana: (173) 944-1 Phana: (173) 944-1 Phana: (173) 944-1 Phana: (173) 934-0 Phana: (173) 93	9141 Fax: (5) http://www. 1283 Fist: (5) ond, Arner, 1 (179 Fax: (5) Dr., Sense F	75) 393-0720 2210 73) 743-9720 74) 743-9720 05) 334-4170 05) 334-4170 14 17 17 17 17 17 17 17 17 17 17 17 17 17	OIL	CONSER 1220 South Santa Fo	tural Ro VATIO b St. Fra e, NM 8	esourc N DIV ancis I 87505	'ISION Dr.	RECEI	Submit d VED	опе сору	Form C-102 August 1, 2011 to appropriate District Office DED REPORT Willed
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## NM OIL CONSERVATION ARTESIA DISTRICT

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API Number	/ELL LOCATION AND	ACREAGE DEDICATION PLAT	

	-015-376			11520		Cedar Canyon; Bone Spring						
Property	Code				S Property		Well Number					
¹ 38062	2		Morning Federal 1H									
OGRID	No.				⁸ Operator	Name			⁹ Elevation			
14049	)	Marbob Energy Corporation 3010'										
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
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Dedicated Acres	³ Joint e	r Infill	onsolidation	Code ¹⁵ Or	der No.		J					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

			¹⁷ OPERATOR CERTIFICATION 1 hereby certify that the information contained berein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or initeased mineral innerest in the load including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsary pooling order heretafore entered by the division.
8 5HL 330		<u>A</u> HL 32	Stormi Davis Production Assistant Printed Name
			¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
			Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT Centificate Number

Coff



OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTAL PERMIAN LTD A subsidiary of Occidental Petroleum Corporation 5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713.497.2055 Beth_Schenkel@oxy.com

Page 21 of 57

October 13, 2020

### <u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

Re: Application for Pool and Lease Commingle Permit and Off-lease Measurement, Sales, & Storage for Wells at the Salt Ridge CC 17 Battery in Eddy County, New Mexico

Dear Interest Owner:

This is to advise you that OXY USA INC is filing to surface commingle the wells at the Salt Ridge 17 CC Battery. A copy of the application submitted to the Division is attached.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact Beth Schenkel at (713) 497-2055.

Respectfully,

apulth Sml

OXY USA INC Beth Schenkel Facilities Engineer Beth_Schenkel@oxy.com

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# Carlsbad Current Argus.

Affidavit of Publication Ad # 0004409455 This is not an invoice

OXY USA INC 5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

0/08/2020

Notice of Application for Surface Commingling

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit at Salt Ridge CC 17 CTB, located in Eddy County, Section 17 T24S-R29E. Wells going to the aforementioned battery are located in Sections 8 and 17. Production is from the Cedar Canyon; Bone Spring and Pierce Crossing; Bone Spring.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.

For questions pertaining to the application, please contact Beth Schenkel at (713) 497-2055. #4409455, Current Argus, October 8, 2020

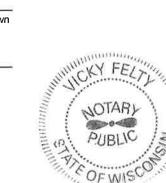
Subscriped and sworn before me this November 4,

Legal Clerk

2020.

State of WI, County of Brown NOTARY PUBLIC

My commission expires



Ad # 0004409455 PO #: # of Affidavits: 1 This is not an invoice

## Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1st day of September, 2018, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, NMPM Section 20: E/2 W/2 Section 17: E/2 SW/4

Eddy County, New Mexico

Containing <u>240.00</u> acres, and this agreement shall include only the <u>Bone Spring</u> underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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Received by OCD: 11/10/2020 12:00:08 AM

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be OXY USA Inc, as Operator, 5 Greenway Plaza, Suite 110, Houston, TX 77046-0521. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

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such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is September 1, 2018, and it shall become effective as of this date or from the onset of production of communitized substances. whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

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successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

**OPERATOR:** 

		OXY USA INC.
DATE: 9 36 18		BY:
		Bradley S. Dusek Attorney-in-Fact
		Juss
STATE OF TEXAS	)	
COUNTY OF HARRIS	)	

This instrument was acknowledged before me on <u>September 26</u>, 20 <u>18</u>, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978

Notary Public in and for the State of Texas

## LESSEE & OPERTING RIGHTS OWNER OF RECORD NMNM 094651

OXY USA INC.

9/26/18 DATE:

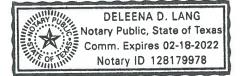
BY: Bradley S. Dusek Attorney-in-Fact

Received by OCD: 11/10/2020 12:00:08 AM

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on _______, 20 _____, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



Notary Public in and for the State of Texas

#### LESSEE RIGHTS OWNER OF RECORD NMNM 017224

)

**OXY USA INC.** 

9126/18 DATE:

BY: Bradley S. Dusek Attorney-in-Fact

STATE OF TEXAS

This instrument was acknowledged before me on <u>September</u> <u>36</u>, 20 , by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

NIN BY PILL	DELEENA D. LANG
No.	Notary Public, State of Texas
	Comm. Expires 02-18-2022
E OF TENIN	Notary ID 128179978
	NUMBER Y PURE

Notary Public in and for the State of Texas

Received by OCD: 11/10/2020 12:00:08 AM

## **OPERATING RIGHTS OWNERS OF RECORD NMNM 017224**

**Occidental Permian Limited Partnership** By Occidental Permian Manager LLC, **General Partner** 9/26/18 DATE: BY: Bradley S. Dusek Attorney-in-Fact STATE OF TEXAS COUNTY OF HARRIS )

This instrument was acknowledged before me on <u>September</u> <u>J(e</u>, 2018, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of Occidental Permian Manager LLC, a Delaware limited liability company, as General Partner of Occidental Permian Limited Partnership, a Texas limited partnership, on behalf of Occidental Permian Limited Partnership.

4

DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978

9/26/18

DATE:

Notary Public in and for the State of Texas

OXY USA INC.

BY: Bradley S. Dusek Attorney-in-Fact

Released to Imaging: 3/18/2021 9:14:11 AM

STATE OF TEXAS COUNTY OF HARRIS

This instrument was acknowledged before me on <u>Septembes 26</u>, 20 18, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

)

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	DELEENA D. LANG
NAM CO	Notary Public, State of Texas
	Comm. Expires 02-18-2022
FIT OF TETIN	Notary ID 128179978

Notary Public in and for the State of Texas

DATE: 92618

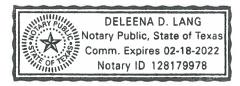
**OXY Y-1 Company** 

BY: Bradley S. Dusek Attorney-in-Fact

Released to Imaging: 3/18/2021 9:14:11 AM

STATE OF TEXAS

This instrument was acknowledged before me on <u>September 26</u>, 20 <u>18</u>, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY Y-1 Company., a New Mexico corporation, on behalf of said corporation.



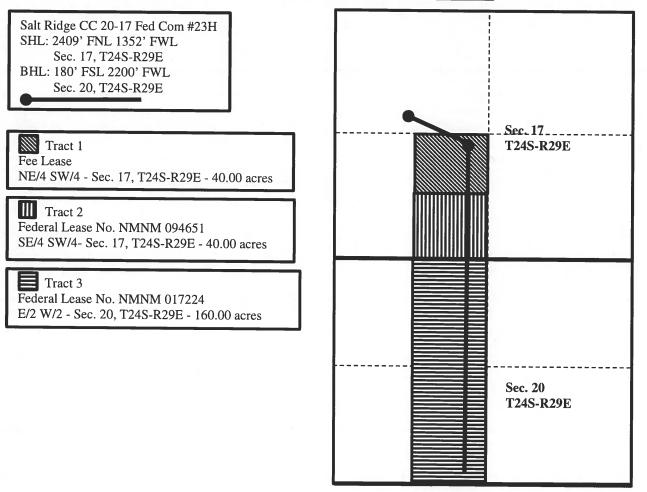
Notary Public in and for the State of Texas-

Page 8 of 12

## **EXHIBIT "A"**

Attached to and made a part of that certain Communitization Agreement dated <u>9/1/2018</u>, by OXY USA Inc., embracing the <u>E/2 W/2 of Section 20 & the E/2 SW/4 Section 17, Township 24</u> <u>South, Range 29 East NMPM,</u> Eddy County, New Mexico.

Salt Ridge CC 20-17 Fed Com #23H



## EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated <u>9/1/2018</u>, by OXY USA Inc., embracing the <u>E/2 W/2 of Section 20 & the E/2 SW/4 Section 17, Township 24</u> South, Range 29 East NMPM, Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

## DESCRIPTION OF LEASES COMMITTED

## Tract No. 1

Lease Serial Number:

Description of Land Committed:

Number of Acres:

Name of Working Interest Owners:

Fee Lease

Township 24 South, Range 29 East, Section 17: NE/4 SW/4

40.00 acres

OXY USA Inc. - 72.9650% OXY USA WTP Limited Partnership -17.2238% GD McKinney Investments LP – 4.8111% DRW Energy, LLC - 1.0000% B. Jack Reed - 1.0000% Beryl Oil & Gas, LP - 1.0000% Leopard Petroleum, L.P. - 1.0000% M'lissa L. McKinney Schoening - 1.0000%

## Tract No. 2

Lease Serial Number:NMNM 094651Description of Land Committed:Township 24 South, Range 29 East,<br/>Section 17: SE/4 SW/4Number of Gross Acres:40.00 acresName of Working Interest Owners:Oxy USA Inc. – 100.00%

## Tract No. 3

Lease Serial Number:

Description of Land Committed:

Number of Gross Acres:

Name of Working Interest Owners:

NMNM 017224

Township 24 South, Range 29 East, Section 20: E/2 W/2

160.00 acres

OXY USA Inc. - 60.156250% Occidental Permian Limited Partnership -13.281250% OXY Y-1 Company - 26.56250%

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# RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	16.6667%
2	40.00	16.6667%
3	160.00	<u>66.6666%</u>
Total	240.00	100.0000%

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## Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1st day of September, 2018, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, NMPM Section 20: W/2 W/2 Section 17: W/2 SW/4

Eddy County, New Mexico

Containing <u>240.00</u> acres, and this agreement shall include only the <u>Bone Spring</u> underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

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- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be OXY USA Inc, as Operator, 5 Greenway Plaza, Suite 110, Houston, TX 77046-0521. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is September 1, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

**OPERATOR:** 

**OXY USA INC.** 9/26/18 DATE: BY: Bradley S. Dusek Attorney-in-Fact YNS STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on _________, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978

Notary Public in and for the State of Texas

#### LESSEE & OPERATING RIGHTS OWNER OF RECORD NMNM 094651

)

OXY USA INC.

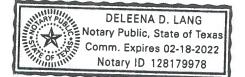
9/26/18 DATE:

BY: Bradley S. Dusek Attorney-in-Fact

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on _______, 20 _____, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware 18 corporation, on behalf of said corporation.



#### Notary Public in and for the State of Texas

#### LESSEE RIGHTS OWNER OF RECORD NMNM 017224

**OXY USA INC.** 

9126/19 DATE:

BY: Bradley S. Dusek Attorney-in-Fact

STATE OF TEXAS COUNTY OF HARRIS

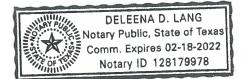
This instrument was acknowledged before me on <u>September</u> 26, 20 18 , by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

NUMBER PULL	DELEENA D. LANG
	Notary Public, State of Texas
	Comm. Expires 02-18-2022
OF THIN	Notary ID 128179978

Notary Public in and for the State of Texa

#### **OPERATING RIGHTS OWNERS OF RECORD NMNM 017224**

**Occidental Permian Limited Partnership** By Occidental Permian Manager LLC, **General Partner** DATE: QI2618 BY: Bradley S. Dusek Attorney-in-Fact STATE OF TEXAS COUNTY OF HARRIS This instrument was acknowledged before me on <u>September 2(</u>, 20<u>18</u>, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of Occidental Permian Manager LLC, a Delaware limited liability company, as General Partner of Occidental Permian Limited Partnership, a Texas limited partnership, on behalf of Occidental Permian Limited Partnership. U Notary Public in and for the State of Texas DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978 **OXY USA INC.** DATE: BY: Bradley S. Dusek Attorney-in-Fact STATE OF TEXAS COUNTY OF HARRIS , 20 corporation, on behalf of said corporation.



Notary Public in and for the State of Texas

Page 7 of 12

OXY Y-1 Company

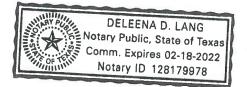
9/26/18 DATE:

BY: Bradley S. Dusek Attorney-in-Fact

STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me on _________, by BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY Y-1 Company., a New Mexico corporation, on behalf of said corporation.



Released to Imaging: 3/18/2021 9:14:11 AM

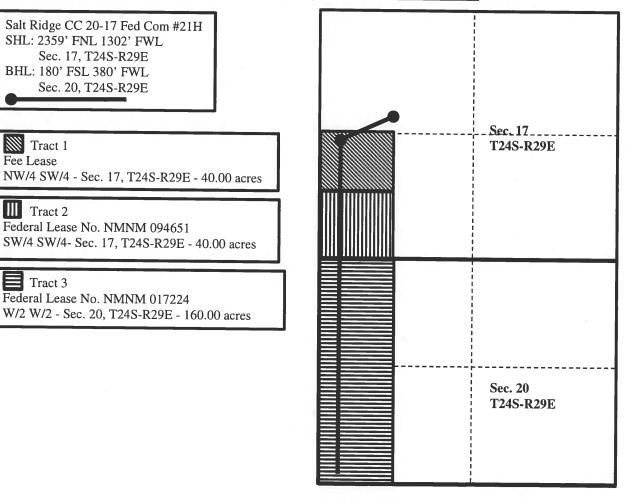
Notary Public in and for the State of Texas

Page 43 of 57

## **EXHIBIT "A"**

Attached to and made a part of that certain Communitization Agreement dated <u>9/1/2018</u>, by OXY USA Inc., embracing the <u>W/2 W/2 of Section 20 & the W/2 SW/4 Section 17, Township 24</u> South, Range 29 East NMPM, Eddy County, New Mexico.

Salt Ridge CC 20-17 Fed Com #21H



#### **EXHIBIT "B"**

Attached to and made a part of that certain Communitization Agreement dated <u>9/1/2018</u>, by OXY USA Inc., embracing the <u>W/2 W/2 of Section 20 & the W/2 SW/4 Section 17, Township 24</u> South, Range 29 East NMPM, Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

#### DESCRIPTION OF LEASES COMMITTED

#### Tract No. 1

Lease Serial Number:

Description of Land Committed:

Number of Acres:

Name of Working Interest Owners:

Fee Lease

Township 24 South, Range 29 East, Section 17: NW/4 SW/4

40.00 acres

OXY USA Inc. - 72.9650% OXY USA WTP Limited Partnership -17.2238% GD McKinney Investments LP – 4.8111% DRW Energy, LLC - 1.0000% B. Jack Reed - 1.0000% Beryl Oil & Gas, LP - 1.0000% Leopard Petroleum, L.P. - 1.0000% M'lissa L. McKinney Schoening - 1.0000%

#### Tract No. 2

Lease Serial Number:

Description of Land Committed:

NMNM 094651

Township 24 South, Range 29 East, Section 17: SW/4 SW/4

Number of Gross Acres:

40.00 acres

Name of Working Interest Owners:

OXY USA Inc. - 100.00%

### Tract No. 3

Lease Serial Number:

Description of Land Committed:

Number of Gross Acres:

Name of Working Interest Owners:

NMNM 017224

Township 24 South, Range 29 East, Section 20: W/2 W/2

160.00 acres

OXY USA Inc. - 60.156250% Occidental Permian Limited Partnership -13.281250% OXY Y-1 Company - 26.56250%

## **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	40.00	16.6667%
2	40.00	16.6667%
3	<u>160.00</u>	<u>66.6666%</u>
Total	240.00	100.0000%

Received by OCD: 11/10/2020 12:00:08 AM

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From:	Engineer, OCD, EMNRD
То:	Schenkel, Beth V
Cc:	McClure, Dean, EMNRD; Bratcher, Mike, EMNRD; lisa@rwbyram.com; Glover, James; kparadis@blm.gov; Walls, Christopher
Subject:	Approved Administrative Order PLC-716
Date:	Thursday, March 18, 2021 9:02:12 AM
Attachments:	PLC716 Order.pdf

NMOCD has issued Administrative Order PLC-716 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-015-44945	Salt Ridge CC 20 17 Federal Com #21H	E-17-24S-29E	50371
30-015-44947	Salt Ridge CC 20 17 Federal Com #23H	F-17-24S-29E	50371
30-015-37644	Morning Federal Com #1H	E-08-24S-29E	11520

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

#### State of New Mexico Energy, Minerals and Natural Resources Department

## Notice

Order: PLC-716

Operator: Oxy USA, Inc. (16696)

Publication Date: 10/8/2020

Date Sent: 10/13/2020

#### **Noticed Persons**

Date	Person	Certified Tracking Number	Status
10/15/2020	COG OPERATING LLC	9414811898765828114476	Delivered
10/15/2020	NESTEGG ENERGY CORPORATION	9414811898765828114513	Delivered
10/15/2020	EDWARD R HUDSON JR	9414811898765828114551	Delivered
10/16/2020	COLLINS & WARE INC	9414811898765828114568	Delivered
10/16/2020	STRATA PRODUCTION COMPANY	9414811898765828114520	Delivered
10/19/2020	JACK V WALKER REV TR DTD 5-21-81	9414811898765828114506	Delivered
11/19/2020	J M MINERAL & LAND CO INC	9414811898765828114599	In-Transit
10/27/2020	LINDYS LIVING TRUST	9414811898765828114544	Delivered
10/20/2020	MITCHELL EXPLORATION	9414811898765828114582	Delivered
10/15/2020	PERMIAN BASIN INVESTMENT CORP	9414811898765828114537	Delivered
10/22/2020	WORRALL INVESTMENTS	9414811898765828114575	Delivered
	MAGNOLIA ROYALTY COMPANY INC	9414811898765828115213	Attempt
	MANIX ROYALTY LTD	9414811898765828115251	Attempt
10/15/2020	ROBERT N ENFIELD REV TRUST	9414811898765828115268	Delivered
10/15/2020	DELMAR HUDSON LEWIS LVG TRUST	9414811898765828115206	Delivered
	ERIC D BOYT	9414811898765828115299	Attempt
10/15/2020	EMG REVOC TRUST	9414811898765828115244	Delivered
10/15/2020	ZORRO PARTNERS	9414811898765828115282	Delivered
10/15/2020	JAVELINA PARTNERS	9414811898765828115237	Delivered
10/19/2020	<b>CURTIS A &amp; EDNA I ANDERSON ANDERSON</b>	9414811898765828115275	Delivered
	C D & JUDITH K MARTIN MARTIN	9414811898765828115817	Attempt
10/16/2020	MURPHY PETROLEUM CORP	9414811898765828115855	Delivered
10/21/2020	JUDITH N HANTTULA	9414811898765828115862	Delivered
10/19/2020	DOROTHY S HARROUN IRREV TRUST	9414811898765828115824	Delivered
	THOMAS D & BARBARA E COFFMAN	9414811898765828115893	Alert
10/15/2020	HERMAN C WALKER III	9414811898765828115848	Delivered
10/15/2020	JEANETTE PROBANDT TRUST	9414811898765828115886	Delivered
	SCOTT BROTHERS TRUST	9414811898765828115831	Alert
10/19/2020	LANELL HONEYMAN	9414811898765828115879	In-Transit
10/19/2020	LESLIE ROBERT HONEYMAN TRUST	9414811898765828115718	In-Transit
10/16/2020	ANDREW AND JANET VOGT TRUST	9414811898765828115756	Delivered
10/15/2020	TD MINERALS LLC	9414811898765828115763	Delivered
10/15/2020	ARD ENERGY GROUP LTD	9414811898765828115725	Delivered
10/15/2020	ARD OIL LTD	9414811898765828115701	Delivered
10/15/2020	MCMULLEN MINERALS LLC	9414811898765828115794	Delivered
10/15/2020	PEGASUS RESOURCES LLC	9414811898765828115749	Delivered
10/17/2020	LISA M ENFIELD TRUST	9414811898765828115787	Delivered

MLE LLC	9414811898765828115732	Attempt
10/16/2020 JOSEPHINE T HUDSON TEST TR	9414811898765828115770	Delivered
PONY OIL OPERATING LLC	9414811898765828115916	Alert
10/15/2020 MERPEL LLC	9414811898765828115954	Delivered
HARROUN ENERGY LLC	9414811898765828115923	Alert
10/16/2020 JAY R NUNNALLY	9414811898765828115909	Delivered
10/19/2020 C D MARTIN	9414811898765828115947	Delivered
10/19/2020 RUTTER & WILBANKS CORPORATION	9414811898765828115930	Delivered
10/15/2020 J F NEAL REVOCABLE TRUST	9414811898765828115978	Delivered

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

# **APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY OXY USA, INC.**

#### **ORDER NO. PLC-716**

#### <u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

#### FINDINGS OF FACT

- 1. Oxy USA, Inc. ("Applicant") submitted a complete application to surface commingle and off-lease measure the oil and gas production ("Application") from the pools, leases, and wells identified in Exhibit A.
- 2. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
- 3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

Order No. PLC-716

#### **CONCLUSIONS OF LAW**

- 9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
- 12. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
- 13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

#### <u>ORDER</u>

- 1. Applicant is authorized to surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
- 2. This Order supersedes Order OLM-152.
- 3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.
- 4. No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

- 5. Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B.
- 6. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

7. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.

Order No. PLC-716

- 8. Applicant shall measure the commingled gas at a central delivery point or central tank battery described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, and regardless of whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
- 9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 10. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 11. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.
- 12. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 13. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

#### STATE OF NEW MEXICO OIL CONSERVATION DIVISION

IE SANDOVAL

DATE: 3/17/2021

ADRIENNE SANDOVAI DIRECTOR AS/dm State of New Mexico Energy, Minerals and Natural Resources Department

## **Exhibit A**

Order: PLC-716

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Salt Ridge CC 17 Central Tank Battery

Central Tank Battery Location (NMPM): W/2 NW/4 Section 17, Township 24 South, Range 29 East

Gas Custody Transfer Meter Location (NMPM): W/2 NW/4 Section 17, Township 24 South, Range 29 East

Pools	
Pool Name	Pool Code
CEDAR CANYON; BONE SPRING	11520
PIERCE CROSSING; BONE SPRING	50371

Leases as defined in 19.15.12.7(C) NMAC			
Lease Location (NMPM)			
NMNM 117120	S/2 N/2	Sec 8-T24S-R29E	
Fee	N/2 SW/4	Sec 17-T24S-R29	
NMNM 094651	S/2 SW/4	Sec 17-T24S-R29I	
NMNM 017224	W/2	Sec 20-T24S-R29	

Wells				
Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-44945	Salt Ridge CC 20 17 Federal Com #21H	E-17-24S-29E	50371	
30-015-44947	Salt Ridge CC 20 17 Federal Com #23H	F-17-24S-29E	50371	
30-015-37644	Morning Federal Com #1H	E-08-24S-29E	11520	

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State of New Mexico		
Energy, Minerals and Natural Resources Department		

	Exhi	bit B		
	Order: PL	C-716		
	Operator: O	ky USA, Inc. (16696)		
	Pooled	l Areas		
Pooled Area	Location (NM	PM)	Acres	Pooled Area ID
	W/2 W/2	Sec 20-T24S-R29E	240	А
CA BS BLM	W/2 SW/4	Sec 17-T24S-R29E	240	A
	E/2 W/2	Sec 20-T24S-R29E	240	В
CA BS BLM	E/2 SW/4	Sec 17-T24S-R29E	240	D
	Leases Comprisi	ng Pooled Areas		
Lease	Location (NM	IPM)	Acres	Pooled Area ID
Fee	NW/4 SW/4	Sec 17-T24S-R29E	40	Α
NMNM 094651	SW/4 SW/4	Sec 17-T24S-R29E	40	Α
NMNM 017224	W/2 W/2	Sec 20-T24S-R29E	160	Α
Fee	NE/4 SW/4	Sec 17-T24S-R29E	40	В
NMNM 094651	SE/4 SW/4	Sec 17-T24S-R29E	40	В
NMNM 017224	E/2 W/2	Sec 20-T24S-R29E	160	В

CONDI	TIONS

Action 11114

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

## State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

#### CONDITIONS OF APPROVAL

Operator:			OGRID:	Action Number:	Action Type:
OXY USA	INC P.O. Box 4294	Houston, TX772104294	16696	11114	C-107B
OCD Reviewer	Condition				
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.				