

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. WC-015 G-08 S233135D; WOLFCAMP (98236)

(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:  TITLE: REGULATORY ENGINEER DATE: 3/05/2021

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

<b>Applicant:</b> <u>OXY USA INC.</u>	<b>OGRID Number:</b> <u>16696</u>
<b>Well Name:</b> <u>VANADIUM 32 STATE #171H</u>	<b>API:</b> <u>30-015-47433</u>
<b>Pool:</b> <u>WC-015 G-08 S233135D, WOLFCAMP</u>	<b>Pool Code:</b> <u>98236</u>

**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

**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

3/4/2021

Date

713-366-5106

Phone Number

SANDRA.MUSALLAM@OXY.COM

e-mail Address

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

### Pure Gold CTB Train #3 – Vanadium 32 State #171H

OXY USA INC requests approval for a lease commingle and off-lease measurement for oil production for the well listed below at the Pure Gold Battery in K-29-23S-31E.

WELL NAME	API	POOL	POOL CODE
Vanadium 32 State #171H	30-015-47433	WC-015 G-08 S233135D; WOLFCAMP	98236

Approval for a communitization agreement (CA) comprised of 50% L064421 and 50% V035892 is pending approval.

#### Process Flow

Production flows to a 6 X 20 three-phase separator. Oil flows to a heater treater then 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 Vanadium 32 State #171H.

All water will be sent to the Sand Dunes Water Disposal System.

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

#### 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.

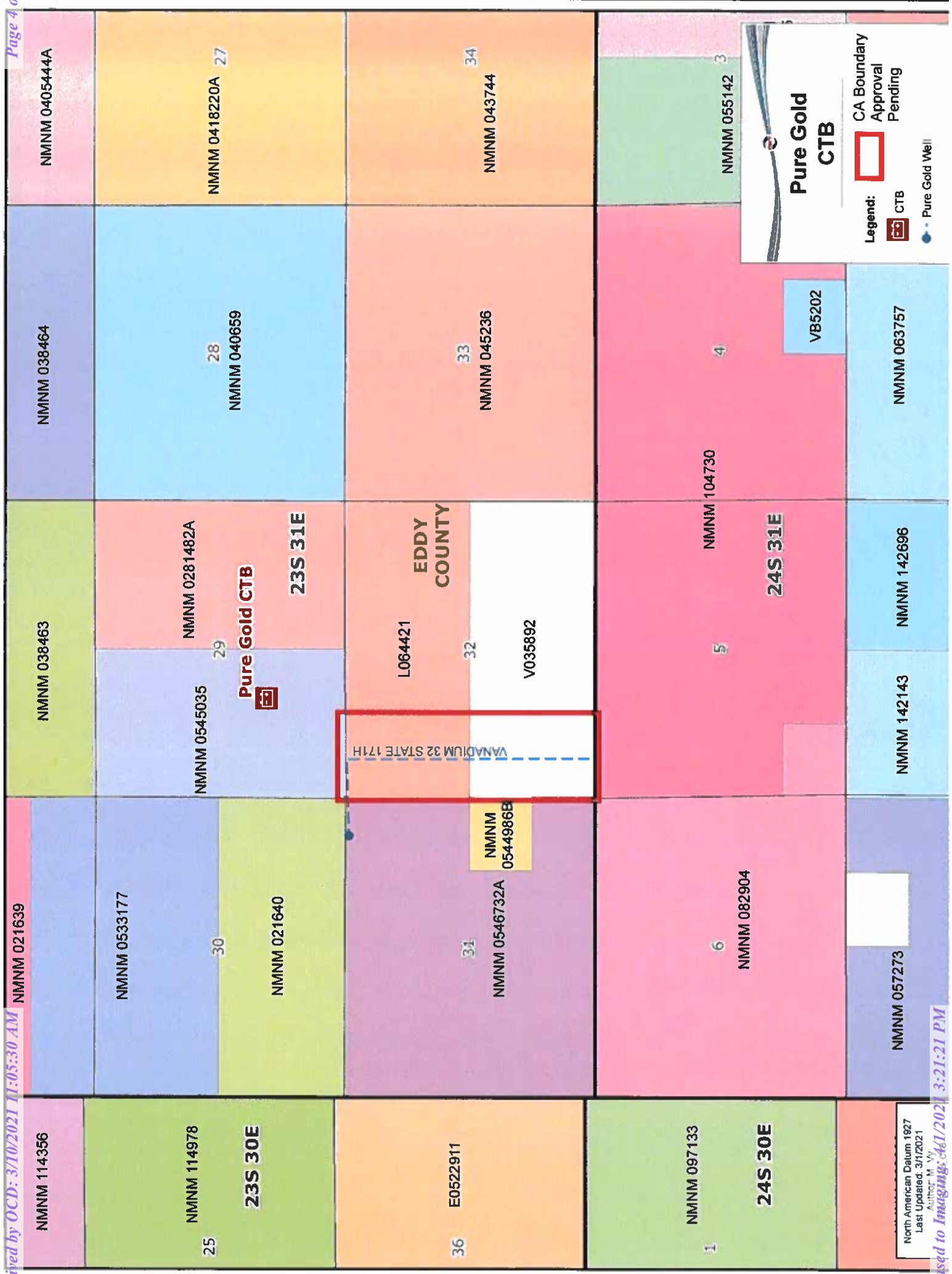
The meters will be calibrated on a regular basis per API and NMOCD specifications.

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.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

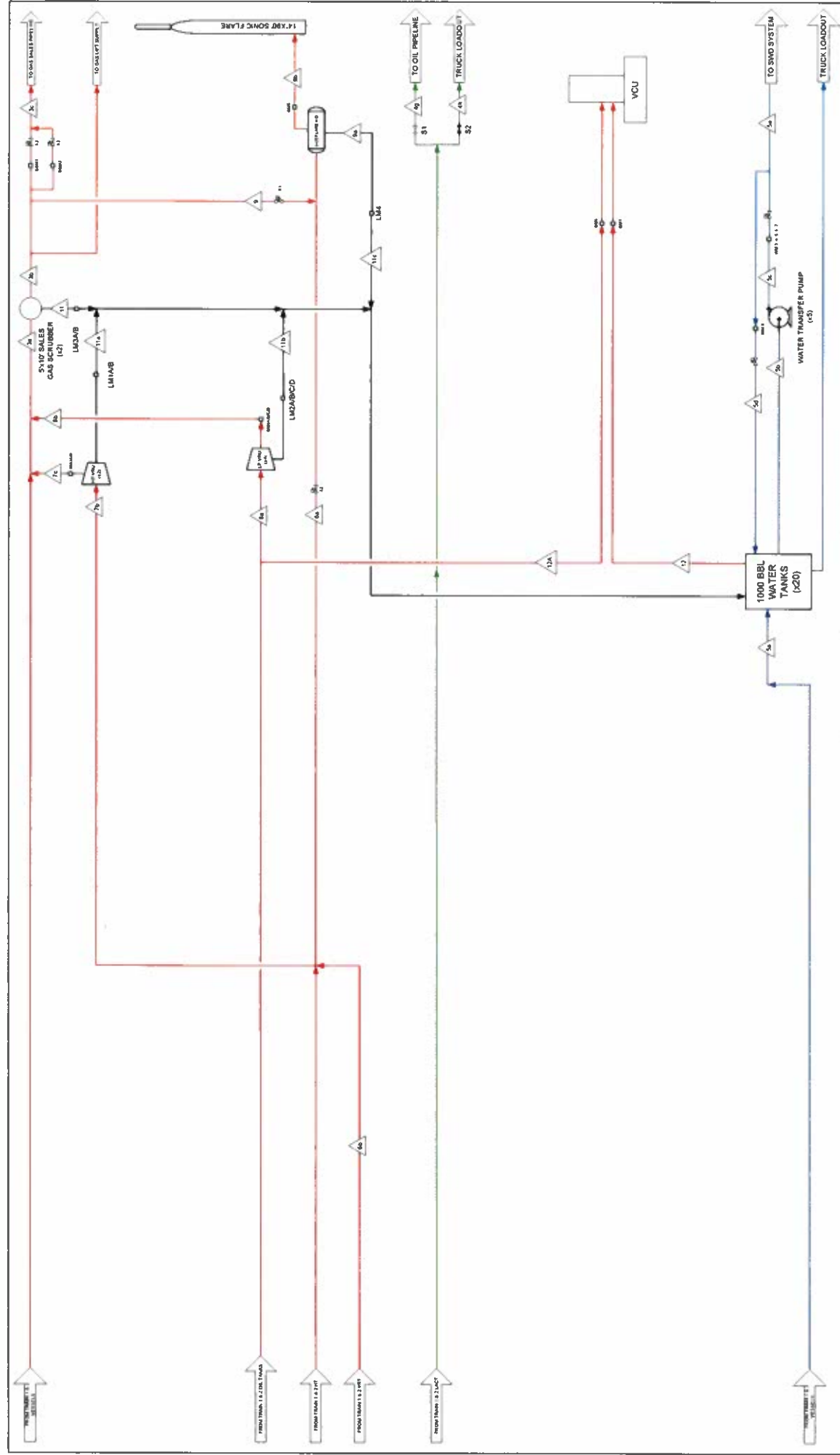
The surface commingle application will be submitted separately for approval per NMOCD and SLO regulations.

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.







[illegible]

**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 Road, Alamo, NM 87410  
Phone (505) 334-6178 Fax (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-015-</b>	<sup>2</sup> Pool Code <b>98236</b>	<sup>3</sup> Pool Name <b>WC-015 G-08 S233135D; WOLFCAMP</b>
<sup>4</sup> Property Code <b>326058</b>	<sup>5</sup> Property Name <b>VANADIUM 32 STATE</b>	
<sup>7</sup> OGRID No. <b>16696</b>	<sup>8</sup> Operator Name <b>OXY USA INC.</b>	<sup>6</sup> Well Number <b>171H</b>
		<sup>9</sup> Elevation <b>3344'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	23S	31E		100	NORTH	765	EAST	EDDY

**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	23S	31E		20	SOUTH	680	WEST	EDDY

<sup>12</sup> Dedicated Acres <b>160.0</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

**Defining Well**

**CORNER COORDINATES**  
NAD 83, SPCS NM EAST  
A - X: 704918.32' / Y: 461699.19'  
B - X: 704933.92' / Y: 459058.53'  
C - X: 704948.69' / Y: 456417.65'  
D - X: 703629.20' / Y: 456410.90'  
E - X: 703615.24' / Y: 459051.85'  
F - X: 703599.62' / Y: 461692.37'

**CORNER COORDINATES**  
NAD 27, SPCS NM EAST  
A - X: 663734.77' / Y: 461639.89'  
B - X: 663750.29' / Y: 458999.31'  
C - X: 663764.98' / Y: 456358.50'  
D - X: 662445.49' / Y: 458351.74'  
E - X: 662431.61' / Y: 458992.63'  
F - X: 662416.07' / Y: 461633.08'

**SURFACE HOLE LOCATION**  
100' FNL 765' FWL, SECTION 31  
NAD 83, SPCS NM EAST  
X 702835.22' / Y 461588.92'  
LAT 32 26790196N / LON 103 81083106W  
NAD 27, SPCS NM EAST  
X 661651.66' / Y 461529.62'  
LAT 32 26777901N / LON 103 81034494W

**KICK OFF POINT**  
50' FNL 680' FWL, SECTION 32  
NAD 83, SPCS NM EAST  
X 704279.91' / Y 461645.89'  
LAT 32 26803914N / LON 103 80615625W  
NAD 27, SPCS NM EAST  
X 663096.35' / Y 461586.59'  
LAT 32 26791617N / LON 103 80567024W

**FIRST TAKE POINT**  
100' FNL 680' FWL, SECTION 32  
NAD 83, SPCS NM EAST  
X 704280.20' / Y 461595.89'  
LAT 32 26790170N / LON 103 80615609W  
NAD 27, SPCS NM EAST  
X 663096.64' / Y 461538.60'  
LAT 32 26777873N / LON 103 80567008W

**LAST TAKE POINT**  
100' FSL 680' FWL, SECTION 32  
NAD 83, SPCS NM EAST  
X 704308.66' / Y 456514.38'  
LAT 32 25393340N / LON 103 80614475W  
NAD 27, SPCS NM EAST  
X 663124.98' / Y 456455.22'  
LAT 32 25381035N / LON 103 80565931W

**BOTTOM HOLE LOCATION**  
20' FSL 680' FWL, SECTION 32  
NAD 83, SPCS NM EAST  
X 704309.09' / Y 456434.38'  
LAT 32 25371349N / LON 103 80614465W  
NAD 27, SPCS NM EAST  
X 663125.38' / Y 456375.22'  
LAT 32 25359044N / LON 103 80565922W

**17 OPERATOR CERTIFICATION**  
I 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 released mineral interest 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 voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Leslie T. Reeves* 9/10/20  
Signature Date

**LESLIE REEVES**  
Printed Name

**LESLIE\_REEVES@OXY.COM**  
E-mail Address

**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.

AUGUST 4, 2020  
Date of Survey

Signature and Seal of Professional Surveyor

**DAVID W. MYERS**  
11403  
PROFESSIONAL SURVEYOR

Certificate Number  
**DAVID W. MYERS 11403**

Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977695 Convergence Angle: 00°16'56.77"



**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: 713.366.5106  
Sandra\_Musallam@oxy.com

March 5, 2021

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Re: Application for Lease Commingle and Off-lease Measurement, Sales, & Storage for Wells at the Pure Gold Battery in Eddy County, New Mexico

Dear Interest Owner:

This is to advise you that OXY USA INC is filing for a lease commingle and off-lease measurement, sales and storage for Vanadium 32 State #171H at the Pure Gold 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 Sandra Musallam at (713) 366-5106.

Respectfully,

**OXY USA INC**  
Sandra Musallam  
Regulatory Engineer – Compliance Lead  
Sandra\_Musallam@oxy.com



**Musallam, Sandra C**

**From:** TrackingUpdates@fedex.com  
**Sent:** Wednesday, March 10, 2021 10:09 AM  
**To:** Musallam, Sandra C  
**Subject:** [EXTERNAL] FedEx Shipment 773106115869 Delivered

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

This tracking update has been requested by:

**Company Name:** Oxy Inc  
**Name:** Sandra Musallam  
**E-mail:** sandra\_musallam@oxy.com

Our records indicate that the following shipment has been delivered?

**Reference:** VANADIUM COMMNGLE  
**Ship date:** Mar 9, 2021  
**Signed for by:** Signature not required  
**Delivery location:** GEORGETOWN, TX  
**Delivered to:** Residence  
**Delivery date:** Wed, 3/10/2021 10:08 am  
**Service type:** FedEx Priority Overnight®  
**Packaging type:** FedEx® Envelope  
**Number of pieces:** 1  
**Weight:** 0.50 lb.  
**Special handling/Services:** Deliver Weekday  
Residential Delivery  
**Standard transit:** 3/10/2021 by 12:00 pm  
**Tracking number:** 773106115869

Shipper Information	Recipient Information
Sandra Musallam	SUNSET PRODUCTION CORP
Oxy Inc	120 YAUPON LANE
5 Greenway Plaza ste. 110	GEORGETOWN
Houston	TX
TX	US
US	78633
77046	

**Musallam, Sandra C**

**From:** Dawson, Scott <sdawson@slo.state.nm.us>  
**Sent:** Friday, March 05, 2021 2:52 PM  
**To:** Musallam, Sandra C  
**Subject:** [EXTERNAL] RE: Surface Commingle Permit for Vanadium 32 State #171H

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

O.K. Sandra,

Thanks for letting me know.

I appreciate it.

**\*\*Due to the Coronavirus, State Land Office facilities are closed to the public until further notice. Business operations remain open and our staff can be reached at (505) 827-5760 or <https://www.nmstatelands.org/about/staff-directory/>**

*Scott Dawson*

Petroleum Specialist Advanced  
 Units Manager/Geologist  
 Oil, Gas and Minerals Division  
 505.827.5791  
 New Mexico State Land Office  
 310 Old Santa Fe Trail  
 P.O. Box 1148  
 Santa Fe, NM 87504-1148  
 sdawson@slo.state.nm.us  
[nmstatelands.org](https://www.nmstatelands.org)  
[@NMLandOffice](#)



.....  
**CONFIDENTIALITY NOTICE** - This e-mail transmission, including all documents, files, or previous e-mail messages attached hereto, may contain confidential and/or legally privileged information. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that you must not read this transmission and that any disclosure, copying, printing, distribution, or use of any of the information contained in and/or attached to this transmission is **STRICTLY PROHIBITED**. If you have received this transmission in error, please immediately notify the sender and delete the original transmission and its attachments without reading or saving in any manner. Thank you.

**From:** Musallam, Sandra C [mailto:Sandra\_Musallam@oxy.com]  
**Sent:** Friday, March 5, 2021 1:47 PM  
**To:** Dawson, Scott <sdawson@slo.state.nm.us>  
**Subject:** [EXTERNAL] Surface Commingle Permit for Vanadium 32 State #171H

Good afternoon Mr. Dawson,

OXY is submitting a surface commingle permit application for Vanadium 32 State #171H (leases L064421 and V035892). We are mailing the submittal fee along with the original application documents. Attached is a copy of the documents for your review.

Thank you,

Sandra Musallam  
Regulatory Engineer – Compliance Lead  
713-366-5106 (office)  
713-504-8577 (cell)

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NM State Land Office  
Oil, Gas, & Minerals Division

STATE/STATE OR  
STATE/FEE  
Revised March 2017

### COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL MEN BY THESE PRESENTS: Well Name: **Vanadium 32 State #171H**

STATE OF NEW MEXICO )  
SS)

API #: 30 - **15** - **47433**

COUNTY OF **Eddy** )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of **March 1st**, 20 **21**, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

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 leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the **Wolfcamp** formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version  
March, 2017

State/State  
State/Fee

1



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 undersigned as follows:

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

Subdivisions **W/2W/2**

Of Sect(s) **32** Twnshp **23S** Rng **31E** NMPM **Eddy** County, NM

containing **160** acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. 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 therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. OXY USA Inc. shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by OXY USA Inc..

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. 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 instruments, 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.

14. 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.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: **OXY USA Inc.**

BY: \_\_\_\_\_, Attorney-in-fact  
Name and Title of Authorized Agent

Signature of Authorized Agent

### Acknowledgment in an Individual Capacity

State of **Texas** )  
 )  
 ) SS)  
County of **Harris** )

This instrument was acknowledged before me on \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

**Signature of Notarial Officer**

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of **Texas** )  
 )  
 ) SS)  
County of **Harris** )

This instrument was acknowledged before me on \_\_\_\_\_ Date \_\_\_\_\_

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_





**EXHIBIT A**Attached to and made a part of that Communitization Agreement dated **March 1, 2021**by and between **OXY USA Inc.** company and **EOG Resources**,**OXY USA Inc.**the Subdivisions **W/2W/2**,Sect **32**, Twnshp **23S**, Rnge **31E**, NMPM **Eddy** County, NM

Limited in depth from \_\_\_\_\_ ft to \_\_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: **OXY USA Inc.****DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**Lessor: **State of New Mexico**Lessee of Record: **EOG Resources**Serial No. of Lease: **L0-6442** Date of Lease: **August 1, 1971**

Description of Lands Committed:

Subdivisions: **W/2NW/4**Sect **32** Twnshp **23S** Rng **31E** NMPM **Eddy** County NMNo. of Acres: **80****TRACT NO. 2**Lessor: **State of New Mexico**Lessee of Record: **OXY USA Inc.**Serial No. of Lease: **V0-3589** Date of Lease: **March 1, 1991**

Description of Lands Committed:

Subdivisions: **W/2SW/4**Sect **32** Twnshp **23S** Rng **31E** NMPM **Eddy** County NMNo. of Acres: **80**

ONLINE version

State/State

March, 2017

State/Fee

**TRACT NO. 3**

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect              Twnshp              Rng              NMPPM              County NM

No. of Acres:

**TRACT NO. 4**

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect              Twnshp              Rng              NMPPM              County NM

No. of Acres:

**RECAPITULATION**

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest in Communitized Area</b>
No. 1	<b>80</b>	<b>50.00%</b>
No. 2	<b>80</b>	<b>50.00%</b>
No. 3		
No. 4		
<b>TOTAL</b>	<b>160</b>	<b>100.00%</b>

ONLINE version  
March, 2017State/State  
State/Fee

8

**Carlsbad Current Argus.**  
PART OF THE USA TODAY NETWORK**Affidavit of Publication**

Ad # 0004636113

**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:

03/10/2021

  
Legal Clerk

Subscribed and sworn before me this March 10, 2021:

  
State of WI, County of Brown  
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA  
Notary Public  
State of Wisconsin

Ad # 0004636113

PO #:

# of Affidavits 1

**This is not an invoice****Notice of Application for Off Lease Measurement, Storage and Sales**

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOC for a Lease Commingle and Off Lease Measurement, Storage and Sales permit for oil production for Vanadium 32 State 171H at the Pure Gold CTB, located in Eddy County, Section 29 T23S-R31E. The well going to the aforementioned battery is located in Sections 31 and 32. Production is from the WC-015 G-08 S233135D; Wolfcamp.

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 NMOC may approve the application.

For questions pertaining to the application, please contact Sandra Musallam at (713) 366-5106.

#4636113, Current Argus, March 10, 2021



**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Musallam, Sandra C](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Holm, Anchor E.](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order CTB-987  
**Date:** Thursday, April 1, 2021 3:16:03 PM  
**Attachments:** [CTB987 Order.pdf](#)

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NMOCD has issued Administrative Order CTB-987 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
30-015-47433	Vanadium 32 State #171H	A-31-23S-31E	98236

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: CTB-987

Operator: Oxy USA, Inc. (16696)

Publication Date: 3/10/2021

Date Sent: 3/9/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
3/10/2021	Sunset Production Corp	773106115869	Delivered
3/5/2021	SLO	Via E-Email	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. CTB-987**

**ORDER**

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 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.
7. 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.

**CONCLUSIONS OF LAW**

8. 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.

9. 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.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
11. 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.
12. 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.
13. 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 surface commingle and off-lease measure oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. 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.
3. 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.
4. 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.
5. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.



6. 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.
7. 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.
8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
9. 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.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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**



**ADRIENNE SANDOVAL  
DIRECTOR**

AS/dm

**DATE:** 4/01/2021

## Exhibit A

**Gas Custody Transfer Meter Location (NMPM):** Unit K, Section 29, Township 23 South, Range 31 East

**WC-015 G-08 S233135D; WOLFCAMP**

98236

Sec 32-T23S-R31E

## 98236

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

## Exhibit B

Order: CTB-987

**Operator:** Oxy USA, Inc. (16696)

## Pooled Areas

Pooled Area	Location (NMPM)		Acres	Pooled Area ID
CA WC SLO	W/2 W/2	Sec 32-T23S-R31E	160	A

## Leases Comprising Pooled Areas

[illegible]

**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 20400

CONDITIONS OF APPROVAL

Operator:	OXY USA INC	P.O. Box 4294	Houston, TX772104294	OGRID:	16696	Action Number:	20400	Action Type:	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.								