		0
Revised M	larch 23,	2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD D	IVISION USE ONLY	
	- Geologi	CO OIL CONSERVA cal & Engineering rancis Drive, Santo	g Bureau –	
	ADMINIST	RATIVE APPLICATION	ON CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH RI	LL ADMINISTRATIVE APPLICA EQUIRE PROCESSING AT THE		
Applicant: OXY US				RID Number: <u>16696</u>
<b>Well Name:</b> <u>TAILS</u>	CC 10 3 FEDERAL COM #031H	& OTHERS  SPRING & PIERCE CROSSING: BE		30-015-48881 & OTHERS <b>Code:</b> 98220, 11520 & 96473
			RED TO PROCESS	THE TYPE OF APPLICATION
A. Location	ICATION: Check those I — Spacing Unit — Simul NSL NSP(Pl	which apply for [A	] n	]sd
[   ] Com [ [    ] Injed	ne only for [1] or [11] mingling – Storage – M DHC	ure Increase – Enha	anced Oil Recov	rery FOR OCD ONLY
A. Offset B. Royal C. Appli D. Notific E. Surfac G. For al	N REQUIRED TO: Check operators or lease ho ty, overriding royalty ocation requires publish cation and/or concurration and/or concurration and/or concurration of the above, proof cotice required	lders wners, revenue ow ed notice ent approval by SL ent approval by BL	rners O M	Notice Complete  Application Content Complete
administrative understand th	N: I hereby certify that a approval is accurate nat no action will be taure submitted to the Div	and <b>complete</b> to t ken on this applice	he best of my kr	• •
N	ote: Statement must be comple	eted by an individual with	managerial and/or su	pervisory capacity.
BETH SCHENKEL Print or Type Name			02/01/2022 Date (713) 497-2055	
(d) 1011/16	Λ		Phone Number	er
Signature	X		BETH_SCHENK e-mail Address	KEL@OXY.COM

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 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.

APPLICA	<u>ATIO</u> N F	OR SURFACE	COMMINGLING	(DIVERSE	OWNERSHIP)	
OPERATOR NAME:	OXY USA	A INC.				
OPERATOR ADDRESS:	PO BOX 4	4294, HOUSTON, T	X, 77210			
APPLICATION TYPE:						
☐ Pool Commingling ☐ Lease	Commingling	g ■Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:	e 🗌	State	eral			
Is this an Amendment to exist						
Have the Bureau of Land Ma	anagement (	BLM) and State Land	d office (SLO) been not	tified in writing of	of the proposed comm	ingling
			OL COMMINGLINGS with the following in			
(1) Pool Names and Codes		Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
SEE ATTACHED						
(2) Are any wells producing a						
(4) Measurement type:  (5) Will commingling decreas	Metering Ese the value of	d Other (Specify) ALLC f production?	OCATION BY WELL TEX ☑No If "yes", descri	be why commingl	ing should be approved	
			SE COMMINGLINGS with the following in			
<ol> <li>Pool Name and Code.</li> <li>Is all production from sam</li> <li>Has all interest owners beer</li> <li>Measurement type:</li></ol>	notified by			∐Yes □N	lo	
		` '	LEASE COMMIN			
(1) Complete Sections A and	E.	Please attach sheet	s with the following in	ntormation		
			107.10			
			<b>CORAGE and MEA</b> ets with the following			
(1) Is all production from sam				mivimativn		
(2) Include proof of notice to		— —				
	(E) AD	DITIONAL INFO	ORMATION (for all	application to	vpes)	
	(=) 110		ts with the following in		, F -~/	
<ol> <li>A schematic diagram of fa</li> <li>A plat with lease boundari</li> <li>Lease Names, Lease and V</li> </ol>	es showing a Well Numbers	Il well and facility locations, and API Numbers.			ate lands are involved.	
I hereby certify that the information	tion above is	true and complete to the	best of my knowledge an	d belief.		
SIGNATURE: While !	Sml	T	ITLE:_REGULATORY E	NGINEER	DATE:02/	01/2022
TYPE OR PRINT NAME_BE	TH SCHENK	KEL		ΓELEPHONE NO	.:(713) 497-2055	
F-MAII ADDRESS: RETH	SCHENKEI	@OXY COM				

# APPLICATION FOR POOL LEASE COMMINGLE & OFF LEASE MEASUREMENT, STORAGE, AND SALES Commingling proposal for Whomping Willow CTB Train #2

OXY USA INC requests approval of an amendment to Order PLC-751 for a pool lease commingle and off-lease measurement for the wells listed below at the Whomping Willow facility in F-15-24S-29E. Tails CC 10 3 Federal Com #31H, Tails CC 10 3 Federal Com #32H, Tails CC 10 3 Federal Com #35H, Tails CC 10 3 Federal Com #36H, Tails CC 10 3 Federal Com #38H, and Tails CC 10 3 Federal Com #312H will produce to Whomping Willow CTB Train #2 and commingle with the existing wells. This request also includes future wells within the same pools and leases/CAs of wells listed below.

#### POOL LEASE COMMINGLE

12.513% SCHEDULE "B" (NMNM053373) & 37.54% BLM NRI 12.5% (NMNM081616) & 12.513% SCHEDULE "B" (NMNM059385) & 24.919% BLM NRI 12.5% (NMNM085891) & 12.513% FEE

POOL: CEDAR CANYON; BONE SPRING (11520) & PIERCE CROSSING; BONE SPRING, EAST (96473) - COM AGREEMENT PENDING

Well Name	API	Surface Location	EST DATE ONLINE	Est. Oil (BOPD)	Est. Gravity API	Est. Gas (MSCFD)	Est. BTU/cf	Est. Water (BWPD)			
TAILS CC 10 3 FEDERAL COM 022H	30-015-47957	N-10-24S-29E	MAY 2021	466	45	746	1306	1615			
TAILS CC 10 3 FEDERAL COM 026H	30-015-47959	O-10-24S-29E	MAY 2021	899	45	2095	1298	1681			
TAILS CC 10 3 FEDERAL COM 025H	30-015-47960	O-10-24S-29E	MAY 2021	770	45	1430	1300	1728			
TAILS CC 10 3 FEDERAL COM 021H	30-015-47958	N-10-24S-29E	MAY 2021	691	45	1654	1296	2112			
TAILS CC 10 3 FEDERAL COM 024H	30-015-47961	O-10-24S-29E	MAY 2021	680	45	1559	1300	1860			
POOL: PURPLE SAGE; WOLFCAMP (98220) - COM AGREEMENT PENDING											
TAILS CC 10-3 FEDERAL COM #31H	30-015-48881	N-10-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #32H	30-015-48880	N-10-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #33H	30-015-48879	N-10-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #34H	30-015-48959	O-10-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #35H	30-015-48965	O-10-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #36H	30-015-48964	O-10-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #38H	30-015-48877	B-15-24S-29E	MAY 2022	1728	45	4328	1300	6750			
TAILS CC 10-3 FEDERAL COM #312H	30-015-48930	B-15-24S-29E	MAY 2022	1728	45	4328	1300	6750			

#### **Process Flow:**

Production flows to one of two 8' x 20' three-phase production separators. Oil flows through a heat exchanger followed by a three phase stabilizer. It is then pumped through a LACT, which is the sales meter for royalty payment.

Oil and gas production will be allocated back to each well based on well test. For testing purposes, there are two permanent 6' x 20' three-phase test separators. Each test vessel will be equipped with oil turbine meters, gas orifice meters and water turbine meters.

Gas flows through an orifice meter off the three-phase separators. The meters are sales quality and continuously measure volumes. These meters serve as the final royalty allocation point for gas. A separate gas commingle will be filed for these wells.

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

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

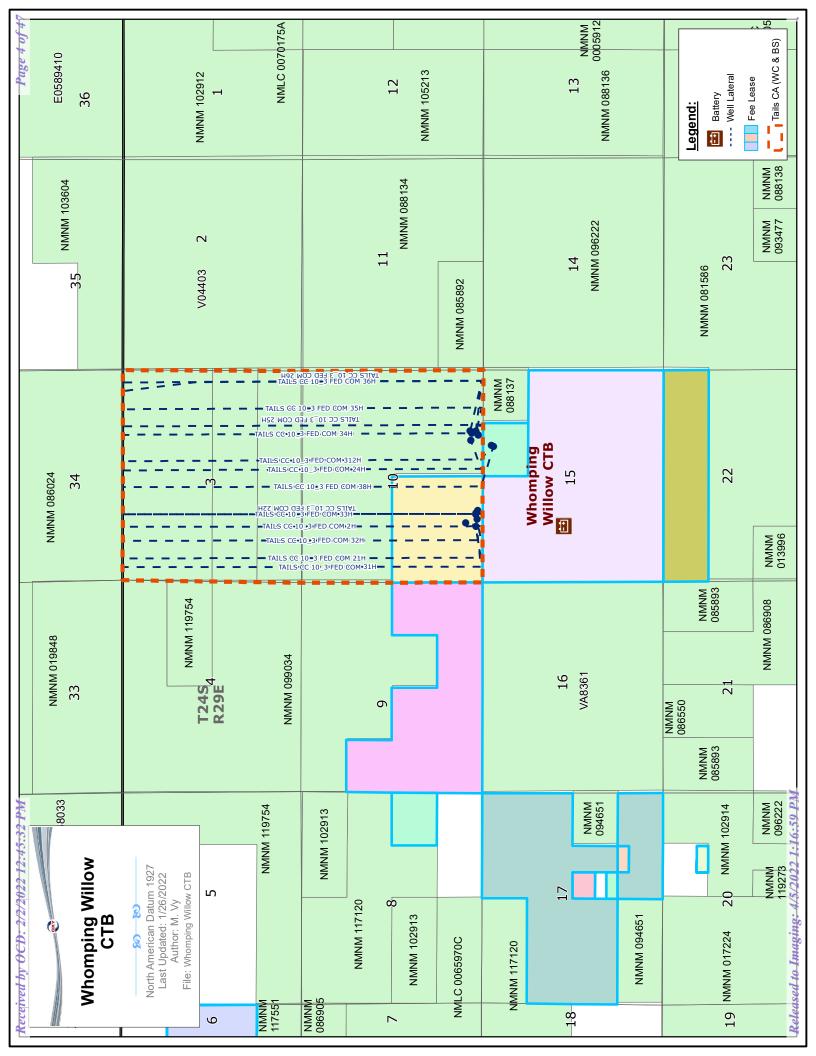
#### **Additional Application Components:**

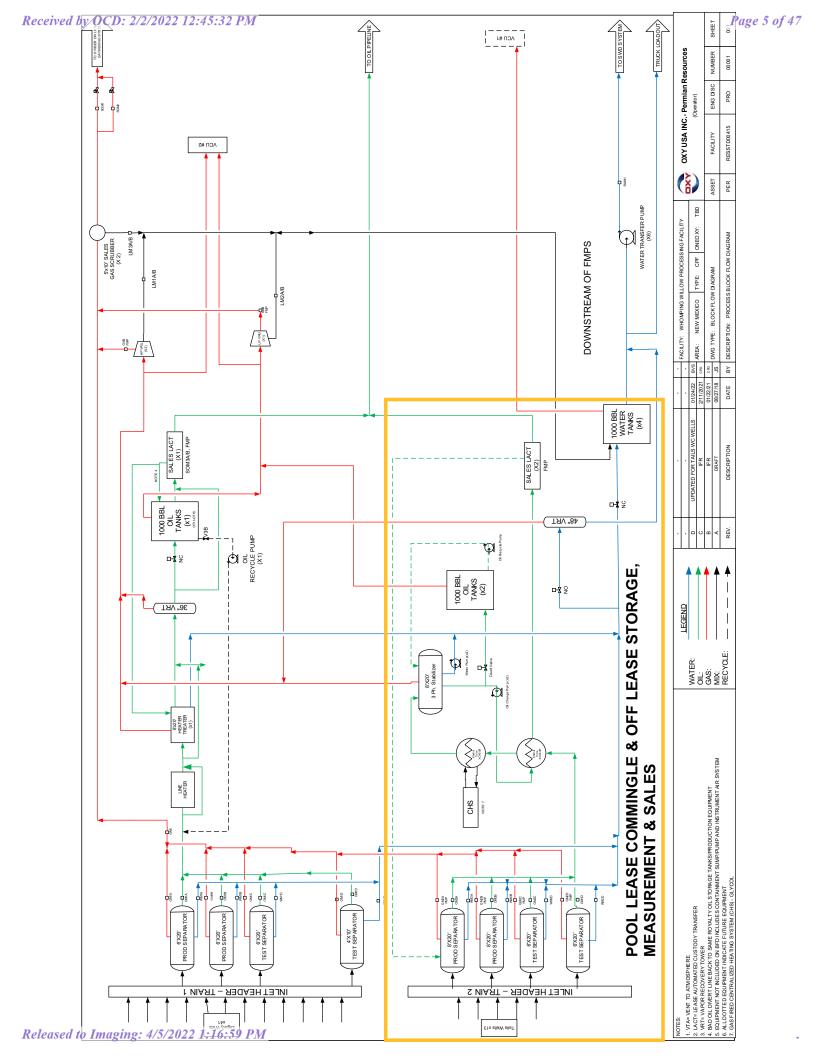
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

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.

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.





DISTRICT I
1025 N. FRENCH DR., HOBBS, NM 88240
Phone: (676) 393-6161 Fax: (676) 393-0720
DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (676) 748-1283 Fax: (676) 748-9720

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

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) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

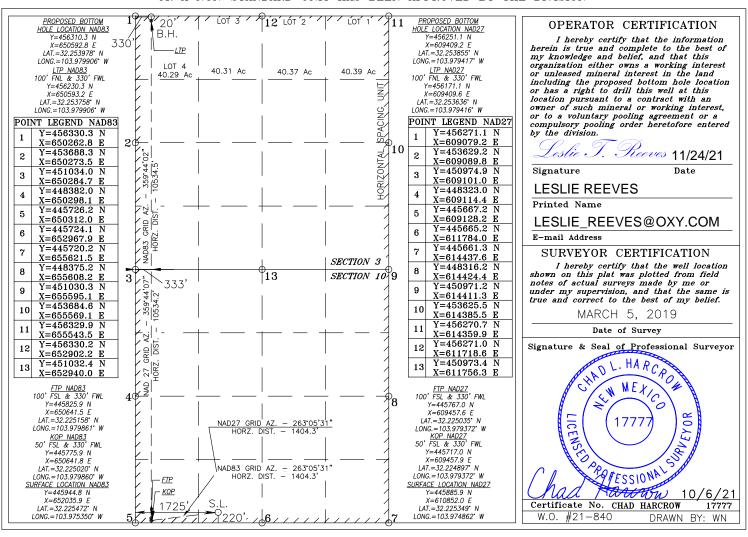
30-015-48881	98220 Pool Code	PURPLE SAGE WOLFCAME			
Property Code	Prop	pperty Name Well Numb			
329988	TAILS CC 10_	_3 FEDERAL COM	31H		
OGRID No.	0per	ator Name	Elevation		
16696	OXY	USA INC.	2940.1'		

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Ν	10	24-S	29-E		220	SOUTH	1725	WEST	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
4	3	24-5	29-E		20	NORTH	330	WEST	EDDY
Dedicated Acres   Joint or Infill   Consolidation Code		Code Or	der No.				•		
1280									



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

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

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**☑** AMENDED REPORT

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WELL LOCATION AND ACREAGE DEDICATION PLAT

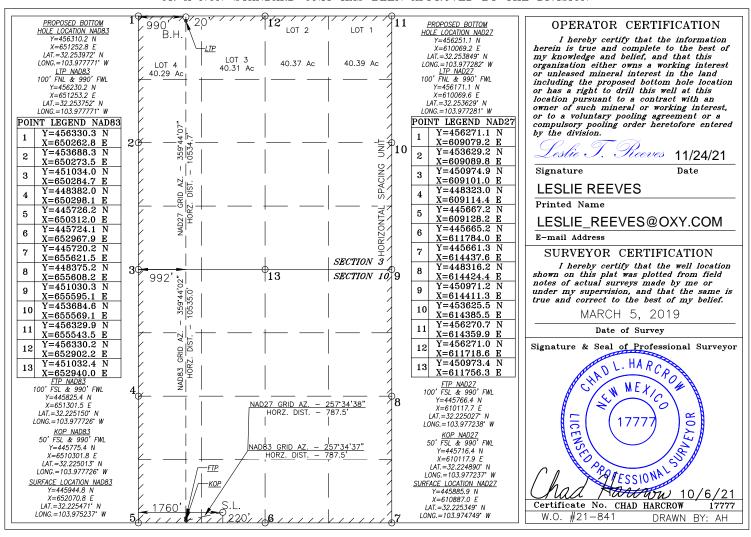
	WELL LOCATION AND	ACKEAGE DEDICATION FLAT	
API Number	Pool Code	Pool Name	
30-015-48880	98220	PURPLE SAGE WOLFCAMP	(GAS)
Property Code	Prop	erty Name	Well Number
329988	TAILS CC 10_	_3 FEDERAL COM	32H
OGRID No.	Oper	ator Name	Elevation
16696	OXY	USA INC.	2940.2'

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Ν	10	24-S	29-E		220	SOUTH	1760	WEST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Townshi	ip	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	24-5	S	29-E		20	NORTH	990	WEST	EDDY
Dedicated Acres	Joint o	r Infill	Con	solidation (	Code Or	der No.				
1280										



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WELL LOCATION AND ACREAGE DEDICATION PLAT

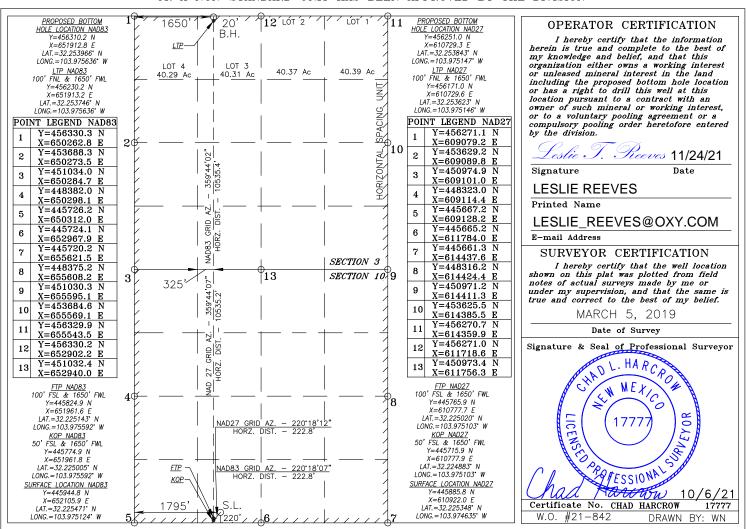
API Number	Pool Code	Pool Name			
30-015-48879	P (GAS)				
Property Code	Prop	erty Name	Well Number		
329988	TAILS CC 10_	3 FEDERAL COM	33H		
OGRID No.	Oper	ator Name	Elevation		
16696	OXY 1	USA INC.	2942.2'		

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	29-E		220	SOUTH	1795	WEST	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
3	3	24-S	29-E		20	NORTH	1650	WEST	EDDY
Dedicated Acr	es Joint o	r Infill (	Consolidation	Code Or	der No.				
1280									



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WELL LOCATION AND ACREAGE DEDICATION PLAT

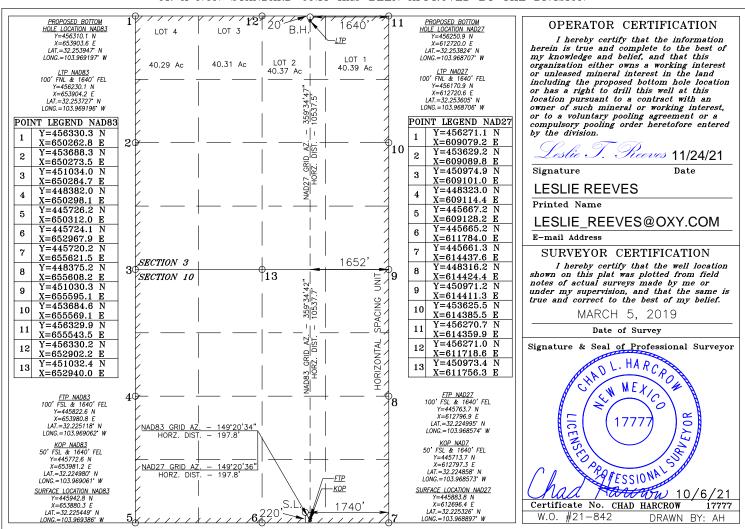
API Number	Pool Code	Pool Name			
30-015-48959	98220	PURPLE SAGE WOLFCAMP (GAS)			
Property Code	Prop	erty Name	Well Number		
329988	TAILS CC 10_	_3 FEDERAL COM	34H		
OGRID No.	Oper	ator Name	Elevation		
16696	OXY	USA INC.	2939.5'		

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	24-S	29-E		220	SOUTH	1740	EAST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	3	24-9	S 29-E		20	NORTH	1640	EAST	EDDY
Dedicated Acres	Joint o	r Infill	Consolidation	Code Or	der No.				
1280									



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☑ AMENDED REPORT

WELL	LOCATION	AND	ACREAGE	DEDICATION	PLAT
11 2323	MO CILITOIT	7 7 7 7 7	TICITICI	DIDIOITIOI	

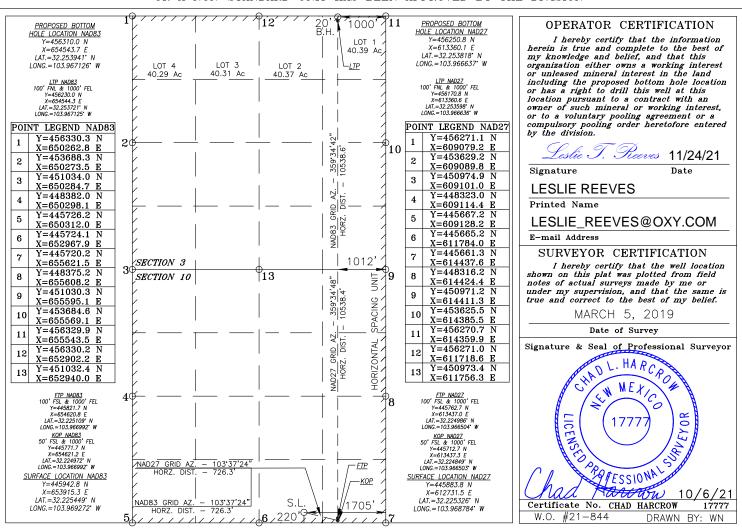
30-015-48965	98220 Pool Code	PURPLE SAGE WOLFCAMP	1P (GAS)		
Property Code	Prop	erty Name	Well Number		
329988	TAILS CC 10_	3 FEDERAL COM	35H		
OGRID No.	Oper-	ator Name	Elevation		
16696	OXY 1	USA INC.	2939.6'		

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	24-S	29-E		220	SOUTH	1705	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
	1	3	24-S	29-E		20	NORTH	1000	EAST	EDDY
ĺ	Dedicated Acres	Joint o	r Infill (	Consolidation (	Code Or	der No.		•		
	1280									



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State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

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□ AMENDED REPORT

	WELL LOCATION AND	ACREAGE DEDICATION PLAT	
API Number	Pool Code	Pool Name	
30-015-48964	98220	PURPLE SAGE WOLFCAMP	(GAS)
Property Code	Prop	erty Name	Well Number
329988	TAILS CC 10_	_3 FEDERAL COM	36H
OGRID No.	Oper	ator Name	Elevation
16696	OXY	USA INC.	2939.3'

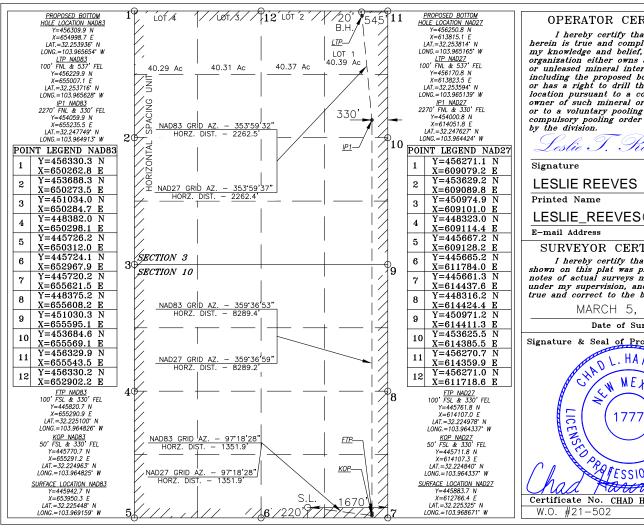
#### Surface Location

UL or	lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	0	10	24-S	29-E		220	SOUTH	1670	EAST	EDDY

#### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Townshi	ip	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	3	24-	S	29-E		20	NORTH	545	EAST	EDDY
Dedicated Acre	Joint o	r Infill	Cor	nsolidation (	Code O	der No.				
1280										

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 I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Leslie I. Reeves<sub>12/1/21</sub> Date

LESLIE\_REEVES@OXY.COM

#### 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.

MARCH 5, 2019

Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCRO MEXIC 0R PATESSIONAL

Certificate No. CHAD HARCROW 17777 DRAWN BY: AH

Form C-102

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

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1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

**☑** AMENDED REPORT

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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	Pool Code	Pool Name	
30-015-48877	PURPLE SAGE WOLFCAMP	(GAS)	
Property Code	Prop	erty Name	Well Number
329988	TAILS CC 10_	_3 FEDERAL COM	38H
OGRID No.	Oper	ator Name	Elevation
16696	OXY	USA INC.	2937.8'

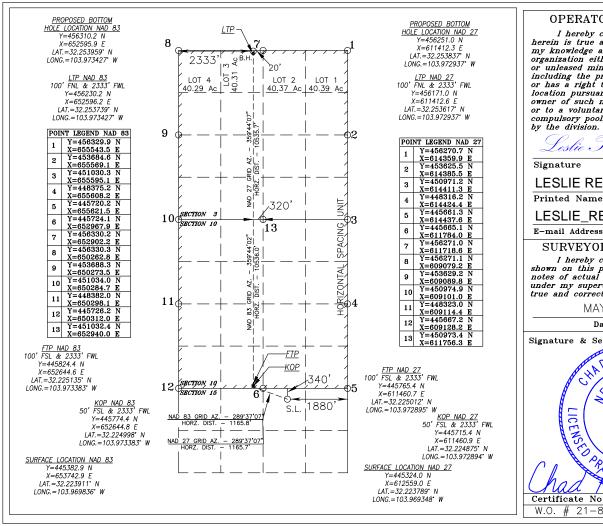
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	15	24-S	29-E		340	NORTH	1880	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
3	3	24-5	29-E		20	NORTH	2333	WEST	EDDY
Dedicated Acres	Joint o	r Infill	Consolidation	Code Or	der No.				
1280									

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 I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Leslie I. Reeves 11/24/21 Date

#### LESLIE REEVES

#### LESLIE\_REEVES@OXY.COM

E-mail Address

#### 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.

MAY 30, 2019

Date of Survey

Signature & Seal of Professional Surveyor



Certificate No. CHAD HARCROW 17777 21-874 DRAWN BY: AH

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

State of New Mexico Energy, Minerals & Natural Resources Department CONSERVATION DIVISION

> 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

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

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) 476-3460 Fax: (505) 476-3462

**☑** AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name		
30-015-48930	98220	PURPLE SAGE WOLFCAMP (GAS)		
Property Code	Prop	erty Name	Well Number	
329988	TAILS CC 10_	_3 FEDERAL COM	312H	
OGRID No.	Oper	ator Name	Elevation	
16696	OXY	USA INC.	2938.4'	

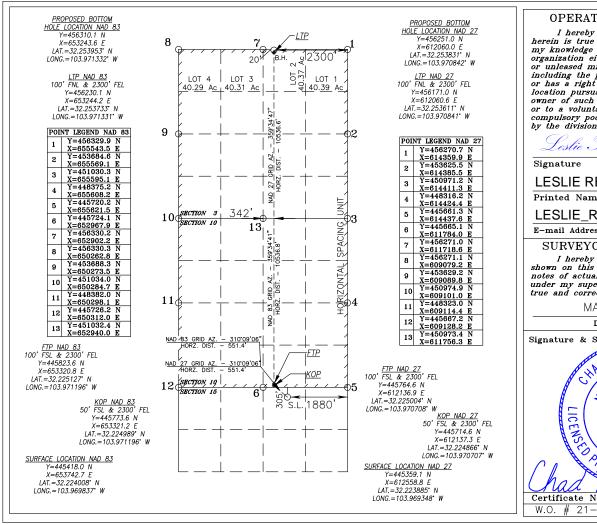
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	15	24-S	29-E		305	NORTH	1880	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
2	3	24-5	3 29-E		20	NORTH	2300	EAST	EDDY
Dedicated Acre	s Joint o	r Infill	Consolidation	Code Or	der No.				
1280									

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 I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Leslie I. Keeves 11/24/21

Date

LESLIE REEVES

Printed Name

LESLIE\_REEVES@OXY.COM

E-mail Address

#### 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.

MAY 30, 2019

Date of Survey

Signature & Seal of Professional Surveyor CHAD L. HARCRO



Certificate No. CHAD HARCROW 17777 21-839 DRAWN BY: AH

#### Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of October, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

#### WITNESSETH:

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

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

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

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

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

Township 24 South, Range 29 East, NMPM Section 3: Lots 1, 2, 3, 4, S/2N/2 & S/2 Section 10: All

Eddy County, New Mexico

Containing 1,278.62 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

- 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, Suite 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 October 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

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

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

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

	OXY USA INC.
DATE:	BY:
	John V. Schneider Attorney-in-Fact

OPERATOR:

STATE OF TEXAS )	
COUNTY OF HARRIS )	
	before me on this the day of, RNEY-IN-FACT of <b>OXY USA INC.</b> , a Delaware
	Notary Public in and for the State of Texas
OPERATING RIGHTS OWNER OF REC NMNM 059385 & FEE LEASE	ORD FOR LEASES NMNM 053373, NMNM 081616,
	OXY USA INC.
DATE:	BY: John V. Schneider Attorney-in-Fact
STATE OF TEXAS ) COUNTY OF HARRIS )	
	before me on this the day of, RNEY-IN-FACT of <b>OXY USA INC.</b> , a Delaware
Ī	Notary Public in and for the State of Texas

#### OPERATING RIGHTS & LESSEE OF RECORD OWNER FOR LEASE NMNM 085891

	OXY Y-1 COMPANY
DATE:	BY: John V. Schneider Attorney-in-Fact
STATE OF TEXAS	)
COUNTY OF HARRIS	) )
This instrument was ac 20, by <u>JOHN V. SCHNEI</u> corporation, on behalf of said	cknowledged before me on this the day of, DER, ATTORNEY-IN-FACT of OXY Y-1 COMPANY., a New Mexico d corporation.
	Notary Public in and for the State of Texas

#### OPERATING RIGHTS & LESSEE OF RECORD OWNER FOR LEASE NMNM 085891

#### **EOG RESOURCES INC.**

DATE:	BY:	
	NAME:	
	TITLE:	
STATE OF		
STATE OF	)	
This instrument was acknow	vledged before me on	, 20, by
	, as	of <b>EOG</b>
RESOURCES, INC, a	corporation	n, on behalf of said corporation.
	Notary Public in and for Notary's name Printed	or the State of Texas :
	Notary's commission e	expires:

#### **LESSEE OWNER OF RECORD FOR LEASE NMNM 081616**

# 

**DEVON ENERGY PRODUCTION COMPANY, LP** 

Notary Public in and for the State of \_\_\_\_\_

Notary's name Printed: \_\_\_\_\_\_\_Notary's commission expires: \_\_\_\_\_

#### OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 LESSEE OWNER OF RECORD FOR LEASE NMNM 059385 & 053373

# 

TAP ROCK RESOURCES, LLC

#### OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 081616

	VISION ENERGY	, INC.	
DATE:	BY:		
	TITLE:		
STATE OF			
STATE OF			
This instrument was acknowled	ged before me on	, 20, by	/
, as		of Vision Energy, Inc., a	
corporation,	on behalf of said corp	oration.	
		nd for the State of	
	Notary's name Pri	nted:	
	Notary's commiss	ion expires:	

# OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373

**ENERSTAR RESOURCES LTD CO.** 

DATE:	BY:
	NAME:
	TITLE:
STATE OF )	
STATE OF ) COUNTY OF )	
This instrument was acknowledged	d before me on, 20, by
, as	of ENERSTAR RESOURCES LTD
CO., a corporation	
	Notary Public in and for the State of
	Notary's name Printed:
	Notary's commission expires:

#### OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385

DATE:\_\_\_\_\_\_ BY: \_\_\_\_\_\_ NAME: \_\_\_\_\_ TITLE: \_\_\_\_\_\_ STATE OF \_\_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_\_\_, 20\_\_\_\_, by BOB BLUNDELL, JR.

Notary Public in and for the State of \_\_\_\_\_\_ Notary's name Printed: \_\_\_\_\_\_ Notary's commission expires: \_\_\_\_\_\_

**BOB BLUNDELL, JR.** 

#### OPERATING RIGHTS OWNER OF RECORD FOR LEASE NMNM 081616

MCNIC OIL & GAS PROPERTIES, INC.

DATE:		BY:	
-		NAME:	
		TITLE:	
STATE OF			
STATE OF	)		
This instrumer	nt was acknowled	ged before me on	, 20, by
	, as	, of <b>MCN</b>	NIC OIL & GAS PROPERTIES
INC., a	corporation	on, on behalf of said corporation	on.
			e State of
		Notary's commission expi	res:

#### LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

#### **COG OPERATING, LLC**

DATE:	BY: NAME: TITLE:	
STATE OF		
This instrument was acknowledge	ed before me on,	20, by
, as	, of COG OPERATING,	LLC, a
limited liability com	pany, on behalf of said limited liability compa	any.
	Notary Dublic in and for the State of	
	Notary Public in and for the State of Notary's name Printed:	
	Notary's commission expires:	

#### OPERATING RIGHTS OWNER OF RECORD FOR LEASE NMNM 081616

 ${\it CCS} \ {\it RESOURCES}, {\it INC}.$ 

DATE:	BY:	
	NAME:	
	TITLE:	
STATE OF		
This instrument was acknowledge	ed before me on,	20, by
, as	, of CCS RESOURCES	, <b>INC.</b> , a
corporation, on beh	nalf of said corporation.	
	Notary Public in and for the State of Notary's name Printed:	
	Notary's commission expires:	

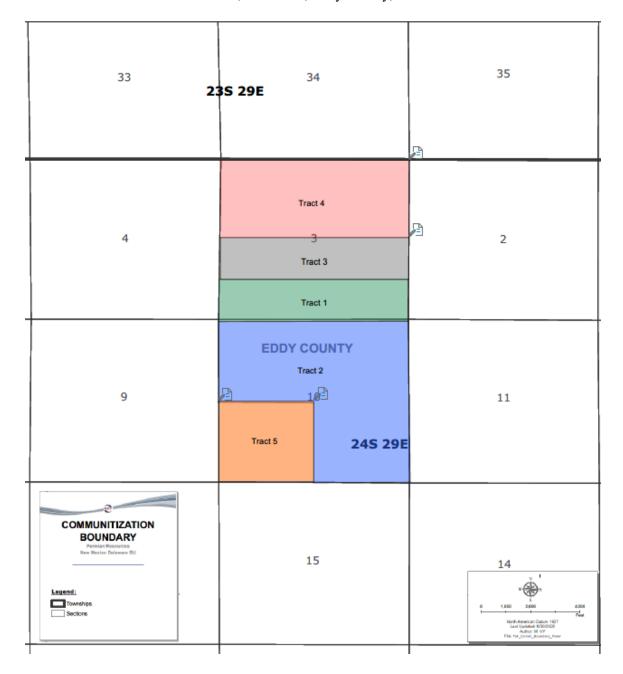
#### **LESSEE OWNER OF RECORD FOR LEASE NMNM 081616**

Notary's name Printed: \_\_\_\_\_\_\_Notary's commission expires: \_\_\_\_\_

MBR RESOURCES, INC.

**EXHIBIT "A"** 

Plat of communitized area covering **1,278.62** acres in Township 24 South, Range 29 East, Section 3 & 10, N.M.P.M., Eddy County, New Mexico.



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

To Communitization Agreement dated October 1, 2020 embracing the following described land in Section 3 & Section 10, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

#### **DESCRIPTION OF LEASES COMMITTED**

Tract No. 1

Lease Serial Number: NMNM 053373

Description of Land Committed: Township 24 South, Range 29 East,

Section 3: S/2S/2

Number of Acres: 160 acres

Current Lessee of Record: Tap Rock Resources, LLC

Name of Operating Rights Owners: All depths below 8,200' or Base of First Bone

Spring, whichever is the shallower depth:

OXY USA Inc. - 96.84085%

Enerstar Resources Ltd. Co. – 3.159150%

Tract No. 2

Lease Serial Number: NMNM 081616

Description of Land Committed: Township 24 South, Range 29 East,

Section 10: N/2 & SE/4

Number of Gross Acres: 480 acres

Current Lessee of Record: MBR Resources Inc.

Devon Energy Production Co. LP

COG Operating LLC

Name of Working Interest Owners: All depths below 8,200' or base of First Bone

Spring as to the NE/4:

OXY USA Inc. - 52.7625%

MCNIC Oil & Gas Properties Inc. – 27.2375%

Vision Energy Inc. – 20.0%

All depths below 8,200' or base of First Bone

Spring as to the N/2NW/4: OXY USA Inc. – 20.0% CCS Resources Inc. – 60.0% Vision Energy Inc. – 20.0%

All depths below 8,200' or base of First Bone

Spring as to the S/2NW/4: OXY USA Inc. – 20.0% CCS Resources Inc. – 60.0% Vision Energy Inc. – 20.0%

All depths as to the SE/4: OXY USA Inc. – 60.2625%

MCNIC Oil & Gas Properties Inc. – 39.7375%

Tract No. 3

Lease Serial Number: NMNM 059385

Description of Land Committed: Township 24 South, Range 29 East,

Section 3: N/2S/2

Number of Gross Acres: 160 acres

Current Lessee of Record: Tap Rock Resources, LLC

Name of Working Interest Owners: All depths below 8,200' or Base of First Bone

Spring, whichever is the shallower depth, down to

14,130' as to NW/4SE/4: OXY USA Inc. – 96.84085%

Enerstar Resources Ltd. Co. – 2.15915%

Bob Blundell Jr. – 1.0%

All depths below 8,200' or Base of First Bone Spring, whichever is the shallower depth, down to

14,130' as to N/2SW/4 & NE/4SE/4:

OXY USA Inc. - 96.84085%

Enerstar Resources Ltd. Co. – 2.15915%

Bob Blundell Jr. – 1.0%

Tract No. 4

Lease Serial Number: NMNM 085891

Description of Land Committed: Township 24 South, Range 29 East,

Section 3: Lots 1, 2, 3 & 4 & S/2N/2

Number of Gross Acres: 318.62 acres

Current Lessee of Record: OXY Y-1 Company

EOG Resources, Inc.

Name of Working Interest Owners: OXY Y-1 Company – 4.0%

EOG Resources Inc. – 96.0%

Tract No. 5

Lease Serial No.: Fee

Description of Land Committed: Township 24 South, Range 29 East

SW/4 Section 10

Number of Gross Acres: 160 acres

Authority for Pooling: Lease contains pooling clause

Name and Percent of WI Owners: OXY USA Inc. – 100%

Lease No. 1

Lessor: D.S. Harroun, et al Lease Owner: OXY USA Inc. OXY Lease No.: 63021514 Date of Lease: 2/2/1972

Authority for Pooling: Lease contains pooling clause

## **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	160.00	12.5134911%
2	480.00	37.5404733%
3	160.00	12.5134911%
4	318.62	24.9190534%
<u>5</u>	<u>160.00</u>	<u>12.5134911%</u>
Total	1,278.62	100.000000%

5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713.497.2055 Beth Schenkel@oxy.com

February 1, 2022

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

Re: Application for Pool and Lease Commingle Permit and Off-lease Measurement, Sales, & Storage for Wells at the Whomping Willow CTB in Eddy County, New Mexico

#### Dear Interest Owner:

This is to advise you that OXY USA INC is filing an amendment to Order PLC-751 for surface commingling and off-lease measurement, sales and storage at the Whomping Willow CTB. A copy of the application submitted to the Division is attached. This request also includes future wells within the same pool and leases/CAs of wells listed in the application.

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

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

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

Respectfully,

OXY USA INC
Beth Schenkel

Senior Regulatory Engineer Beth\_Schenkel@oxy.com

apulth Some

Released to Imaging: 4/5/2022 1:16:59 PM

	Physical Mail Out Date: Februar	y 1, 2022			
Name	Address	City	State	ZIP	Tracking Number
ANDREW AND JANET VOGT TRUST	13404 PIEDRA GRANDE PLACE NE	ALBUQUERQUE	NM	87111	9414811898765844875221
BEN J FORTSON III CHILDRENS TRUST	P O BOX 29	FORT WORTH	TX	76101	9414811898765844875290
BK EXPLORATION CORPORATION	PO BOX 52098	Tulsa	ОК	74152	9414811898765844875245
BOB BLUNDELL JR	2924 COLFAX AVE	PUEBLO	СО	81008	
CCB 1998 TRUST	5 WESTOVER RD	FORT WORTH	TX	76107	9414811898765844875818
CHISOS MINERAL, LLC	1111 BAGBY ST STE 2150	HOUSTON	TX	77002	9414811898765844875856
CORNERSTONE FAMILY TRUST	P O BOX 558	PEYTON	СО	80831	9414811898765844875863
CRADON ENERGY, LP	3100 RICHMOND AVE STE 250	HOUSTON	TX	77098	9414811898765844875801
CROWNROCK MINERALS, LP	PO BOX 51933	MIDLAND	TX	79710	
DCB 1998 TRUST	5 WESTOVER RD	FORT WORTH	TX	76107	9414811898765844875849
DEVON ENERGY PRODUCTION CO LP	P O BOX 843559	DALLAS	TX	75284	_
DOROTHY S HARROUN IRREV TRUST	PO BOX 3480	ОМАНА	NE	68103	9414811898765844875832
EDNA & CURTIS ANDERSON REV TR	9314 CHERRY BROOK LANE	FRISCO	TX	75033	
ENERGY ROYALTIES LLC	1131 UPTOWN PARK BLVD STE 12	HOUSTON	TX	77056	_
ENERSTAR RESOURCES O&G LLC	P O BOX 606	CARLSBAD	NM	88221	9414811898765844875764
ERIC D BOYT	P O BOX 2602	MIDLAND	TX	79702	9414811898765844875726
GEORGE G VAUGHT JR	P O BOX 13557	DENVER	СО	80201	9414811898765844875795
GORDA SOUND ROYALTIES, LP	PO BOX 671099	DALLAS	TX	75367	9414811898765844875740
HARROUN ENERGY LLC	320 GOLD AVENUE STE 200	ALBUQUERQUE	NM	87102	9414811898765844875788
HERMAN CLIFFORD WALKER III	PO BOX 8508	MIDLAND	TX	79708	_
J F NEAL REVOCABLE TRUST	1311 DOEPP DRIVE	CARLSBAD	NM	88220	
J M MINERAL & LAND CO INC	P O BOX 1015	MIDLAND	TX	79702	9414811898765844875917
JAREED PARTNERS LTD	P O BOX 51451	MIDLAND	TX	79710	_
JEFFREY CASWELL NEAL	1311 DOEPP DRIVE	CARLSBAD	NM	88220	_
JOHN KYLE THOMA	PO BOX 17656	GOLDEN	со	80402	9414811898765844875900
JOSEPH E AND JUDITH N HANTTULA	3996 MARBLE HILLS RD	FRISCO	TX	75034	_
KIMBELL ART FOUNDATION	301 COMMERCE ST SUITE 2300	FORT WORTH	TX	76102	9414811898765844875948
KIMBELL ROYALTY HOLDINGS LLC	777 TAYLOR STREET STE 810	FORT WORTH	TX	76102	9414811898765844875986
KINGDOM INVESTMENTS LIMITED	2101 CEDAR SPRINGS RD SUITE 600	DALLAS	TX	75201	9414811898765844875931
KINGDOM INVESTMENTS, LTD	1601 ELM ST STE 3400	DALLAS	TX	75201	9414811898765844875979
LANELL HONEYMAN	406 SKYWOOD CIRCLE	MIDLAND	TX	79705	9414811898765844875610
LESLIE ROBERT HONEYMAN TRUST	406 SKYWOOD CIRCLE	MIDLAND	TX	79705	9414811898765844875658
LOWE PARTNERS LP	P O BOX 4887 DEPT 4	HOUSTON	TX	77210	9414811898765844875665
LOWE PARTNERS, LP	4400 POST OAK PARKWAY STE 2150	HOUSTON	TX	77027	9414811898765844875627
MAGNOLIA ROYALTY COMPANY INC	P O BOX 10703	MIDLAND	TX	79702	9414811898765844875603
MAPOO-NET TX GENERAL PARTNERSHIP	PO BOX 268946	OKLAHOMA CITY	ОК	73126	9414811898765844875696
MOBIL PRODUCING TEXAS & NEW MEXICO INC.	4500 DACOMA ST CORP BH3 212	HOUSTON	TX	77092	9414811898765844875641
MOBIL PRODUCING TEXAS & NEW MEXICO INC.	22777 Springwoods Village Pkwy	Spring	TX	77389	_9414811898765844875689
MWB 1998 TRUST	5 WESTOVER RD	FORT WORTH	TX	76107	
PAUL R BARWIS	P O BOX 230	MIDLAND	TX	79702	9414811898765844875672
PENWELL EMPLOYEE ROYALTY POOL	310 W WALL STREET SUITE 1001	MIDLAND	TX	79739	
PIPER L NELMS	835 SOMERA CT	SIMI VALLEY	CA	93065	9414811898765844875153
RAVE ENERGY INC	P O BOX 3087	HOUSTON	TX	77253	9414811898765844875108
ROACH FOUNDATION INC	777 TAYLOR ST PII J	FORT WORTH	TX	76102	9414811898765844875191
ROBERT C GRABLE	201 MAIN STREET STE 2500	FORT WORTH	TX	76102	9414811898765844875184
ROBERT E HIBBERT II	1800 ST JAMES PLACE STE 311	HOUSTON	TX	77056	9414811898765844875177
RUSK CAPITAL MANAGEMENT LLC	7600 W TIDWELL RD STE 800	HOUSTON	TX	77040	9414811898765844875351
RUTTER & WILBANKS CORPORATION	PO BOX 3186	MIDLAND	TX	79701	9414811898765844875368
SANDRA M THOMA	8530 MILL RUN ROAD	ATHENS	TX	75751	9414811898765844875320
SOFTSEARCH INVESTMENT LP	P O BOX 89	ABILENE	TX	79604	_
SOFTVEST MANAGEMENT LP	P O BOX 89	ABILENE	TX	79604	
SUNDANCE MINERALS I	P O BOX 17744	FORT WORTH	TX	76102	_9414811898765844875344
TAP ROCK MINERALS LP	523 PARK POINT DR STE 200	GOLDEN	СО	80401	_9414811898765844875382
TARA L KEENE	2107 SILVERSTAR ST	SIMI VALLEY	CA	93065	_
TAURUS ROYALTY LLC	P O BOX 1477	LITTLE ELM	TX	75068	_
•		+			_
WILLIAM K BURTON	5 WESTOVER RD	FORT WORTH	TX	76107	9414811898765844875054

From: McClure, Dean, EMNRD

To: <u>Musallam, Sandra C</u>; <u>Schenkel, Beth V</u>

Cc: McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis,

Kyle O; Walls, Christopher

Subject: Approved Administrative Order PLC-751-A

Date: Tuesday, April 5, 2022 12:42:10 PM

Attachments: PLC751A Order.pdf

NMOCD has issued Administrative Order PLC-751-A 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
		All	3-24S-29E	11520
30-015-47957	Tails CC 10 3 Federal Com #22H	N/2	10-24S-29E	11520
		S/2	10-24S-29E	96473
		All	3-24S-29E	11520
30-015-47959	Tails CC 10 3 Federal Com #26H	N/2	10-24S-29E	11520
		S/2	10-24S-29E	96473
		All	3-24S-29E	11520
30-015-47960	Tails CC 10 3 Federal Com #25H	N/2	10-24S-29E	11520
		S/2	10-24S-29E	96473
		All	3-24S-29E	11520
30-015-47958	Tails CC 10 3 Federal Com #21H	N/2	10-24S-29E	11520
		S/2	10-24S-29E	96473
	Tails CC 10 3 Federal Com #24H	All	3-24S-29E	11520
30-015-47961		<b>N/2</b>	10-24S-29E	11520
		S/2	10-24S-29E	96473
20.015.40001	Tails CC 10 3 Federal Com #31H	All	3-24S-29E	98220
30-015-48881		All	10-24S-29E	
20.015.40000	Tails CC 10.2 Federal Com #22H	All	3-24S-29E	00220
30-015-48880	Tails CC 10 3 Federal Com #32H	All	10-24S-29E	98220
20.015.40070	Taile CC 10.2 Federal Com #22H	All	3-24S-29E	00220
30-015-48879	Tails CC 10 3 Federal Com #33H	All	10-24S-29E	98220
20.015.40050	T-1, CC 10.2 F-1, C   24H	All	3-24S-29E	00220
30-015-48959	Tails CC 10 3 Federal Com #34H	All	10-24S-29E	98220
20.015.40075	T-1, CC 10.2 F. L C #25H	All	3-24S-29E	00220
30-015-48965	Tails CC 10 3 Federal Com #35H	All	10-24S-29E	98220
20.015.40074	T-1, CC 10.2 F-1,   C   2CH	All	3-24S-29E	00220
30-015-48964	Tails CC 10 3 Federal Com #36H	All	10-24S-29E	98220
20.015.40055	Toils CC 10.2 Fodered Com #2011	All	3-24S-29E	00220
30-015-48877	Tails CC 10 3 Federal Com #38H	All	10-24S-29E	98220
20.015.49020	Taile CC 10.2 Federal Com #212H	All	3-24S-29E	00220
30-015-48930	Tails CC 10 3 Federal Com #312H	All	10-24S-29E	98220

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

# 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-751-A** 

#### **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.
- 9. 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 acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

Order No. PLC-751-A Page 1 of 5

#### **CONCLUSIONS OF LAW**

- 10. 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.
- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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.
- 15. 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.
- 16. 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-751.
- 3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

Order No. PLC-751-A Page 2 of 5

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.

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 until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

- 4. 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.
- 5. 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.

Order No. PLC-751-A Page 3 of 5

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.

- 6. 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.
- 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 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 in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 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.

Order No. PLC-751-A Page 4 of 5

- 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 E. SANDOVAL
DIRECTOR

Order No. PLC-751-A Page 5 of 5

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

### Exhibit A

Order: PLC-751-A

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Whomping Willow Central Tank Battery

Central Tank Battery Location: UL F, Section 15, Township 24 South, Range 29 East

**Gas Title Transfer Meter Location:** 

#### **Pools**

Pool Name	Pool Code
<b>CEDAR CANYON; BONE SPRING</b>	11520
PIERCE CROSSING; BONE SPRING, EAST	96473
PURPLE SAGE; WOLFCAMP (GAS)	98220

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

Leases as defined in 19.13.12.7(C) WHAC				
Lease	UL or Q/Q	S-T-R		
CA Bone Spring NMNM 143051	All	3-24S-29E		
CA bolle Spring INVIIVIT 143031	All	10-24S-29E		
NMNM 085891	N/2	3-24S-29E		
NMNM 059385	N/2 S/2	3-24S-29E		
NMNM 053373	S/2 S/2	3-24S-29E		
NMNM 081616	N/2, SE/4	10-24S-29E		
Fee	SW/4	10-24S-29E		

#### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
		All	3-24S-29E	11520
30-015-47957	Tails CC 10 3 Federal Com #22H	N/2	10-24S-29E	11320
		S/2	10-24S-29E	96473
		All	3-24S-29E	11520
30-015-47959	Tails CC 10 3 Federal Com #26H	N/2	10-24S-29E	11320
		S/2	10-24S-29E	96473
		All	3-24S-29E	11520
30-015-47960	Tails CC 10 3 Federal Com #25H	N/2	10-24S-29E	11320
		S/2	10-24S-29E	96473
	Tails CC 10 3 Federal Com #21H	All	3-24S-29E	11520
30-015-47958		N/2	10-24S-29E	
		S/2	10-24S-29E	96473
		All	3-24S-29E	11520
30-015-47961	Tails CC 10 3 Federal Com #24H	N/2	10-24S-29E	11320
		S/2	10-24S-29E	96473
30-015-48881	Tails CC 10 3 Federal Com #31H	All	3-24S-29E	98220
30-013-40001	Tans CC 10 3 Federal Com #3111	All	10-24S-29E	70220
30-015-48880	Tails CC 10 3 Federal Com #32H	All	3-24S-29E	98220
	Tails CC 10 3 Federal Colli #32H	All	10-24S-29E	70440
30-015-48879	Tails CC 10 3 Federal Com #33H	All	3-24S-29E	98220
30-013-400/9	rans CC 10 3 rederal Com #35H	All	10-24S-29E	70440

20.015.40050	T-9- CC 10.2 E-11 C #24H	All	3-24S-29E	00220
30-015-48959	Tails CC 10 3 Federal Com #34H	All	10-24S-29E	98220
30-015-48965	Tails CC 10 3 Federal Com #35H	All	3-24S-29E	98220
30-013-40703		All	10-24S-29E	70220
30-015-48964	Tails CC 10 3 Federal Com #36H	All	3-24S-29E	98220
		All	10-24S-29E	70220
30-015-48877	Tails CC 10 3 Federal Com #38H	All	3-24S-29E	98220
30-013-40077		All	10-24S-29E	70220
30-015-48930	Tails CC 10 3 Federal Com #312H	All	3-24S-29E	98220
		All	10-24S-29E	70220

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

## Exhibit B

Order: PLC-751-A

Operator: Oxy USA, Inc. (16696)

Pool	hal	Δ	reas
		$\overline{}$	1645

1 0 0 1 0 1 1 1 0 0 0					
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID	
CA Wolfcamp BLM	All All	3-24S-29E 10-24S-29E	1278.62	A	

## **Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 085891	N/2	3-24S-29E	318.62	A
NMNM 059385	N/2 S/2	3-24S-29E	160	A
NMNM 053373	S/2 S/2	3-24S-29E	160	A
NMNM 081616	N/2, SE/4	10-24S-29E	480	A
Fee	SW/4	10-24S-29E	160	A

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

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 77673

#### **CONDITIONS**

Operator:	OGRID:			
OXY USA INC	16696			
P.O. Box 4294	Action Number:			
Houston, TX 772104294	77673			
	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.	4/5/2022