

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

OXY USA INC.

5 Greenway Plaza, Suite 110, Houston, TX

Operator

Address

CAL MON 35 FEDERAL

#174H

B-35-23S-31E

EDDY

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 16696 Property Code 314855 API No. 30-015-45523 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Cotton Draw; Bone Spring		WC-015 G-08 S233135D; WOLFCAMP
Pool Code	13367		98236
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	11703' - 11774'		11775'-11989' and 12023' - 16749'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Not Required, Pre-Approved Pool		Not Required, Pre-Approved Pool
Oil Gravity or Gas BTU (Degree API or Gas BTU)	Not Required, Pre-Approved Pool		Not Required, Pre-Approved Pool
Producing, Shut-In or New Zone	New Zone (Adding Perfs)		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: 10.86BO 16.3 BW 32.59MCFD	Date: Rates:	Date: Rates: 128.7BO GOR 3000CF/BB WOR 1.5 BW/BO
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 5.9 % Gas 5.9 %	Oil % Gas %	Oil 94.1 % Gas 94.1 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☒

NMOCD Reference Case No. applicable to this well:

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE *Leslie T. Reeves*

TITLE REGULATORY ADVISOR

DATE 5/25/2022

TYPE OR PRINT NAME LESLIE REEVES

TELEPHONE NO. (713) 497-2492

E-MAIL ADDRESS LESLIE_REEVES@OXY.COM

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, 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

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

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-45523	98236	WC-015 G-08 S233135D; WOLFCAMP
Property Code	Property Name	Well Number
314855	CAL-MON "35" FEDERAL	174H
OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	3463.8'

Surface Location

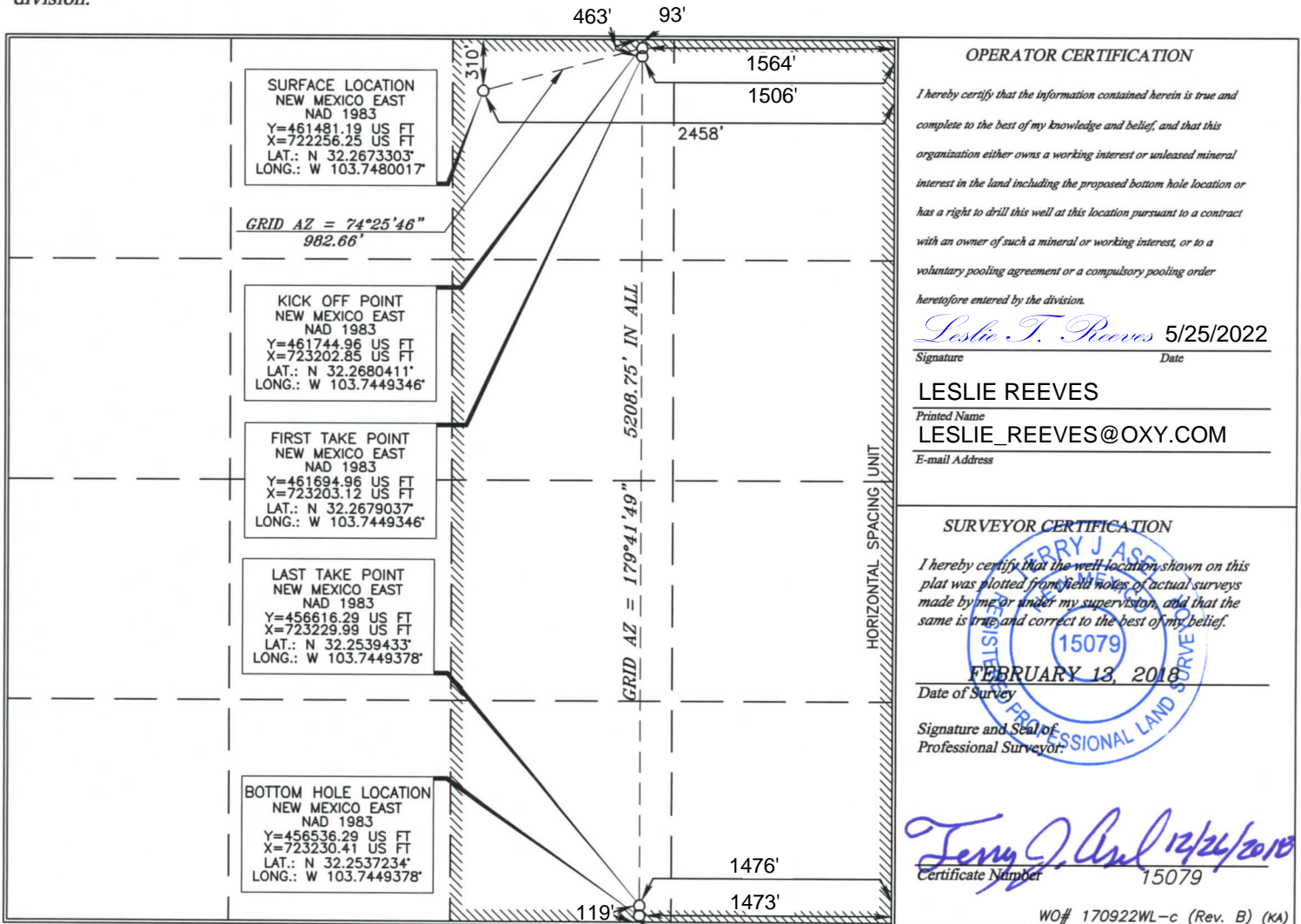
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	23 SOUTH	31 EAST, N.M.P.M.		310'	NORTH	2458'	EAST	EDDY

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
O	35	23 SOUTH	31 EAST, N.M.P.M.		27'	SOUTH	1473'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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.



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

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

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-45523	13367	COTTON DRAW; BONE SPRING
Property Code	Property Name	Well Number
314855	CAL-MON "35" FEDERAL	174H
OGRID No.	Operator Name	Elevation
16696	OXY USA INC.	3463.8'

Surface Location

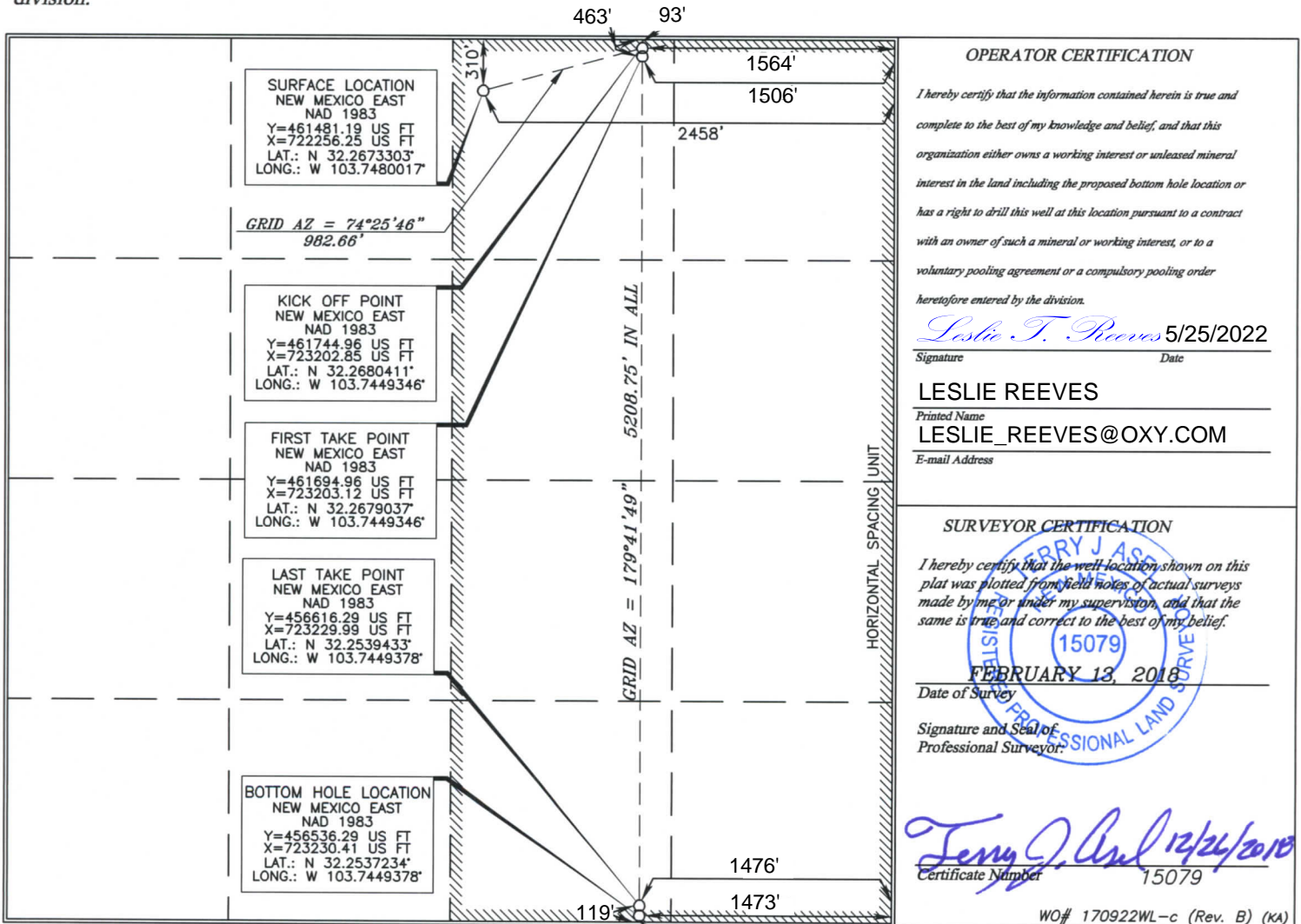
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	23 SOUTH	31 EAST, N.M.P.M.		310'	NORTH	2458'	EAST	EDDY

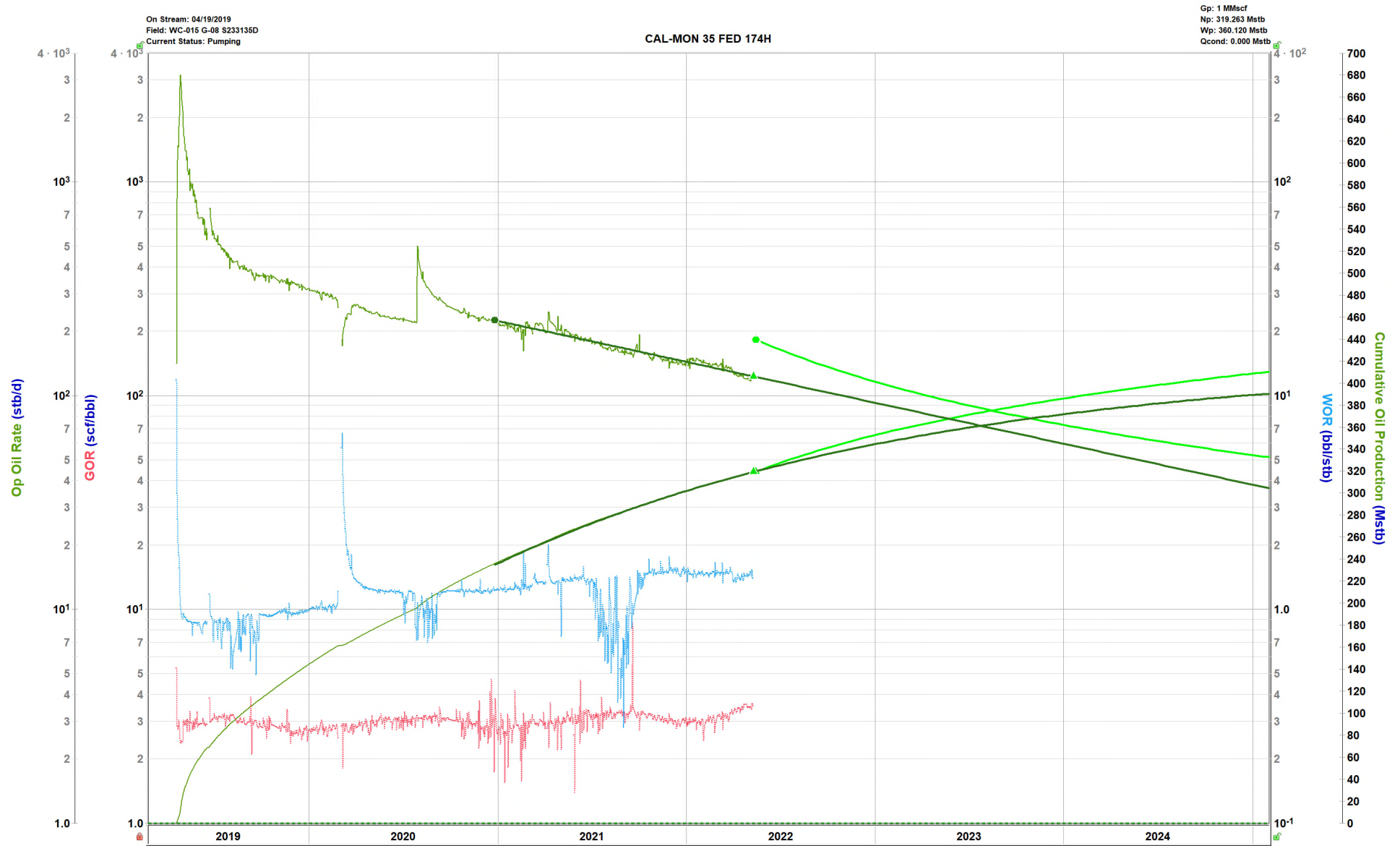
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	23 SOUTH	31 EAST, N.M.P.M.		27'	SOUTH	1473'	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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.





The attached production plots showing the historical data with the estimated uplift. The estimated uplift is based on current type curve for Wolfcamp/3BSS wells (both formations use the same type curve) so it was estimated proportional to the length of rock to stimulate. GOR and WOR are expected to be the same on both formations therefore % for oil, water and gas are the same.

Cal-Mon 174H:

Step 1

New Production (% per zone): Uplift Proportionally to pay zone length to add

Estimated

Uplift	55.16	BOD
GOR	3000	CF/Bb
WOR	1.5	BW/BO

Additional Pay zone

3BSS	65	ft
Wolfcamp	265	ft

Uplift per zone

	Oil		Water		Gas	
3BSS	10.86	BOD	16.30	BWD	32.59	MCFD
Wolfcamp	44.30	BOD	66.44	BWD	132.89	MCFD

Step 2

Total well Production Distribution

Current Oil	128.7	BOD
GOR	3000	CF/Bb
WOR	1.5	BW/BO

Total Production	183.9	BOD
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	Oil	Water	Gas
3BSS	5.9%	5.9%	5.9%
Wolfcamp	94.1%	94.1%	94.1%

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

5. Lease Serial No.
NMNM19199

23. Casing and Liner Record *(Report all strings set in well)*

24. Tubing Record

25. Producing Intervals

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

28. Production - Interval A

28a. Production - Interval B

(See Instructions and spaces for additional data on reverse side)

Released to Imaging: 6/3/2022 1:15:49 PM

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(*Sold, used for fuel, vented, etc.*)
SOLD

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
BELL CANYON	4438	5347	OIL, GAS, WATER	RUSTLER	750
CHERRY CANYON	5348	6585	OIL, GAS, WATER	SALADO	1071
BRUSHY CANYON	6586	8316	OIL, GAS, WATER	CASTILE	2959
BONE SPRING	8317	9152	OIL, GAS, WATER	LAMAR	4415
BONE SPRING 1ST	9153	9688	OIL, GAS, WATER	BELL CANYON	4438
BONE SPRING 2ND	9689	10523	OIL, GAS, WATER	CHERRY CANYON	5348
BONE SPRING 3RD	10524	11774	OIL, GAS, WATER	BRUSHY CANYON	6586
WOLFCAMP	11775	11942	OIL, GAS, WATER	BONE SPRING	8317

32. Additional remarks (include plugging procedure):

52. FORMATION (LOG) MARKERS CONTD.

1ST BONE SPRING 9153' MD
2ND BONE SPRING 9689' MD
3RD BONE SPRING 10524' MD
WOLFCAMP 11775' MD

Logs were mailed 8/1/19.

33. Circle enclosed attachments:

- | | | | |
|---|--------------------|---------------|-----------------------|
| 1. Electrical/Mechanical Logs (1 full set req'd.) | 2. Geologic Report | 3. DST Report | 4. Directional Survey |
| 5. Sundry Notice for plugging and cement verification | 6. Core Analysis | 7 Other: | |

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #476261 Verified by the BLM Well Information System.

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by DEBORAH HAM on 11/18/2019 (20DMH0016SE)

Name(*please print*) LESLIE REEVES

Title REGULATORY ADVISOR

Signature (Electronic Submission)

Date 08/01/2019

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.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

Additional data for transaction #476261 that would not fit on the form

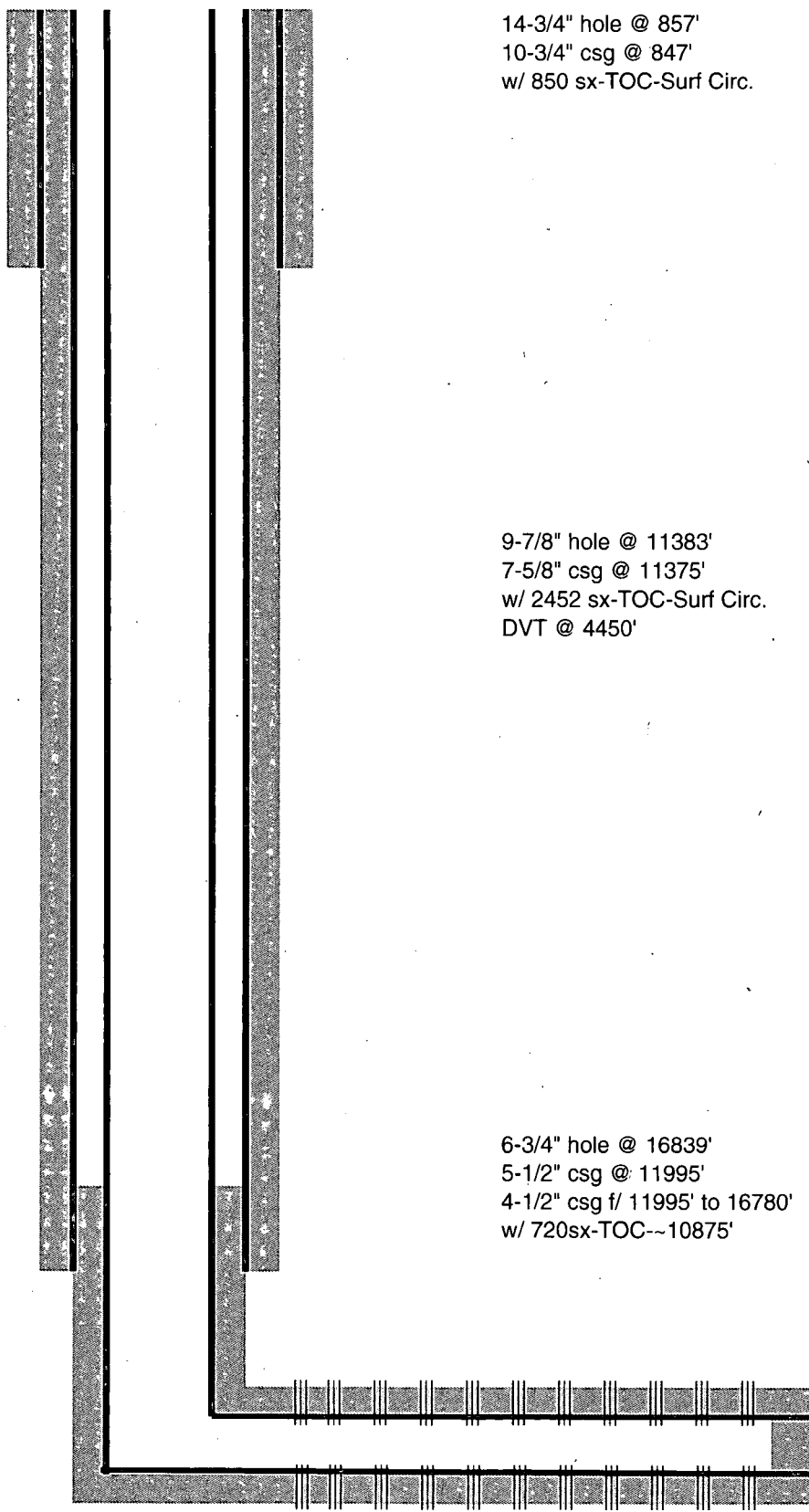
32. Additional remarks, continued

Log Header, Directional Survey, As-Drilled Amended C-102 plat & WBD are attached.

Revisions to Operator-Submitted EC Data for Well Completion #476261

	Operator Submitted	BLM Revised (AFMSS)
Lease:	NMNM19199	NMNM19199
Agreement:		
Operator:	OXY USA INC. P.O. BOX 4294 HOUSTON, TX 77210 Ph: 713-497-2492	OXY USA INCORPORATED 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521 Ph: 713.350.4816
Admin Contact:	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Ph: 713-497-2492	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Cell: 281-733-0824 Ph: 713-497-2492
Tech Contact:	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Ph: 713-497-2492	LESLIE REEVES REGULATORY ADVISOR E-Mail: LESLIE_REEVES@OXY.COM Cell: 281-733-0824 Ph: 713-497-2492
Well Name: Number:	CAL-MON 35 FEDERAL 174H	CAL-MON 35 FEDERAL 174H
Location:		
State:	NM	NM
County:	EDDY	EDDY
S/T/R:	Sec 35 T23S R31E Mer NMP	Sec 35 T23S R31E Mer NMP
Surf Loc:	NWNE 310FNL 2458FEL 32.267330 N Lat, 103.748001 W Lon	NWNE 310FNL 2458FEL 32.267330 N Lat, 103.748001 W Lon
Field/Pool:	WC-015 G-08 S233135D; WOL	WILDCAT-WOLFCAMP
Logs Run:	GAMMA RAY, CBL	GAMMARAY CBL
Producing Intervals - Formations:	WOLFCAMP	WOLFCAMP
Porous Zones:	BELL CANYON CHERRY CANYON BRUSHY CANYON BONE SPRING 1ST BONE SPRING 2ND BONE SPRING 3RD BONE SPRING WOLFCAMP	BELL CANYON CHERRY CANYON BRUSHY CANYON BONE SPRING BONE SPRING 1ST BONE SPRING 2ND BONE SPRING 3RD WOLFCAMP
Markers:	RUSTLER SALADO CASTILE LAMAR BELL CANYON CHERRY CANYON BRUSHY CANYON BONE SPRING	RUSTLER SALADO CASTILE LAMAR BELL CANYON CHERRY CANYON BRUSHY CANYON BONE SPRING

OXY USA INC
Cal-Mon 35 Federal 174H
API No. 30-015-45523



14-3/4" hole @ 857'
10-3/4" csg @ 847'
w/ 850 sx-TOC-Surf Circ.

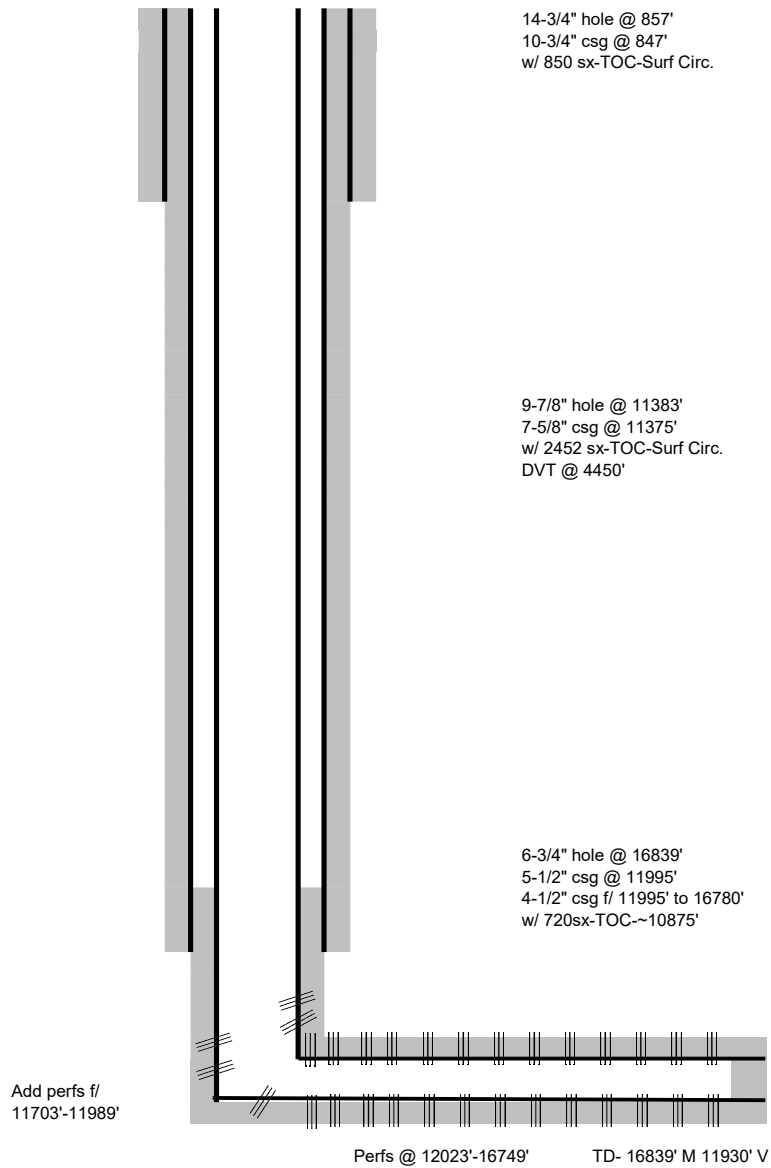
9-7/8" hole @ 11383'
7-5/8" csg @ 11375'
w/ 2452 sx-TOC-Surf Circ.
DVT @ 4450'

6-3/4" hole @ 16839'
5-1/2" csg @ 11995'
4-1/2" csg f/ 11995' to 16780'
w/ 720sx-TOC--10875'

Perfs @ 12023'-16749'

TD- 16839' M 11930' V

OXY USA INC
Cal-Mon 35 Federal 174H
API No. 30-015-45523
Proposed





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

May 26, 2022

Dean McClure
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: *Application for Downhole Commingling -
OXY USA Inc.
Cal Mon 35 Federal #174H
30-015-45523
B-35-23S-31E 310' FNL 2458'FEL*

Dear Mr. McClure:

Oxy USA Inc. respectfully seeks approval to downhole commingle the subject well; Cotton Draw; Bone Spring pool (13367) and the WC-015 G-08 S233135D; Wolfcamp pool (98236). I attest that adding perforations into the Bone Spring pool will not reduce the total remaining production's value. It is Oxy's responsibility as a prudent operator to maximize lateral length and minimize reserves left in the ground.

Sincerely,

A handwritten signature in black ink, appearing to read "Anselmo Gil Chacon", is written over a circular stamp. The signature is fluid and cursive.

Anselmo Gil Chacon
Eng Advisory Prod Ops – ORCM Ops Del AM NM East Prod



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

May 26, 2022

Dean McClure
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: *Application for Downhole Commingling – Identical Ownership Statement*
OXY USA Inc.
Cal Mon 35 Federal #174H
30-015-45523
B-35-23S-31E 310' FNL 2458' FEL

Dear Mr. McClure:

OXY USA Inc. respectfully seeks approval to downhole commingle the subject well; Cotton Draw; Bone Spring pool (13367) and the WC-015 G-08 S233135D; Wolfcamp pool (98236). The working, royalty and overriding royalty interests are identical across both pools.

Sincerely,

A handwritten signature in dark ink, appearing to read "Matthew Cole", written in a cursive style.

Matthew Cole
Advisor Land Negotiator Sr – Land ORCM NM TX Delaware

Well Name: CAL-MON 35 FEDERAL	Well Location: T23S / R31E / SEC 35 / NWNE / 32.2673303 / -103.7480017	County or Parish/State: EDDY / NM
Well Number: 174H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM19199	Unit or CA Name:	Unit or CA Number:
US Well Number: 300154552300S1	Well Status: Producing Oil Well	Operator: OXY USA INCORPORATED

Notice of Intent

Sundry ID: 2673130

Type of Submission: Notice of Intent	Type of Action: Workover Operations
Date Sundry Submitted: 05/24/2022	Time Sundry Submitted: 12:42
Date proposed operation will begin: 05/17/2022	

Procedure Description: OXY USA Inc. respectfully request approval on the subject well to perform the following heel frac workover operations: There is a rig currently on this well. • MIRU PU, 10K BOP and 5K annular BOP. • Hot Water Tubing. • Pull Packer, GL Mandrels and DHG. • PU 5-1/2” scraper and run to 11,955’ • PU 3-3/4" bit and 4-1/2” scraper. Run to 12,010’. • PU 5 1/2” 10K RBP and 10K packer. RIH and set RBP at 11,365’ and set Packer at 11,345’. • Pressure test casing to 8,000 psi for 30 mins. Record test. • ND 10K BOP and annular and rig floor. • RDMO PU and handover well to completion team. • MIRU Frac Crew. Add 2 new stages in the heel section, 11703'-11989'. • Install Conventional Gas lift and return well to production.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Well Name: CAL-MON 35 FEDERAL	Well Location: T23S / R31E / SEC 35 / NWNE / 32.2673303 / -103.7480017	County or Parish/State: EDDY / NM
Well Number: 174H	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM19199	Unit or CA Name:	Unit or CA Number:
US Well Number: 300154552300S1	Well Status: Producing Oil Well	Operator: OXY USA INCORPORATED

Operator

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

Operator Electronic Signature: LESLIE REEVES

Signed on: MAY 24, 2022 12:42 PM

Name: OXY USA INCORPORATED

Title: Advisor Regulatory

Street Address: 5 GREENWAY PLAZA, SUITE 110

City: HOUSTON

State: TX

Phone: (713) 497-2492

Email address: LESLIE_REEVES@OXY.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

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: CAL MON 35 FEDERAL #174H **API:** 30-015-45523
Pool: WC-015 G-08 S233135D; WOLFCAMP **Pool Code:** 98236

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☒ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

LESLIE REEVES

Print or Type Name

Leslie T. Reeves

Signature

5/26/2022

Date

713-497-2492

Phone Number

LESLIE_REEVES@OXY.COM

e-mail Address

From: [Engineer, OCD, EMNRD](#)
To: [Reeves, Leslie T](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order DHC-5199
Date: Friday, June 3, 2022 11:14:46 AM
Attachments: [DHC5199 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5199 which authorizes Oxy USA, Inc. (16696) to downhole commingle production within the following well:

Well Name: **Cal Mon 35 Federal #174H**

Well API: **30-015-45523**

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: [Reeves, Leslie T](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXTERNAL] RE: RE: RE: Downhole Commingle Permit Timing - (2) DHC Submitted
Date: Thursday, May 26, 2022 1:20:43 PM
Attachments: [CalMon35Federal174H_BLMsundryFiled5-24-22.pdf](#)
[CalMon35Federal176H_BLMsundryFiled5-24-22.pdf](#)

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

Here are the attached sundry notices and the below explanation from our reservoir engineer.

Leslie,

Adding Paul as he can speak more about the workflow but the uplift number is proportional to the type curve IP, in other words we are expecting the new stimulated rock to behave as a new well in proportion to the length that we are adding, then we downgraded that production slightly to account for potential depletion.

Given number is in the first Month and is expected to decline similar to a new well.

Leslie T. Reeves

Regulatory Advisor | Permian Resources – New Mexico
Office: (713) 497-2492 | 29.072 | Cell: (281) 733-0824
Email: Leslie_Reeves@oxy.com

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, May 26, 2022 2:14 PM
To: Reeves, Leslie T <Leslie_Reeves@oxy.com>
Subject: RE: [EXTERNAL] RE: RE: Downhole Commingle Permit Timing - (2) DHC Submitted

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

I apologize for forgetting to mention it earlier, but I will also need a copy of the sundry you submitted to the BLM regarding this work for each of these jobs as indication that the BLM has been notified.

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

From: McClure, Dean, EMNRD

Sent: Thursday, May 26, 2022 1:06 PM

To: Reeves, Leslie T <Leslie_Reeves@oxy.com>

Subject: RE: [EXTERNAL] RE: RE: Downhole Commingle Permit Timing - (2) DHC Submitted

Leslie,

I may have done a poor job of asking my question. Do you know at what point along the x-axis on the type curve the production was calculated? As an example, a type curve may depict 2000 bbl/day per 10,000 ft at 2 months, but at 2 years it may depict 200 bbl/day per 10,000 ft. Based off the quantity of uplift, I am speculating that it is being computed at initial time with the initial production value being used, but I am hoping to have that either confirmed or corrected.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

From: Reeves, Leslie T <Leslie_Reeves@oxy.com>

Sent: Thursday, May 26, 2022 12:56 PM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Subject: [EXTERNAL] RE: RE: Downhole Commingle Permit Timing - (2) DHC Submitted

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Here are the Admin Checklists for the two downhole commingle permits.

Also the uplift was calculated using the type curve trend. For example, if a 10000' lateral type curve shows we were to produce 3000 bbls of oil for the next month and we are adding another 100' of lateral length then they calculated the additional 100' would add 30bbls/d.

I hope that helps in your review. Thank you!

Leslie T. Reeves

Regulatory Advisor | Permian Resources – New Mexico

Office: (713) 497-2492 | 29.072 | Cell: (281) 733-0824

Email: Leslie_Reeves@oxy.com

From: Reeves, Leslie T

Sent: Thursday, May 26, 2022 10:57 AM

To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Cc: Montgomery, Kelley A <Kelley_Montgomery@oxy.com>

Subject: RE: [EXTERNAL] RE: Downhole Commingle Permit Timing - (2) DHC Submitted

Importance: High

Morning Dean –

I have submitted the two DHC permits for the below two wells, I also included their action IDs. Our rig wants to complete the heel fracs next week finishing ~June 3rd, do you think these could be completed by then?

I also have the workover perforation sundry pushing with the BLM. I did use the same HSU for both pools since it is all one federal lease, same interest. Then the allocation of production is proportionate to the lateral length.

Call me if you need anything. Thank you so much for the help!

- Cal Mon 35 Federal 174H – 30-015-45523 (DHC Action ID: 110825)
- Cal Mon 35 Federal 176H – 30-015-45525 (DHC Action ID: 110887)

Leslie T. Reeves

Regulatory Advisor | Permian Resources – New Mexico

Office: (713) 497-2492 | 29.072 | Cell: (281) 733-0824

Email: Leslie_Reeves@oxy.com

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>

Sent: Wednesday, May 25, 2022 5:50 PM

To: Reeves, Leslie T <Leslie_Reeves@oxy.com>

Cc: Montgomery, Kelley A <Kelley_Montgomery@oxy.com>

Subject: RE: [EXTERNAL] RE: Downhole Commingle Permit Timing

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

Leslie,

It is within Oxy's discretion to propose an allocation method which the Division will then review. However, for consideration, in the past when there were different portions of a lateral in different formations with identical ownership, the operator had taken historical production from near by production, normalized it for length, and then computed a fixed percentage between the pools based off completed lateral length within each formation.

Having said that, my concern here based off your description is that in the past an HSU was created for each formation but both contained the same tract of land. In the situation that you describe, I wonder how the discussion has went regarding the dedication of acreage to each of the HSUs. For example, would the wolfcamp have a 2 mile long HSU, but the bone spring only have a half mile long

HSU? This would need to be considered in the determination of whether ownership is identical; for instance if the bone spring had a shorter CA, would ownership between the CAs still be identical?

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

From: Reeves, Leslie T <Leslie_Reeves@oxy.com>
Sent: Wednesday, May 25, 2022 7:50 AM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Cc: Montgomery, Kelley A <Kelley_Montgomery@oxy.com>
Subject: [EXTERNAL] RE: Downhole Commingle Permit Timing

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Thank you Dean. Once I get it filed today, I will reach out with the Action IDs. These are two horizontal wells with the lateral drilled/completed in the wolfcamp pool. Our team wants to perforate up the heel into the vertical to bring in and downhole commingle the bonespring pool along with the wolfcamp perms currently producing. I did confirm with our land group and the interest is identical between the two pools.

I appreciate your quick response.

Leslie T. Reeves

Regulatory Advisor | Permian Resources – New Mexico
Office: (713) 497-2492 | 29.072 | Cell: (281) 733-0824
Email: Leslie_Reeves@oxy.com

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Tuesday, May 24, 2022 3:58 PM
To: Reeves, Leslie T <Leslie_Reeves@oxy.com>
Subject: RE: [EXTERNAL] Downhole Commingle Permit Timing

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There is quite a back log associated with the downhole commingling similar to surface commingling. Having said that, we have been trying to expediate applications which impact operational schedules.

You will want to email me with the action ID once submitted.

Some initial questions which could be helpful for Oxy proposing an allocation method:

- Are we talking about a horizontal well which the well bore mistakenly entered both pools?
- Is ownership identical between the 2 pools?

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

From: Reeves, Leslie T <Leslie_Reeves@oxy.com>
Sent: Tuesday, May 24, 2022 2:53 PM
To: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Subject: [EXTERNAL] Downhole Commingle Permit Timing
Importance: High

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

Hi Dean-

I hope you are well. Do you know the current NMOCD downhole commingle permit approval timing? I am planning to file a downhole commingle permit for the bonespring pool and wolfcamp pool.

Thank you,

Leslie T. Reeves

Regulatory Advisor | Permian Resources – New Mexico
Office: (713) 497-2492 | 29.072 | Cell: (281) 733-0824
Email: Leslie_Reeves@oxy.com

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

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY OXY USA, INC.**

ORDER NO. DHC-5199

ORDER

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

FINDINGS OF FACT

1. Oxy USA, Inc. (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
4. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
5. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
6. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
7. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
9. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.
10. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the

proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.

11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
12. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the 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 downhole commingling application to OCD to amend this Order to remove the pool that 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.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. 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).
9. 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**

DATE: 6/03/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5199**

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

Well Name: **Cal Mon 35 Federal #174H**

Well API: **30-015-45523**

Upper Zone	Pool Name: COTTON DRAW;BONE SPRING		
	Pool ID: 13367	Current:	New: X
	Allocation: Fixed Percent	Oil: 5.9%	Gas: 5.9%
	Interval: Perforations	Top: 11,703	Bottom: 11,774
Intermediate Zone	Pool Name:		
	Pool ID:	Current:	New:
	Allocation:	Oil:	Gas:
	Interval:	Top:	Bottom:
Bottom of Interval within 150% of Upper Zone's Top of Interval:			
Lower Zone	Pool Name: WC-015 G-08 S233135D;WOLFCAMP		
	Pool ID: 98236	Current: X	New:
	Allocation: Fixed Percent	Oil: 94.1%	Gas: 94.1%
	Interval: Perforations	Top: 11,775	Bottom: 16,749
Bottom of Interval within 150% of Upper Zone's Top of Interval: YES			

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1625 N. French Dr., Hobbs, NM 88240
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Phone:(575) 748-1283 Fax:(575) 748-9720
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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 110825

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 110825
	Action Type: [C-107] Down Hole Commingle (C-107A)

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.	6/3/2022