

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA INC.

OPERATOR ADDRESS: PO BOX 4294, HOUSTON, TX. 77210

APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

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

(A) POOL COMMINGLING

Please attach sheets with the following information

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

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Sandra Musallam TITLE: REGULATORY ENGINEER DATE: 3/09/2021

TYPE OR PRINT NAME: SANDRA MUSALLAM TELEPHONE NO.: 713-366-5106

E-MAIL ADDRESS: SANDRA_MUSALLAM@OXY.COM

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: OXY USA INC. **OGRID Number:** 16696
Well Name: CEDAR CANYON 27 28 FEDERAL #04211 **API:** 30-015-44435
Pool: PIERCE CROSSING;BONE SPRING, EAST **Pool Code:** 96473

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
- B. ☐ Royalty, overriding royalty owners, revenue owners
- C. ☐ Application requires published notice
- D. ☐ Notification and/or concurrent approval by SLO
- E. ☒ Notification and/or concurrent approval by BLM
- F. ☐ Surface owner
- G. ☒ For all of the above, proof of notification or publication is attached, and/or,
- H. ☒ No notice required

OXY is only WIO, letter from OXY Land Negotiator attached

FOR OCD ONLY

- ☐ Notice Complete
- ☐ Application Content Complete

3) 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.

SANDRA MUSALLAM

Print or Type Name

Signature

Date

3/9/2021

713-366-5106

Phone Number

SANDRA.MUSALLAM@OXY.COM

e-mail Address

APPLICATION FOR OFF LEASE MEASUREMENT, STORAGE, AND SALES
Cedar Canyon 28-4 Phase 1 CTB Train #4 – Cedar Canyon 27 28 Federal #042H

OXY USA INC requests approval for off-lease measurement for oil production for the well listed below at the Cedar Canyon 28-4 Phase 1 CTB in K-28-24S-29E.

CA NMNM139611 – 87.5% NMNM094651 (BLM 12.5%) & 12.5% FEE

WELL NAME	API	SURFACE LOCATION	POOL	POOL CODE
CEDAR CANYON 27 28 FEDERAL #042H	30-015-44435	D-28-24S-29E	PIERCE CROSSING;BONE SPRING, EAST	96473

Process Flow

Production flows to a 6 X 20 three-phase separator. Oil then flows to oil storage tanks. It is then pumped through a LACT, which is the sales meter for royalty payment.

Gas flows through an orifice meter off the three-phase separator. The meter is sales quality and continuously measures volume. It serves as the final royalty allocation point. A separate gas commingle will be filed for Cedar Canyon 28 Fed Com #008H.

All water will be sent to the Cedar Canyon Water Disposal System.

Additional Application Components:

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

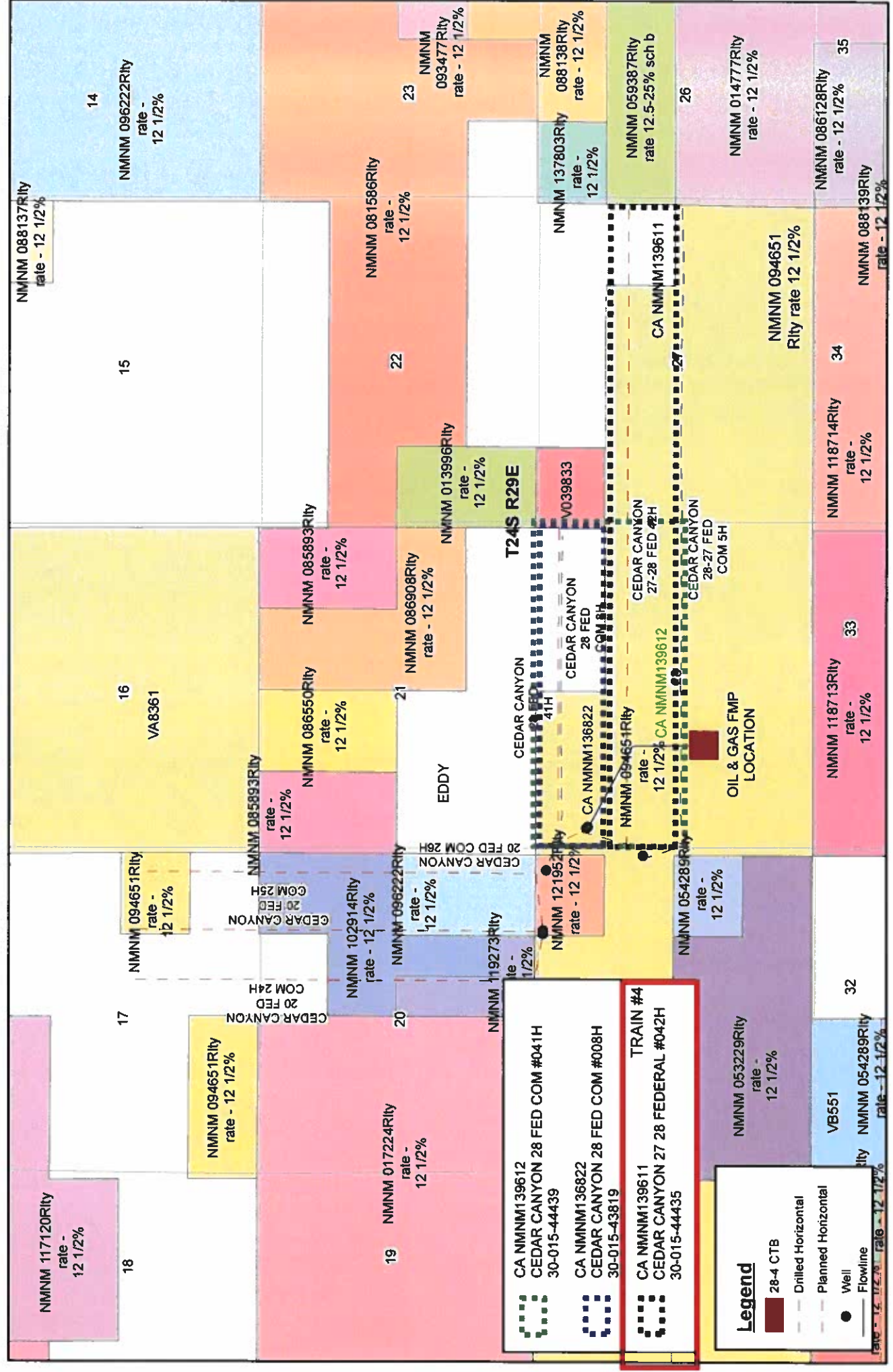
The meters will be proved and calibrated according to current API, BLM and NMOCD specifications.

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.

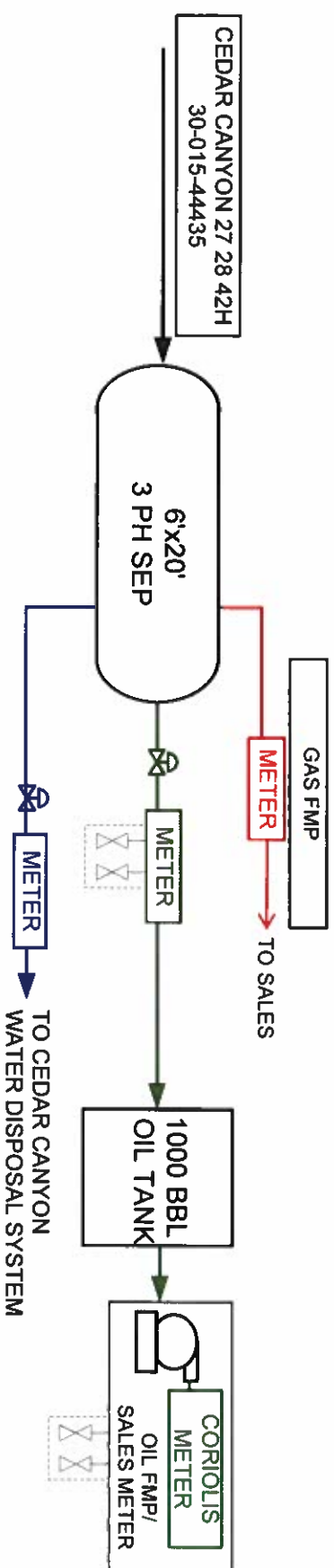
The off lease measurement application will be submitted separately for approval per NMOCD and BLM regulations.

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.

CEDAR CANYON 28-4 PHASE 1 CTB
TRAIN #4 - CEDAR CANYON 27 28 FEDERAL #042H



CEDAR CANYON 28-4 PHASE 1 CTB
TRAIN 4
K 28 T24S R29E



REVISION BLOCK				BY	
NO.	DATE	DESCRIPTION			
0		PRELIMINARY DRAFT		KAO	
1		REVISION		JC	
2		OFF LEASE MEASUREMENT APPLICATION		TS	

PRODUCTION MIX	
OIL	
GAS	
WATER	
EQUIPMENT	

PROCESS FLOW DIAGRAM

CEDAR CANYON 27 28 42H

District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-6720
District II
811 S. First St., Artesia, NM 88219
Phone: (505) 754-1203 Fax: (505) 754-6720
District III
1000 Main Street Road, Aztec, NM 87410
Phone: (505) 324-6175 Fax: (505) 324-4170
District IV
1230 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3400 Fax: (505) 476-3402

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT
As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44435	Pool Code 96473	Pool Name Pierce Crossing Bone Spring, East
Property Code 319584	Property Name CEDAR CANYON "27-28" FEDERAL	Well Number 42H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2947.8'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
D	28	24 SOUTH	29 EAST, N.M.P.M.		956'	NORTH	325'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
H	27	24 SOUTH	29 EAST, N.M.P.M.		700' 1681	NORTH	23'	EAST	EDDY
Dedicated Acres 320	Joint or Infill Y	Consolidation Code	Order No.	FTP-1710 FNL 306 FWL LTP-1686 FNL 125 FEL					

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.

<p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 Y=43427.41 US FT X=64537.26 US FT LAT: N 32 1830465" LONG: W 103 9970215"</p>		<p>BOTTOM PERF NEW MEXICO EAST NAD 1983 Y=433404.86 US FT X=655304.26 US FT LAT: N 32 1905705" LONG: W 103 9649195"</p>	
<p>Y=433749.26 US FT X=645047.03 US FT GRID A7 = 200°09'01" 703.50'</p>		<p>Y=433773.64 US FT X=650357.95 US FT</p>	
<p>Y=432416.31 US FT X=645050.13 US FT</p>		<p>Y=432446.93 US FT X=650354.88 US FT</p>	
<p>NICK OFF POINT NEW MEXICO EAST NAD 1983 Y=433382.39 US FT X=645097.85 US FT LAT: N 32 1910005" LONG: W 103 9979133"</p>		<p>TOP PERF NEW MEXICO EAST NAD 1983 Y=433383.03 US FT X=645387.58 US FT LAT: N 32 1910005" LONG: W 103 9969757"</p>	
<p>Y=432449.64 US FT X=655637.30 US FT</p>		<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 Y=433405.21 US FT X=655464.26 US FT LAT: N 32 1905703" LONG: W 103 9644037"</p>	

GRID A2 = 80°52'26" 10366.41' IN ALL

PRODUCING AREA
PROJECT AREA

OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the organization herein does a working interest or mineral interest in the land including the proposed bottom hole location or has a right to drill this well at the location mentioned in a contract with or owner of such a mineral or working interest, or as a subsidiary pooling agreement or a compulsory pooling order.
Approved and signed by the division
Signature: *David Stewart* Date: *12/19*
Printed Name: *David Stewart*
Email Address: *david.stewart@oxy.com*

SURVEYOR CERTIFICATION
I hereby certify that the information shown on this plat was prepared by me or under my direct supervision and that I am a duly licensed and qualified professional surveyor.
Signature and Seal of Professional Surveyor: *Terry J. Asch* Date: *3/9/2017*
Professional Surveyor: *Terry J. Asch* License No.: *15079*
Date of Survey: *JANUARY 04 2015*
Professional Land Surveyor

NO# 160421W-b-XY (Rev. B) (NA)



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

March 8, 2021

Re: **Off Lease Measurement Application for Wells at Cedar Canyon 28-4 CTB**

Sections 27 and 28, T24S R29E, Eddy County

Cedar Canyon 28 Federal Com #041H : 30-015-44439

Cedar Canyon 28 Federal Com #008H : 30-015-43819

Cedar Canyon 27 28 Federal #042H : 30-015-44435

To Whom It May Concern:

OXY USA INC., as Operator, will be filing an application with the New Mexico Oil Conservation Division for approval of an Off Lease Measurement permit for the wells listed above. This letter serves to notice you that OXY USA INC is the only Working Interest Owner for these wells.

Best Regards,

OXY USA INC.

Peter Van Liew
Senior Land Negotiator

From: AFMSS <blm-afmss-notifications@blm.gov>
Sent: Tuesday, March 9, 2021 6:06 AM
To: Hoffman, Kim <Kim_Hoffman@oxy.com>
Subject: [EXTERNAL] Well Name: CEDAR CANYON 27-28 FEDERAL COM, Well Number: 42H, Notification of Sundry Received

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

The Bureau of Land Management

Notice Of Intent Receipt

- Operator Name: **OXY USA INCORPORATED**
- Well Name: **CEDAR CANYON 27-28 FEDERAL COM**
- Well Number: **42H**
- US Well Number: **300154443500S1**
- Sundry ID: **1517590**

The BLM received your Notice Of Intent, Off-lease Measurement/Storage sundry on 03/09/2021. This is to notify you that we are processing your sundry.

You may contact the field office if you have any questions.

If we need more information we will contact you. Thank you.

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

Run Date/Time: 3/11/2021 14:13 PM

Page 1 Of 2

01 02-25-1920;041STAT0437;30USC181

Case Type 318310: O&G COMMUNITIZATION AGRMT

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Case File Juris:

Total Acres:
320.000

Serial Number

NMNM 139611

Serial Number: NMNM-- - 139611

Name & Address	Int Rel	% Interest
BLM NMSO 301 DINOSAUR TRL SANTA FE NM 875081560	OFFICE OF RECORD	0.000000000
OXY USA INC 5 GREENWAY PLZ STE 110 HOUSTON TX 770460521	OPERATOR	100.000000000

Serial Number: NMNM-- - 139611

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0240S	0290E	027		ALIQ			S2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E	028		ALIQ			S2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 139611

Serial Number: NMNM-- - 139611

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
01/01/2019	387	CASE ESTABLISHED		
01/01/2019	516	FORMATION	BONE SPRING;	
01/01/2019	868	EFFECTIVE DATE	/A/	
01/31/2019	580	PROPOSAL RECEIVED	CA RECD;	
12/31/2021	763	EXPIRES		

Serial Number: NMNM-- - 139611

Line Number	Remark Text
0001	/A/ RECAPITULATION EFFECTIVE 1/1/2019
0002	TR# LEASE SERIAL NO AC COMMITTED % INTEREST
0003	1 NMNM 094651 280.00 87.500
0004	2 FEE 30.00 9.375
0005	3 FEE 10.00 3.125
0006	TOTAL 320.00 100.000

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 Date/Time: 3/11/2021 14:13 PM

Page 2 Of 2

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

From: [Engineer, OCD, EMNRD](#)
To: [Musallam, Sandra C](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James; kparadis@blm.gov](#); [Walls, Christopher](#)
Subject: Approved Administrative Order OLM-236
Date: Wednesday, March 31, 2021 3:23:47 PM
Attachments: [OLM236 Order.pdf](#)

NMOCD has issued Administrative Order OLM-236 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
30-015-44435	Cedar Canyon 27 28 Federal #42H	D-28-24S-29E	96473

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
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY OXY USA, INC.**

ORDER NO. OLM-236

ORDER

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

FINDINGS OF FACT

1. Oxy USA, Inc. ("Applicant") submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. 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, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to off-lease measure oil and gas production from the wells, pool, and lease identified in Exhibit A.
2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.
3. 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.

4. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless 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.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AS/dm

DATE: 3/31/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-236

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Cedar Canyon 28 4 Phase 1 Central Tank Battery

Central Tank Battery Location (NMPM): Unit K, Section 28, Township 24 South, Range 29 East

Gas Custody Transfer Meter Location (NMPM): Unit K, Section 28, Township 24 South, Range 29 East

Pools

Pool Name	Pool Code
PIERCE CROSSING; BONE SPRING, EAST	96473

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA BS NMNM 139611	S/2 N/2 S/2 N/2
	Sec 27-T24S-R29E Sec 28-T24S-R29E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-44435	Cedar Canyon 27 28 Federal #42H	D-28-24S-29E	96473	

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

Action 20206

CONDITIONS OF APPROVAL

Operator:			OGRID:	Action Number:	Action Type:
OXY USA INC P.O. Box 4294 Houston, TX772104294			16696	20206	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.				