

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:** LOST TANK 30 19 FEDERAL COM #001H & LOST TANK 30 19 FEDERAL COM #031H **API:** 30-025-46474 & 30-025-45182  
**Pool:** BILBREY BASIN; BONE SPRING, SOUTH & WC-025 G-08 S223219D; WOLFCAMP **Pool Code:** 97366 & 98296

**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<sub>(PROJECT AREA)</sub> ☐ NSP<sub>(PRORATION UNIT)</sub> ☐ 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.**

BETH SCHENKEL

Print or Type Name

Signature

03/10/2022

Date

(713) 497-2055

Phone Number

BETH\_SCHENKEL@OXY.COM

e-mail Address

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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: 5 GREENWAY PLAZA SUITE 110, HOUSTON, TX, 77046  
APPLICATION TYPE:

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

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-657

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

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

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

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

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

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

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

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

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

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

SIGNATURE: Beth Schenkel TITLE: REGULATORY ENGINEER DATE: 03/10/2022

TYPE OR PRINT NAME BETH SCHENKEL TELEPHONE NO.: (713) 497-2055

E-MAIL ADDRESS: BETH\_SCHENKEL@OXY.COM

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

### Commingling proposal for the Lost Tank 30 19 Wells

OXY USA INC respectfully requests to amend pool commingle and off-lease storage, measurement and sales PLC-657 at the Lost Tank 30 19 Battery (Lat 32.383472499, Long -103.719609014) to add a secondary storage, measurement, and sales location at the Lost Tank 18 Facility (Lat 32.387425, Long -103.718875). The wells feeding the facility are the Lost Tank 30 19 Federal Com #001H and Lost Tank 30 19 Federal com #031H with further detail listed below.

#### POOL COMMINGLE & OFF-LEASE STORAGE, MEASUREMENT AND SALES

POOLS: BILBREY BASIN; BONE SPRING, SOUTH (97366) & WC-025 G-08 S223219D; WOLFCAMP (98296)

COM AGREEMENTS NMNM140586 PENDING & NMNM139009 APPROVED

37.43% BLM ROYALTY 12.5% (NMNM 090587) & 50.10% BLM ROYALTY 12.5% (NMNM 106915) & 18.75% FEE FOR BLM INTEREST ALLOCATION OF 10.941505%

Well Name	API	Surface Location	Pool	Pool Code	Date Online	Oil (bpd)	Gravity (API)	Gas (MSCFD)	BTU/cf	Water (bpd)
Lost Tank 30 19 Federal Com #001H	30-025-46474	D-19-22S-32E	BILBREY BASIN; BONE SPRING, SOUTH	97366	Feb-20	336	44.4	592	1290	482
Lost Tank 30 19 Federal Com #031H	30-025-45182	D-19-22S-32E	WC-025 G-09 S223219D; WOLFCAMP	98296	Feb-19	306	45.3	362	1350	557

#### Process Description:

At the Lost Tank 18 Facility, production is sent through a 10' X 40' three-phase production separator. Oil production flows through an economizer then to a heat exchanger before being sent to a stabilizer. Oil is then pumped through one of four LACT meters S/N\*, which will serve as the FMPs for BLM royalty payments and OXY's sales point. A truck load FMP will be set up at the Facility for use as back-up in the event of a LACT meter failure.

Oil and gas production will be allocated back to each well based on well test. For testing purposes, the Facility will be equipped with six permanent 6' x 20' three-phase test separators. Each test vessel will be equipped with oil turbine meters (S/N\*), gas orifice meters (S/N\*) and water turbine meters.

All wells will be tested daily prior to Range 1 of decline and will be tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells will be tested at least twice per month. Wells will be tested at least once per month when Range 3 of decline is started, as specified in Hearing Order R-14299.

\*Meter number to be submitted upon installation. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

Gas production from all wells will be combined after the production and test separators. It will flow through a sales gas scrubber, then an orifice meter S/N\*, which will serve as the gas FMP for the purpose of BLM royalty payment, and then sent to sales.

\*Meter number to be submitted upon installation. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

All water from the Lost Tank 18 Facility will be sent to the Lost Tank Water Disposal System.

#### Additional Application Components:

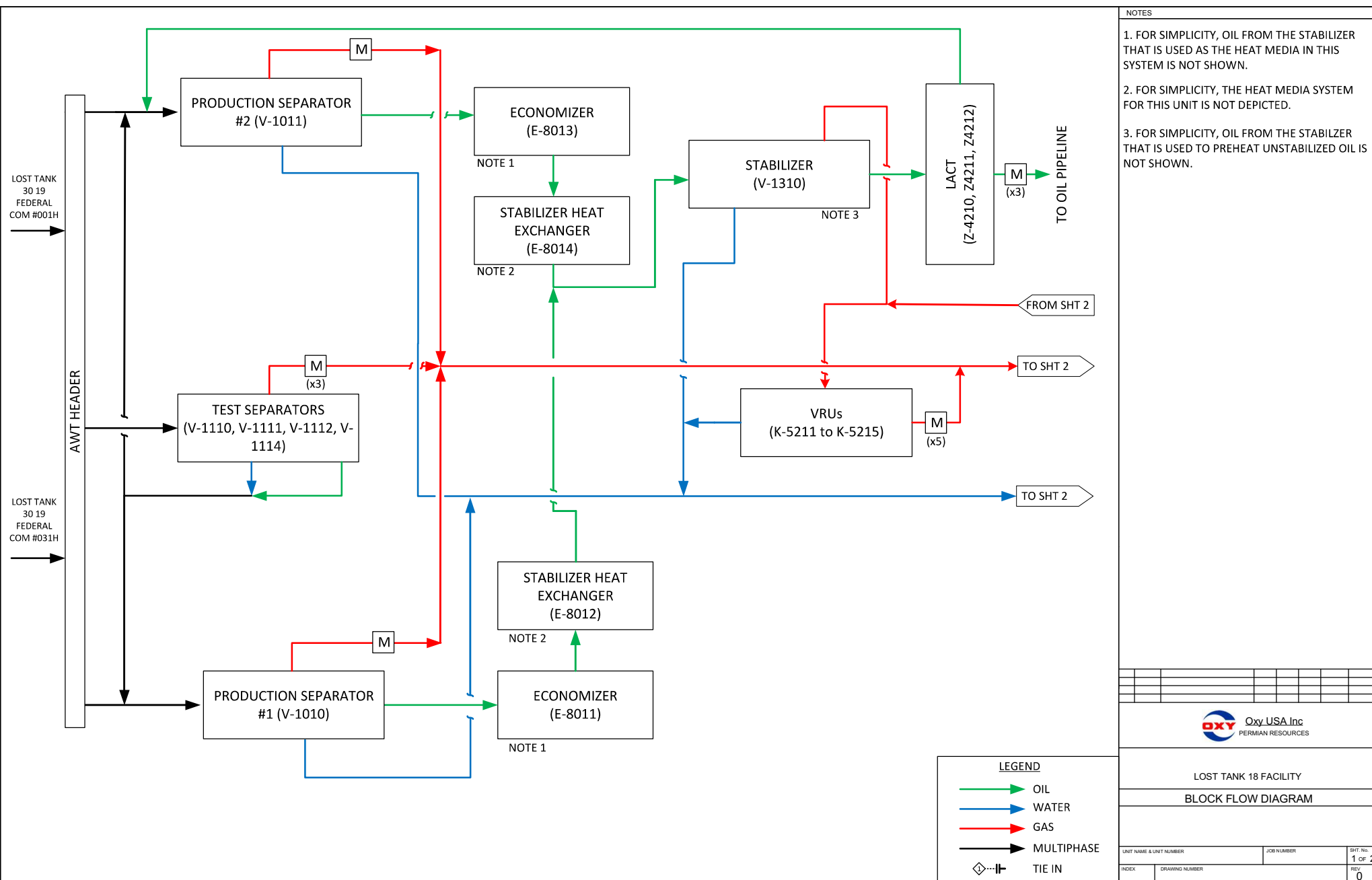
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and facility locations.

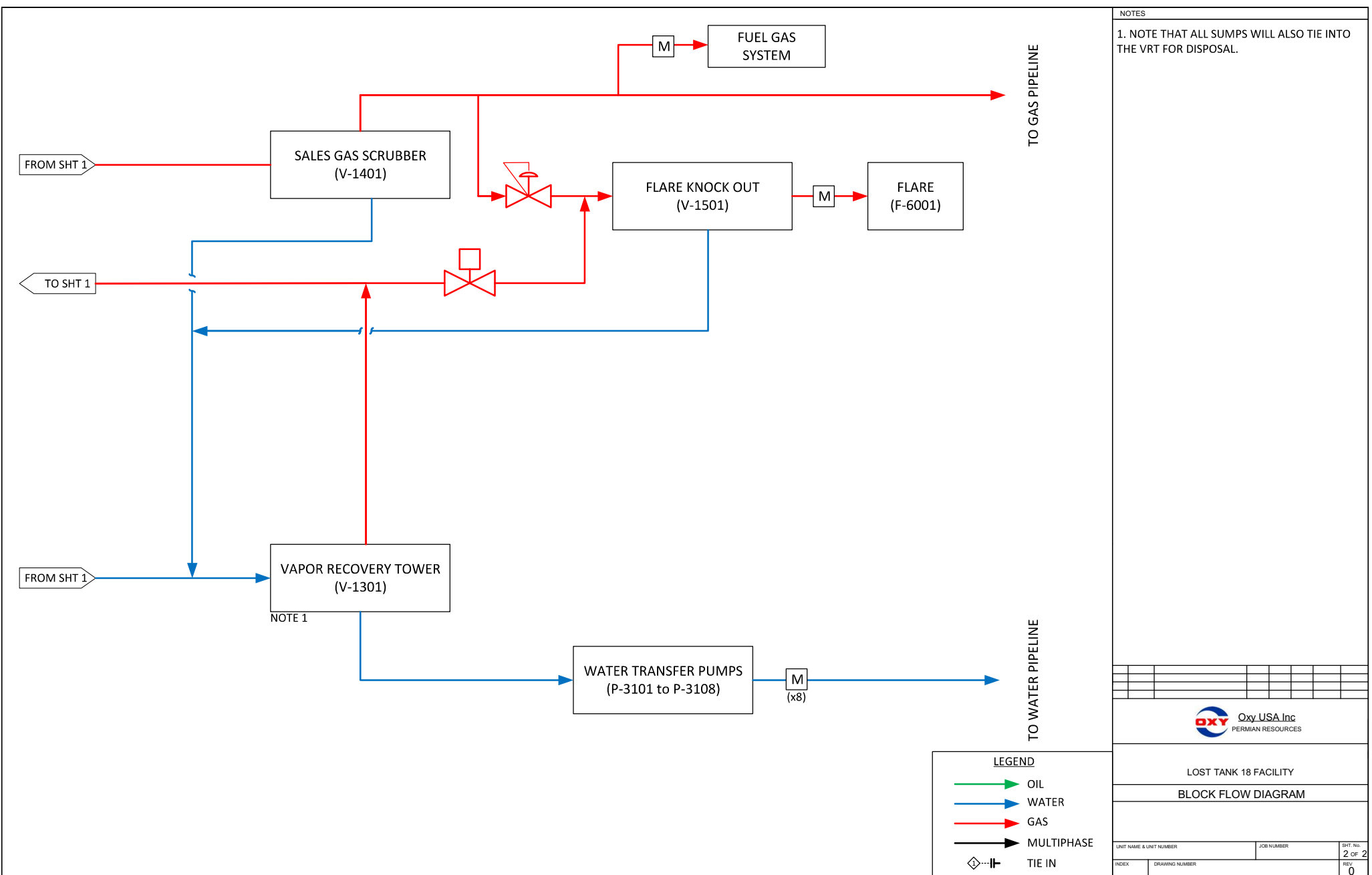
Both wells have identical ownership therefore notification was not required.

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.

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.









**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

December 10, 2019

Re: **Pool Commingle Application for Lost Tank 30-19 Central Tank Battery**

**Sections 19/30, T22S R32E, Lea County**

**Lost Tank 30 19 Federal Com #031H – WC-025 G-08 S223219D; Wolfcamp 98296**

**Lost Tank 30 19 Federal Com #001H – Bilbrey Basin; Bone Spring, South 97366**

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 the above mentioned commingle project. This letter serves to notice you that the operator and interest owners are identical for the wells listed above.

Best Regards,

OXY USA INC.

A handwritten signature in blue ink, appearing to read "Amber Delach".

Amber Delach  
Land Negotiator



OLM F/E

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

OCT 25 2019

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Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office☐ AMENDED REPORTDistrict I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-9720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Acoma, 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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-46474	Pool Code 39350	Property Name BILBREY BAYNE; DE SOUTH Livingston Ridge Bone Springs
Property Code 322423	Property Name LOST TANK "30-19" FEDERAL COM	
OGRIID No. 16696	Operator Name OXY USA INC.	Well Number 1H
		Elevation 3616.1'

## Surface Location

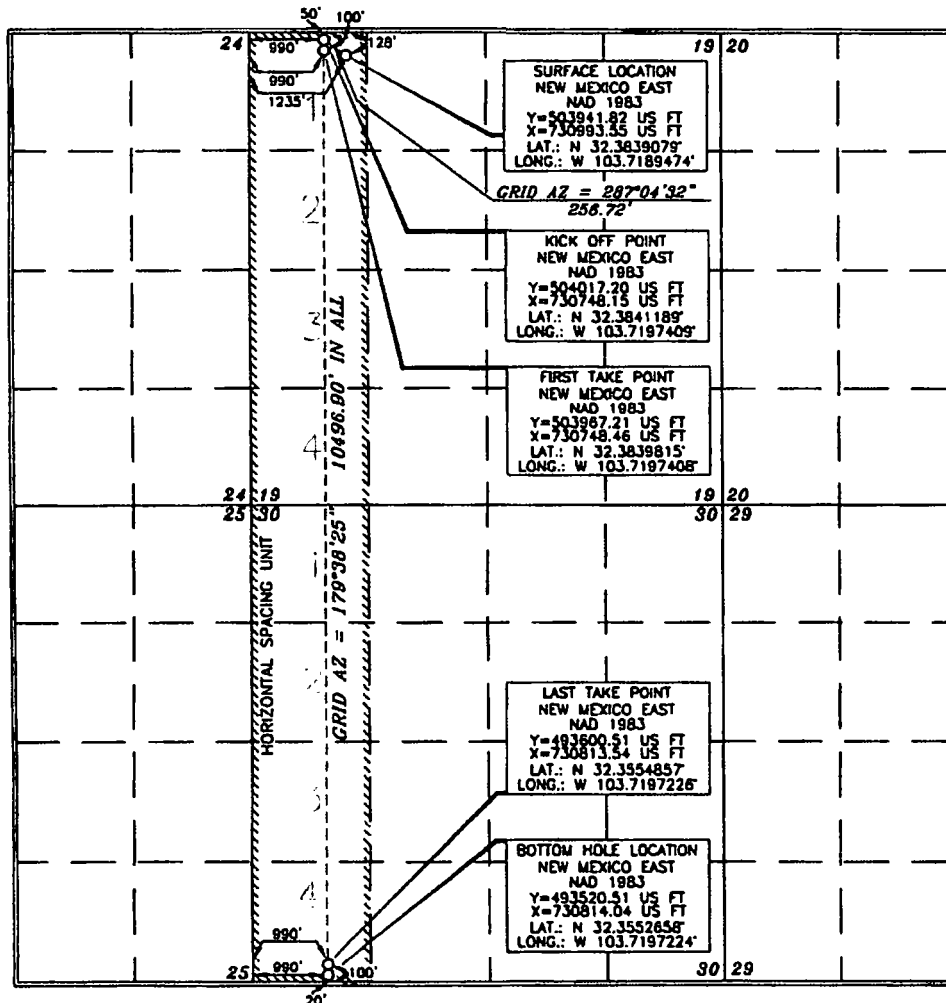
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D(1)	19	22 SOUTH	32 EAST, N.M.P.M.	1	128'	NORTH	1235'	WEST	LEA

## 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(4)	30	22 SOUTH	32 EAST, N.M.P.M.		20'	SOUTH	990'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	Y		

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.



## 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 undivided 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.

Signature: David Stewart Date: 5/9/19

Printed Name: David Stewart  
E-mail Address: david.stewart@oxy.com

## SURVEYOR CERTIFICATION

I hereby certify that the information shown on this plat was based on field and/or aerial 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: FEBRUARY 20, 2019

Signature and Seal of Professional Land Surveyor: Terry J. Abel

Certificate Number: 15079

WO# 190220WL-a (KA)



**HOBBS OCD****AUG 19 2019**

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6181 Fax: (505) 393-0720

District II  
811 S. First St., Artesia, NM 82310  
Phone: (505) 744-1223 Fax: (505) 744-0770

District III  
1000 Rio Grande Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87503  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis  
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** WC-025-609-5223219 D

API Number <b>30-025-45182</b>	Pool Code	Pool Name <b>W: Locat Wolfcamp</b>
Property Code	Property Name <b>LOST TANK "30-19" FEDERAL Com.</b>	Well Number <b>31H</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>	Elevation <b>3609.0'</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
<b>D</b>	<b>19</b>	<b>22 SOUTH</b>	<b>32 EAST, N.M.P.M.</b>		<b>240'</b>	<b>NORTH</b>	<b>880'</b>	<b>WEST</b>	<b>LEA</b>

**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
<b>M</b>	<b>30</b>	<b>22 SOUTH</b>	<b>32 EAST, N.M.P.M.</b>		<b>319'</b>	<b>SOUTH</b>	<b>428</b>	<b>WEST</b>	<b>LEA</b>
Dedicated Acres <b>320</b>	Joint or Infill <b>Y</b>	Consolidation Code	Order No. <b>FTP/TP: 451' FNL 400' FNL</b> <b>LTP/BP: 550' FSL 421' FNL</b>						

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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the organization either owns a working interest or unless mineral interest in the land including the proposed bottom hole location or has a right to drill the 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.</p> <p>Accepted and signed by the division:</p> <p><i>Leslie Reeves</i> 10/28/18 Signature Date <b>LESLIE REEVES</b> F-mail Address <b>LESLIE-REEVES@OXY.COM</b></p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from the original survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><i>ERRY J. AS</i> Signature and Seal Professional Surveyor <b>15079</b> Date of Survey <b>OCTOBER 6, 2017</b></p>
	<p><b>WOLF 171006WL-a (KA)</b></p>
	<p><b>15079</b></p>

**FEDERAL COMMUNITIZATION AGREEMENT**

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of August, 2019, 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 22 South, Range 32 East, NMPM

Section 19: Lots 1-4

Section 30: W/2 W/2

Lea County, New Mexico

containing 358.92 acres, , and this agreement shall include only the Bone Spring formation underlying said lands and the oil and gas hereinafter referred to as "communitized substances," producible from such formation(s).

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., 5 Greenway Plaza STE 110, Houston, Texas, 77046. 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 November 1, 2019, 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 two (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 sixty (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 2-year 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. Nondiscrimination. 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.

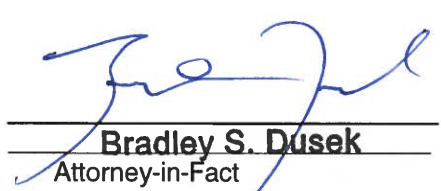
Lost Tank 30-19 Fed Com 1H

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.

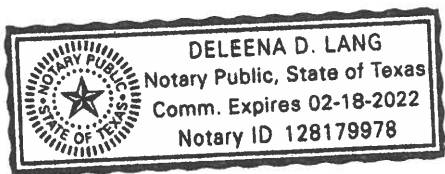
DATE: 7/29/19

BY:   
Bradley S. Dusek  
Attorney-in-Fact  
Attorney-In-fact

AD  
JVS

STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS            )

This instrument was acknowledged before me on July 29, 2019, by Bradley S. Dusek ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

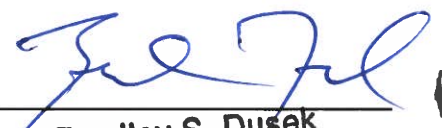


  
Notary Public in and for the State of Texas

**LESSEE OF RECORD**

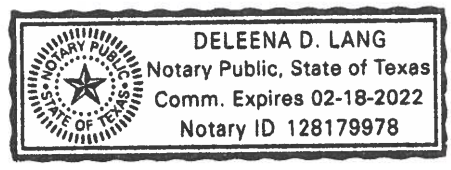
**OXY USA Inc.**


DATE: 7/29/19

BY:  **Bradley S. Dusek**  
Attorney-in-Fact  
**Attorney-in-fact** AD  
JF

STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS            )

This instrument was acknowledged before me on July 29, 2019, by Bradley S. Dusek, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

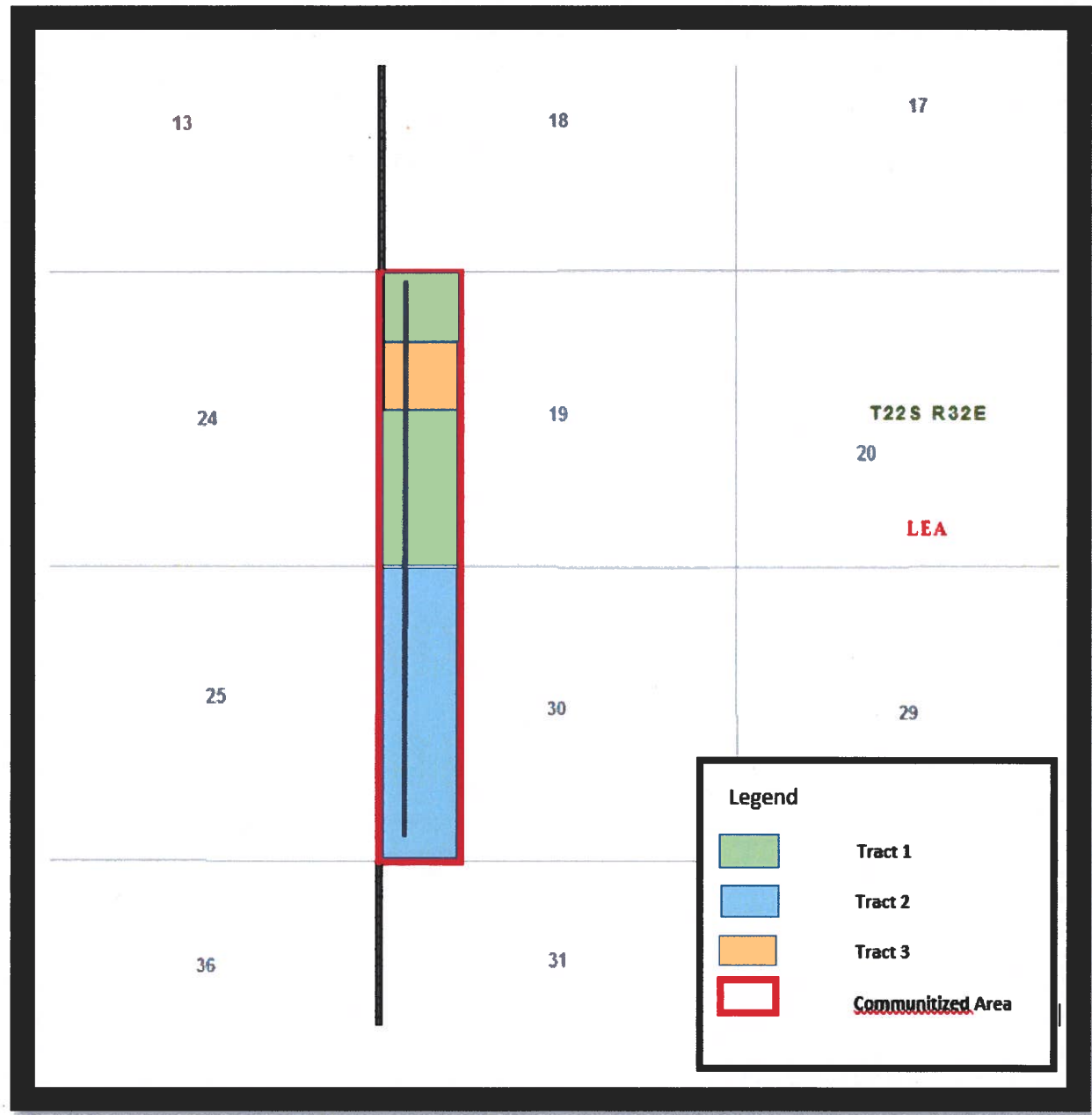


  
Notary Public in and for the State of Texas



**EXHIBIT "A"**

Attached to and made a part of that certain Communitization Agreement dated November 1, 2019,  
by OXY USA Inc., embracing the Lots 1-4 of Section 19 and W/2W/2 of Section 30, Township 22 South,  
Range 32 East, NMPM,  
all in Lea County, New Mexico





**EXHIBIT "B"**

Attached to and made a part of that certain Communitization Agreement dated November 1, 2019, by OXY USA Inc., embracing Lots 1-4 of Section 19 and the W/2W/2 of Section 30, Township 22 South, Range 32 East, NMPM, all in Lea County, New Mexico

**Operator of Communitized Area:** OXY USA Inc.

**DESCRIPTION OF LEASES COMMITTED**

Tract No.: 1

Lease Serial No.: NM NM 090587

Description of Land Committed: Lots 1, 3, and 4 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 134.33 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Tract No.: 2

Lease Serial No.: NM NM 106915

Description of Land Committed: Lots 1-4 (being the W/2E/2) of Section 30, Township 22 South, Range 32 East, NMPM

Number of Acres: 179.84 acres, more or less

Lessee of Record: Oxy USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Lost Tank 30-19 Fed Com 1H

Tract No.: 3  
Lessor: Marilie Tully Bell  
Date: April 23, 1999  
Recording Data: Book 962 Page 390, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.  
Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Pooling Authority: Yes

Tract No.: 3  
Lessor: Robert Peter Kaucher  
Date: April 23, 1999  
Recording Data: Book 966 Page 23, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.  
Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Pooling Authority: Yes

Tract No.: 3  
Lessor: Jean Ann Tully Stell  
Date: April 23, 1999  
Recording Data: Book 963 Page 25, Lea County, NM

Lost Tank 30-19 Fed Com 1H

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Pooling Authority: Yes

Tract No.: 3

Lessor: Dianne Mary Gamache Truitt

Date: April 23, 1999

Recording Data: Book 963 Page 27, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Pooling Authority: Yes

Tract No.: 3

Lessor: James Edward Kaucher

Date: July 12, 1999

Recording Data: Book 974 Page 322, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Pooling Authority: Yes

Tract No.: 3

Lessor: James Gordon DeBlois

Date: July 6, 1999

Recording Data: Book 974 Page 324, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Pooling Authority: Yes

Tract No.: 3

Lessor: Richard Ward Kaucher

Date: February 15, 2000

Recording Data: Book 1008 Page 334, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
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Pooling Authority: Yes

Tract No.: 3

Lessor: J.C. & Frances Mills Family Partnership, Ltd.

Date: March 2, 2000

Recording Data: Book 1010 Page 647, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Pooling Authority: Yes

Tract No.: 3

Lessor: Ross E. Broderick

Date: June 10, 2002

Recording Data: Book 1157 Page 698, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Pooling Authority: Yes

Lost Tank 30-19 Fed Com 1H

Tract No.: 3  
Lessor: Christopher A Broderick and wife, Denice Broderick  
Date: June 10, 2002  
Recording Data: Book 1157 Page 700, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.  
Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Pooling Authority: Yes

Tract No.: 3  
Lessor: Michael R. Broderick and wife, Theresa Broderick  
Date: June 10, 2002  
Recording Data: Book 1157 Page 702, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.  
Name and Percent WI Owner:

OXY USA Inc.	100%
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Pooling Authority: Yes

Tract No.: 3  
Lessor: Kathleen L. George and husband, David K. George  
Date: June 10, 2002

Recording Data: Book 1167 Page 87, Lea County, NM

Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM

Number of Acres: 44.75 acres, more or less

Lessee of Record: OXY USA Inc.

Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Pooling Authority: Yes

**RECAPITULATION**

<u>TRACT NO.</u>	<u>NUMBER OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
No. 1	179.84	50.10%
No. 2	134.33	37.43%
No. 3	44.75	12.47%
<hr/>		
	358.92	100.00%





# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

New Mexico State Office  
301 Dinosaur Trail  
Santa Fe, New Mexico 87508  
[www.blm.gov/new-mexico](http://www.blm.gov/new-mexico)



### IN REPLY REFER TO:

NMNM139009  
3105.2 (NM920)

NOV 30 2018

### Reference:

Communitization Agreement  
Lost Tank 30-19 Fed Com #31H  
Section 19: Lots 1-4,  
Section 30: Lots 1-4  
T. 22 S., R. 32 E., N.M.P.M.  
Lea County, NM

OXY USA, Inc.  
5 Greenway Plaza, Suite 110  
Houston, TX 77046-0521

### Gentlemen:

Enclosed is an approved copy of Communitization Agreement NMNM139009 involving 134.33 acres of Federal land in lease NMNM 90587, 179.84 acres of Federal land in lease NMNM 106915, and 44.75 acres of Fee land in Lea County, New Mexico, which comprise a 358.92 acre well spacing unit.

The agreement communitizes all rights to all producible hydrocarbons from the Wolfcamp formation beneath Lots 1-4 of Sec. 19, and Lots 1-4 of Sec. 30, T. 22 S., R. 32 E., NMPM, Lea County, NM, and is effective July 1, 2018. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Approval of this agreement does not constitute an adjudication of any state, local government, or private interests, and does not constitute a warranty or certification that the information supplied by the party submitting this agreement regarding any private, state, or local government interests is accurate.

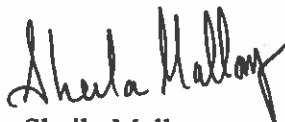
Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

Page 24 of 48

If you have any questions regarding this approval, please contact James Glover, Geologist at (505) 954-2139 or Margie Dupre at (505) 954-2142.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,



Sheila Mallory  
Deputy State Director  
Division of Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (922)

NM (P0220-CFO, File Room)

NMSO (NM925, File)

NM STATE LAND COMM.

Determination - Approval - Certification

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the authorized officer of the Bureau of Land Management, I do hereby:

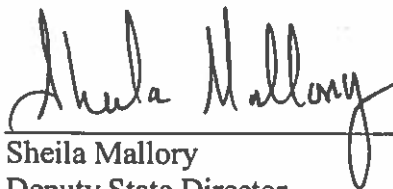
- A. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.
- B. Approve the attached Communitization Agreement covering Lots 1-4 of sec. 19, and Lots 1-4 of sec. 30, T. 22 S., R. 32 E., NMPM, as to all producible hydrocarbons from the Wolfcamp formation. This approval will become invalid if the public interest requirements under section 3105.2-3 (c) are not met.

Approval also requires operator to submit copies of sundries or any other documentation regarding activity with this well to the Bureau of Land Management (BLM), Calrsbad Field Office pursuant to Item 9 of the approved Communitization Agreement.

- C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved:

NOV 30 2018



Sheila Mallory  
Deputy State Director  
Division of Minerals

Effective: July 1, 2018

Contract No.: Com. Agr. NMNM139009

**FEDERAL COMMUNITIZATION AGREEMENT**Contract No. NM139009

THIS AGREEMENT entered into as of the 1<sup>st</sup> day of July, 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 communization or drilling agreements communizing 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 communization 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 communize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communized 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 "communized area") are described as follows:

Township 22 South, Range 32 East, NMPM

Section 19: Lots 1-4

Section 30: ~~W42-W42~~ Lots 1-4

Lea County, New Mexico

containing <sup>✓</sup> 358.92 acres, , and this agreement shall include only the Wolfcamp formation underlying said lands and the oil and gas hereinafter referred to as "communized substances," producible from such formation(s).

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "A", a plat designating the communized area and, Exhibit "B" designating the operator of the communized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communized area, and the authorization, if any, for communizing or pooling any patented or fee lands within the communized area.
3. The Operator of the communized area shall be Oxy USA Inc., 5 Greenway Plaza STE 110, Houston, Texas, 77046. 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 July 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 two (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 sixty (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 2-year 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. Nondiscrimination. 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.


Lost Tank 30-19 Fed Com 31H

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:

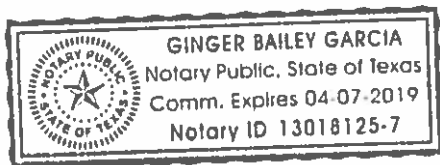
OXY USA Inc.

DATE: 6/28/18

BY:   
Bradley S. Dusek  
Attorney-in-Fact

STATE OF TEXAS           )  
  )  
COUNTY OF HARRIS       )

This instrument was acknowledged before me on this the 28th day of June 18, 2018, 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

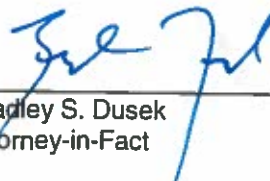


Lost Tank 30-19 Fed Com 31H

**LESSEE OF RECORD**

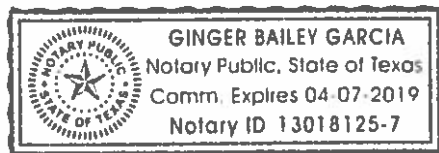
**OXY USA Inc.**

DATE: 6/28/18

BY:  AD  
JS  
Bradley S. Dusek  
Attorney-in-Fact

STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS                )

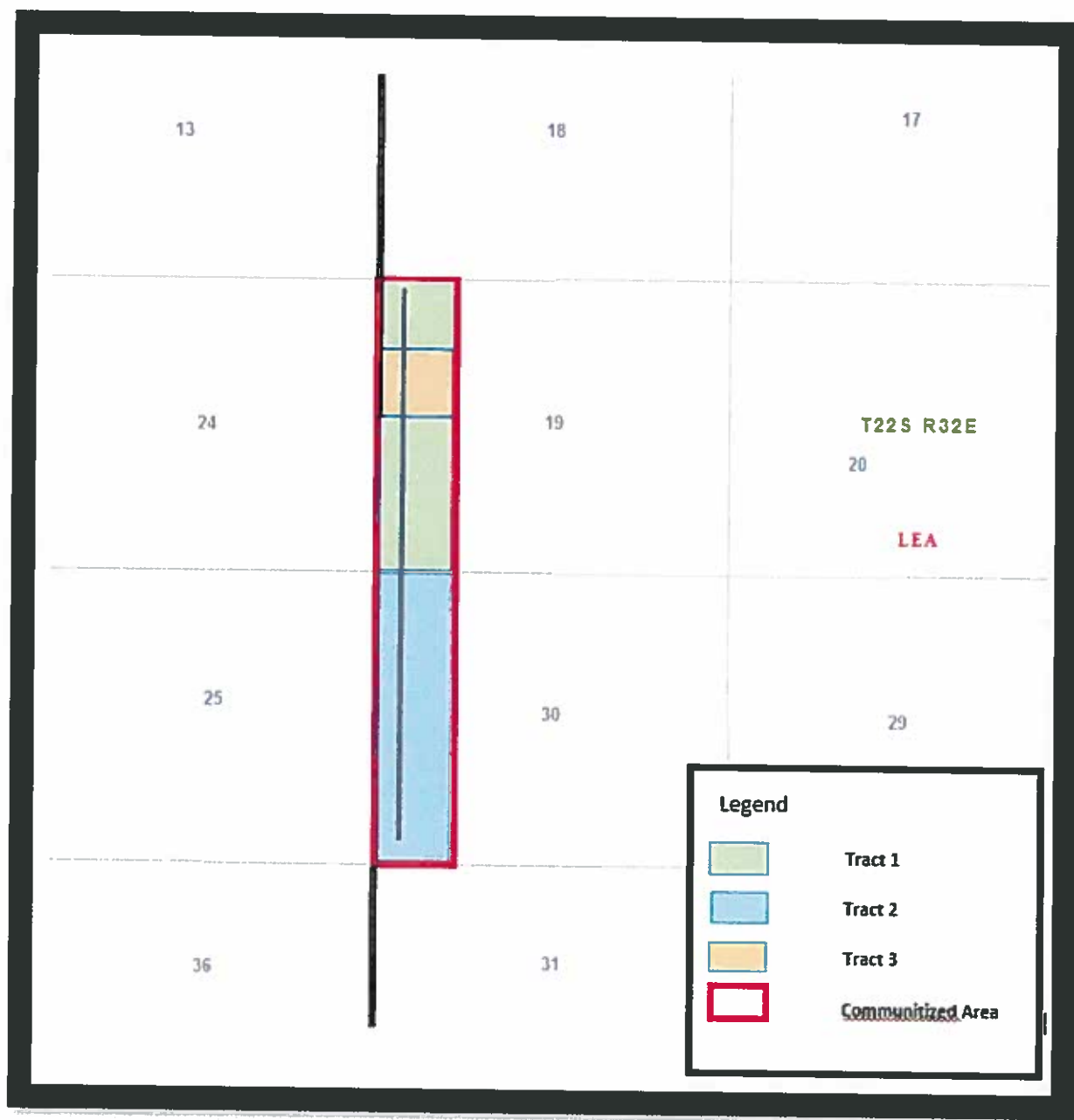
This instrument was acknowledged before me on this the 28<sup>th</sup> day of June, 20 18, by  
BRADLEY S. DUSEK, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said  
corporation.



  
Notary Public in and for the State of Texas

EXHIBIT "A"

Attached to and made a part of that certain Communitization Agreement dated July 1, 2018,  
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Range 32 East, NMPM,  
all in Lea County, New Mexico



**EXHIBIT "B"**

Attached to and made a part of that certain Communitization Agreement dated July 1, 2018,  
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Range 32 East, NMPM, all in Lea County, New Mexico

**Operator of Communitized Area: OXY USA Inc.**

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Number of Acres: 134.33 acres, more or less ✓

Lessee of Record: OXY USA Inc. ✓

Name and Percent WI Owner:

OXY USA Inc.	100%
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Tract No.: 2

Lease Serial No.: NM NM 106915

Description of Land Committed: Lots 1-4 (being the W/2E/2) of Section 30, Township 22 South, Range 32 East, NMPM

Number of Acres: 179.84 acres, more or less ✓

Lessee of Record: Oxy USA Inc. ✓

Name and Percent WI Owner:

OXY USA Inc.	100%
--------------	------

Lost Tank 30-19 Fed Com 31H

Tract No.: 3  
Lessor: Marilie Tully Bell  
Date: April 23, 1999  
Recording Data: Book 962 Page 390, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less ✓  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: Robert Peter Kaucher  
Date: April 23, 1999  
Recording Data: Book 966 Page 23, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less ✓  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: Jean Ann Tully Stell  
Date: April 23, 1999  
Recording Data: Book 963 Page 25, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less ✓  
Lessee of Record: OXY USA Inc.

Lost Tank 30-19 Fed Com 31H

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 Lessor: Dianne Mary Gamache Truitt  
 Date: April 23, 1999  
 Recording Data: Book 963 Page 27, Lea County, NM  
 Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
 Number of Acres: 44.75 acres, more or less  
 Lessee of Record: OXY USA Inc.

Tract No.: 3  
 Lessor: James Edward Kaucher  
 Date: July 12, 1999  
 Recording Data: Book 974 Page 322, Lea County, NM  
 Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
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 Lessor: James Gordon DeBlois  
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Tract No.: 3  
Lessor: Richard Ward Kaucher  
Date: February 15, 2000  
Recording Data: Book 1008 Page 334, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: J.C. & Frances Mills Family Partnership, Ltd.  
Date: March 2, 2000  
Recording Data: Book 1010 Page 647, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: Ross E. Broderick  
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Recording Data: Book 1157 Page 698, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: Christopher A Broderick and wife, Denice Broderick  
Date: June 10, 2002  
Recording Data: Book 1157 Page 700, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: Michael R. Broderick and wife, Theresa Broderick  
Date: June 10, 2002  
Recording Data: Book 1157 Page 702, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
Number of Acres: 44.75 acres, more or less  
Lessee of Record: OXY USA Inc.

Tract No.: 3  
Lessor: Kathleen L. George and husband, David K. George  
Date: June 10, 2002  
Recording Data: Book 1167 Page 87, Lea County, NM  
Description of Land Committed: Lot 2 of Section 19, Township 22 South, Range 32 East, NMPM  
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Name and Percent WI Owner:

OXY USA Inc.	100%
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Lost Tank 30-19 Fed Com 31H

**RECAPITULATION**

<u>TRACT NO.</u>	<u>NUMBER OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
No. 1	179.84	50.10%
No. 2	134.33	37.43%
No. 3	44.75	12.47%
<hr/>		
	358.92	100.00%

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
LOST TANK 30-19	31H	300254518200S1	NMNM90587	NMNM139009	OXY USA
LOST TANK 30-19	1H	300254647400S1	NMNM90587	NMNM140586	OXY USA

Notice of Intent

Sundry ID: 2663165

Type of Submission: Notice of Intent

Date Sundry Submitted: 03/21/2022

Date proposed operation will begin: 06/01/2022

Type of Action: Off-lease Measurement/Storage

Time Sundry Submitted: 02:56

**Procedure Description:** OXY requests approval to off-lease measure the Lost Tank 30-19 1H and Lost Tank 30-19 31H at Lost Tank 18 CPF. The wells/CAs have previously been approved for commingling per Sundry 1516278, which includes approval for off-lease measurement in the COA. Please see attached map for details. The map shows the well locations, CAs, proposed flowlines, and the location of the current Lost Tank 30-19 CTB and new Lost Tank 18 CPF.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

LostTank\_30\_19\_MAP\_20220321145605.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

**Operator Electronic Signature:** BETH SCHENKEL

**Signed on:** MAR 21, 2022 02:56 PM

**Name:** OXY USA INCORPORATED

**Title:** Facilities Engineer

**Street Address:** 5 GREENWAY PLAZA SUITE 110

**City:** HOUSTON                      **State:** TX

**Phone:** (713) 497-2055

**Email address:** BETH\_SCHENKEL@OXY.COM

Field Representative

**Representative Name:**

**Street Address:**

**City:**                                      **State:**                                      **Zip:**

**Phone:**

**Email address:**

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Schenkel, Beth V](#); [Musallam, Sandra C](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order PLC-657-B  
**Date:** Tuesday, March 22, 2022 5:52:09 PM  
**Attachments:** [PLC657B Order.pdf](#)

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NMOCD has issued Administrative Order PLC-657-B which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-46474	Lost Tank 30 19 Federal Com #1H	W/2 W/2	19-22S-32E	97366
		W/2 W/2	30-22S-32E	
30-025-45182	Lost Tank 30 19 Federal Com #31H	W/2 W/2	19-22S-32E	98296
		W/2 W/2	30-22S-32E	

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. If you have any questions regarding this matter, please contact me.

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

**From:** [Schenkel, Beth V](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] RE: surface commingling application PLC-657-B  
**Date:** Monday, March 21, 2022 3:03:55 PM  
**Attachments:** [LT 30-19 OLM TO LT 18 CPF AFMSS SUNDRY.pdf](#)

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CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Dean,

Please see attached BLM sundry submittal confirmation.

Please let me know if you have any questions.

Thanks,

**Beth Schenkel** | Sr Facilities Engineer | Regulatory Compliance  
O: 713.497.2055 | C: 713.557.4141

---

**From:** Schenkel, Beth V  
**Sent:** Monday, March 14, 2022 8:33 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Subject:** RE: surface commingling application PLC-657-B

Hi Dean,

My apologies, I meant to include a note on my email to you. I plan to submit notification to the BLM this week. I am awaiting feedback on what information the BLM needs in the sundry.

Thanks,

**Beth Schenkel** | Sr Facilities Engineer | Regulatory Compliance  
O: 713.497.2055 | C: 713.557.4141

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**From:** McClure, Dean, EMNRD <[Dean.McClure@state.nm.us](mailto:Dean.McClure@state.nm.us)>  
**Sent:** Friday, March 11, 2022 11:33 AM  
**To:** Schenkel, Beth V <[Beth\\_Schenkel@oxy.com](mailto:Beth_Schenkel@oxy.com)>  
**Subject:** [EXTERNAL] surface commingling application PLC-657-B

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

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Ms. Schenkel,

I am reviewing surface commingling application PLC-657-B which involves a commingling project that includes the Lost Tank 30 19 Battery and is operated by Oxy USA, Inc. (16696).

Please confirm that the BLM has received notification of this application.

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 SURFACE COMMINGLING  
SUBMITTED BY OXY USA, INC.**

**ORDER NO. PLC-657-B**

**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 the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. 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.
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 stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

**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, 19.15.12. NMAC, and 19.15.23. NMAC.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
13. 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) NMAC and 19.15.12.10.C.(4)(h) NMAC.
14. Applicant did not give adequate notice that it sought authorization to add pools, leases, or wells as required by 19.15.12.10.C.(4)(g) NMAC.
15. 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 oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. This Order supersedes Order PLC-657-B.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. 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.

5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. 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.
9. Applicant's request for authorization to add pools, leases, and wells prospectively pursuant to 19.15.12.10.C.(4)(g) NMAC is denied.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
\_\_\_\_\_  
**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 3/22/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PLC-657-B**

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

Central Tank Battery: **Lost Tank 30 19 Battery**

Central Tank Battery Location: **UL D, Section 19, Township 22 South, Range 32 East**

Central Tank Battery: **Lost Tank 18 Facility**

Central Tank Battery Location: **UL M, Section 18, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location: **UL D, Section 19, Township 22 South, Range 32 East**

Gas Title Transfer Meter Location: **UL M, Section 18, Township 22 South, Range 32 East**

### Pools

Pool Name	Pool Code
<b>BILBREY BASIN; BONE SPRING, SOUTH</b>	<b>97366</b>
<b>WC-025 G-09 S223219D; WOLFCAMP</b>	<b>98296</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>CA Wolfcamp NMNM 139009</b>	<b>W/2 W/2</b>	<b>19-22S-32E</b>
	<b>W/2 W/2</b>	<b>30-22S-32E</b>
<b>CA Bone Spring NMNM 140586</b>	<b>W/2 W/2</b>	<b>19-22S-32E</b>
	<b>W/2 W/2</b>	<b>30-22S-32E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-46474</b>	<b>Lost Tank 30 19 Federal Com #1H</b>	<b>W/2 W/2</b>	<b>19-22S-32E</b>	<b>97366</b>
		<b>W/2 W/2</b>	<b>30-22S-32E</b>	
<b>30-025-45182</b>	<b>Lost Tank 30 19 Federal Com #31H</b>	<b>W/2 W/2</b>	<b>19-22S-32E</b>	<b>98296</b>
		<b>W/2 W/2</b>	<b>30-22S-32E</b>	

**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 89386

**CONDITIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 89386
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	3/22/2022