

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 IV1220 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 DIVISION1220 S. St Francis Drive
Santa Fe, New Mexico 87505Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: OXY USA INC.

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

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)LEASE TYPE: ☐ Fee ☐ State ☒ FederalIs this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB 742A

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

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

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

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

Please attach sheets with the following information

(1) Pool Name and Code. LOST TANK;DELAWARE, WEST (96582)

(2) Is all production from same source of supply? ☒ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No(4) Measurement type: ☐ Metering ☒ Other (Specify) WELL TEST**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

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

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

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

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

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

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

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

SIGNATURE: Sandra Musallam TITLE: REGULATORY ENGINEER DATE: 07/20/2022

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

E-MAIL ADDRESS: SANDRA_MUSALLAM@OXY.COM

Revised March 23, 2017

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

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA INC. **OGRID Number:** 16696
Well Name: LOST TANK 3 FEDERAL 005 & MULTIPLE **API:** 30-015-30586 & MULTIPLE
Pool: LOST TANK;DELAWARE, WEST **Pool Code:** 96582

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

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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

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

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

SANDRA MUSALLAM

Print or Type Name

Signature

07/20/2022

Date

713-366-5106

Phone Number

SANDRA_MUSALLAM@OXY.COM

e-mail Address

APPLICATION FOR LEASE COMMINGLED & OFF LEASE STORAGE, MEASUREMENT AND SALES
Commingling Proposal for Oil Production at the Lost Tank 3 Federal 5 Battery

OXY USA INC requests to amend CTB 742A for surface commingling of oil production at the Lost Tank 3 Federal 5 Battery (H-03-22S-31E). *This commingling request includes the current and future wells in the pools and leases listed below.*

Well to add:

POOL: LOST TANK;DELAWARE, WEST (96582)

LEASE NMNM 0417696 - BLM NRI 12.5%

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BOPD)	GRAVITY API	GAS (MSCFD)	BTU/CF	WATER (BWPD)
LOST TANK 3 FEDERAL 015	3001537951	E-03-22S-31E	May-2011	16	37	32	1328	74

Existing Wells:

POOL: LOST TANK;DELAWARE, WEST (96582)

LEASE NMNM 0417696 - BLM NRI 12.5%

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BOPD)	GRAVITY API	GAS (MSCFD)	BTU/CF	WATER (BWPD)
LOST TANK 3 FEDERAL 005	3001530586	H-03-22S-31E	Mar-2000	1	37	4	1328	31
LOST TANK 3 FEDERAL 006	3001531887	A-03-22S-31E	Aug-2001	0	37	5	1328	0
LOST TANK 3 FEDERAL 007	3001532167	B-03-22S-31E	Apr-2002	1	37	20	1328	3
LOST TANK 3 FEDERAL 008	3001532168	H-03-22S-31E	Feb-2002	4	37	6	1328	1
LOST TANK 3 FEDERAL 009	3001532169	G-03-22S-31E	Jun-2002	1	37	12	1328	8
LOST TANK 3 FEDERAL 010	3001532345	B-03-22S-31E	Jul-2002	4	37	3	1328	5
LOST TANK 3 FEDERAL 011	3001532725	I-03-22S-31E	May-2003	4	37	18	1328	58
LOST TANK 3 FEDERAL 012	3001532726	P-03-22S-31E	May-2003	11	37	14	1328	19
LOST TANK 3 FEDERAL 013	3001537950	J-03-22S-31E	Nov-2010	14	37	74	1328	151
LOST TANK 3 FEDERAL 014	3001537918	J-03-22S-31E	Apr-2013	0	37	9	1328	46
LOST TANK 3 FEDERAL 016	3001537907	O-03-22S-31E	Nov-2010	0	37	6	1328	0
LOST TANK 3 FEDERAL 018	3001537908	O-03-22S-31E	Jan-2011	19	37	46	1328	188
LOST TANK 3 FEDERAL 019	3001537952	E-03-22S-31E	Jun-2011	46	37	74	1328	209
LOST TANK 3 FEDERAL 020	3001537919	J-03-22S-31E	Jan-2011	3	37	32	1328	111
LOST TANK 3 FEDERAL 021	3001537920	E-03-22S-31E	Dec-2010	14	37	17	1328	144
LOST TANK 3 FEDERAL 022	3001537921	E-03-22S-31E	May-2011	0	37	28	1328	0
LOST TANK 3 FEDERAL 024	3001537922	P-03-22S-31E	Feb-2011	10	37	56	1328	148

POOL: LOST TANK;DELAWARE, WEST (96582)

LEASE NMNM 0417506 - BLM NRI 12.5%

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BOPD)	GRAVITY API	GAS (MSCFD)	BTU/CF	WATER (BWPD)
LOST TANK 10 FEDERAL 001	3001537959	P-03-22S-31E	Jun-2011	26	37	31	1328	72
LOST TANK 10 FEDERAL 002	3001537960	O-03-22S-31E	Mar-2012	9	37	23	1328	22
LOST TANK 10 FEDERAL 003	3001537897	O-03-22S-31E	Feb-2012	8	37	42	1328	131
LOST TANK 10 FEDERAL 004	3001537961	P-03-22S-31E	May-2011	8	37	43	1328	138
LOST TANK 10 FEDERAL 005	3001537924	P-03-22S-31E	Jan-2011	6	37	34	1328	15
LOST TANK 11 FEDERAL 001	3001537962	P-03-22S-31E	Aug-2011	6	37	19	1328	48

Process Description:

Lost Tank 3 Federal wells will flow to a three-phase production separator. The oil then flows to a heater-treater, then will be directed to the shared oil tanks for storage and sales. Lost Tank 10 and 11 Federal wells will flow to a separate three-phase production separator. The oil then flows to a heater-treater, then will be directed to the shared oil tanks for storage and sales through the LACT meter.

For testing purposes, the battery is equipped with a 4 X 10 three-phase test separator. This test vessel is equipped with an oil turbine meter, gas orifice meter and a water turbine meter. All wells at the battery have been online for over 9 years and have an established production decline. They are individually tested at least once a month per Order R-14299. Production is allocated to each well based on the aforementioned well tests.

Gas production is sent from the production and test separators through an orifice meter, which serves as the gas FMP, then sent to sales. Gas production is allocated back to each well based on the aforementioned well tests. The gas commingle will be filed separately.

All produced water is sent to the Lost Tank disposal system.

Additional Application Components:

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

The oil and gas meters are calibrated on a regular basis per API, NMOCD and BLM specifications.

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

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

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.



32

33

**T21S
R31E**

34

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5

 4 **NMNM 0417696**

2

 LOST TANK 3 FEDERAL
19

 LOST TANK 3 FEDERAL
15

 LOST TANK 3 FEDERAL
10

 LOST TANK 3 FEDERAL
6

 LOST TANK 3 FEDERAL
7

 LOST TANK 3 FEDERAL
9

 LOST TANK 3 FEDERAL
8

 LOST TANK 3 FEDERAL
5

CTB

 LOST TANK 3 FEDERAL
20

 LOST TANK 3 FEDERAL
11

 LOST TANK 3 FEDERAL
13

 LOST TANK 3 FEDERAL
14

 LOST TANK 3 FEDERAL
18

 LOST TANK 10 FEDERAL
2

 LOST TANK 3 FEDERAL
12

 LOST TANK 3 FEDERAL
16

 LOST TANK 10 FEDERAL
3

 LOST TANK 11 FEDERAL
1

 LOST TANK 10 FEDERAL
1

 LOST TANK 10 FEDERAL
4

 LOST TANK 3 FEDERAL
19 BHL

 LOST TANK 3 FEDERAL
18 BHL

 LOST TANK 10 FEDERAL
5

 LOST TANK 3 FEDERAL
24

 LOST TANK 10 FEDERAL
3 BHL

 LOST TANK 10 FEDERAL
2 BHL

NMNM 0417506

 LOST TANK 11 FEDERAL
1 BHL

 LOST TANK 10 FEDERAL
4 BHL

 LOST TANK 10 FEDERAL
5 BHL

9

**T22S
R31E**

10

11


Occidental Petroleum
5 Greenway Plaza, Houston, TX 77046

Permian NM
Eddy County, New Mexico

Well
 ● Well Surface Hole
 ● Well Bottom Hole
 - - Well Directional Survey Path

Lease
 NMNM 0417506
 NMNM 0417696

0 500 1,000 2,000 Feet

North American Datum 1927

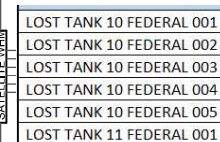
File: Well_Battery_Location_20141113

16

15

14

1. Valve O1, W1, W2, C1 or C2 Closed
2. Valve O2, O3, O4, W3, W4 Closed



RE	
E	

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

RECEIVED

AUG 25 2010

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease- 4 Copies

Fee Lease- 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37951	Pool Code 96582	Pool Name LOST TANK DELAWARE, WEST
Property Code 304875	Property Name LOST TANK 3 FEDERAL	Well Number 15
OGRID No. 16696	Operator Name OXY USA INC.	Elevation

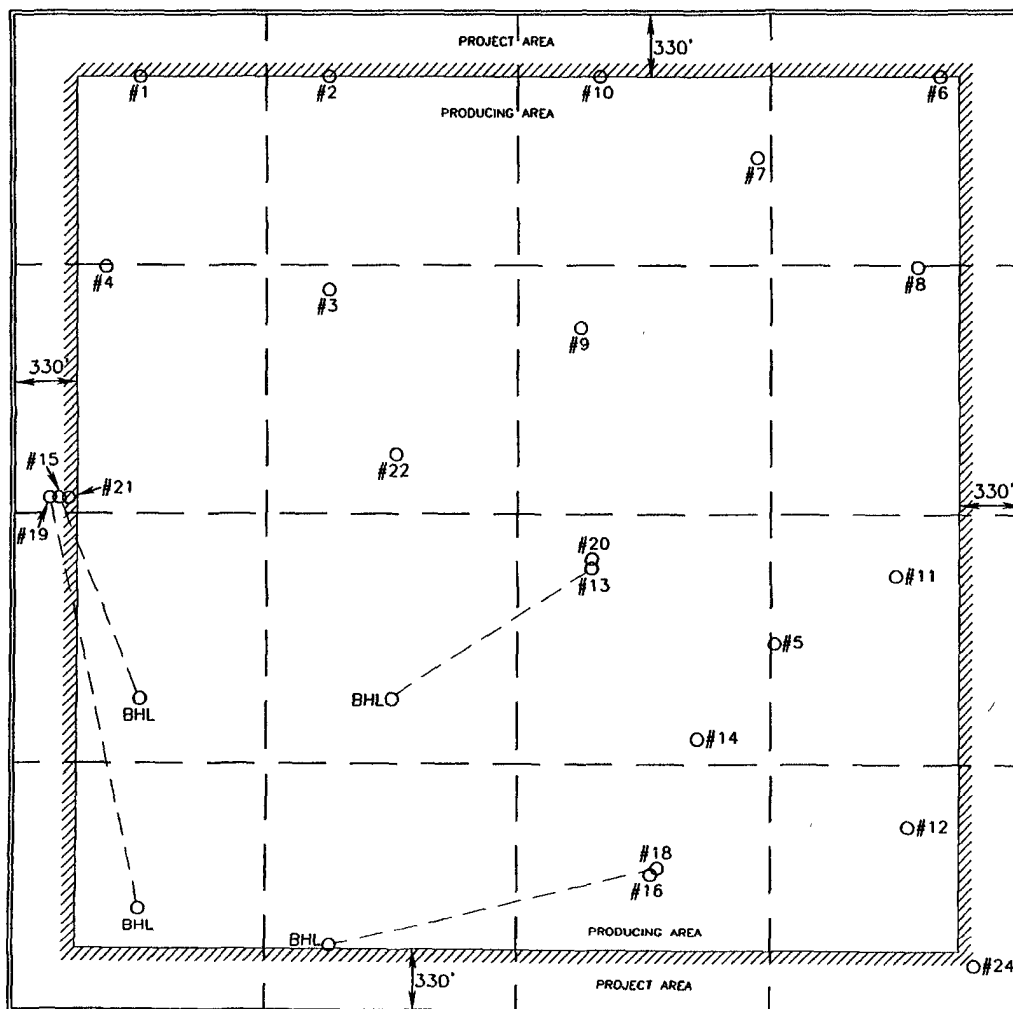
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	22 SOUTH	31 EAST, N.M.P.M.		2553	north	235	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
L	3	22S	31E		1650	south	660	west	Eddy
Dedicated Acres 640	Joint or Infill Y	Consolidation Code	Order No. NSL						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

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

David Stewart
Signature Date **8/23/10**

David Stewart
Printed Name
david_stewart@oxy.com

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or actual survey made by me or under my supervision and that the same is true and correct to the best of my belief.

DAVID P. ABEL
15079
AUGUST 3, 2010
Date of Survey
Signature and Seal of Professional Surveyor
David P. Abel 8/4/2010
Certificate Number **15079**

WO# Lost Tank 3 Fed. (KA)



**OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTAL PERMIAN LTD**
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.366.5106
Sandra_Musallam@oxy.com

July 20, 2022

Re: Application for Surface Commingling and Off-Lease Measurement for Oil Production at the Lost Tank 3 Federal 5 Battery in Eddy County, New Mexico.

Dear Interest Owner:

This is to advise you that OXY USA INC is filing an amendment to CTB 742A surface commingling and off-lease measurement for oil production at the Lost Tank 3 Federal Battery. A copy of the application submitted to the Division is attached. *This commingle request also includes future wells within the same pools 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 Sandra Musallam at (713) 366-5106.

Respectfully,

A handwritten signature in black ink, appearing to read "S Musallam", with a long horizontal flourish extending to the right.

OXY USA INC
Sandra Musallam
Regulatory Engineer – Compliance Lead
Sandra_Musallam@oxy.com

MAILED 07/20/2022

OWNER_NAME	OWNER_ADDRESS_LINE_1	OWNER_ADDR_LINE_2	CITY	STATE	ZIP	TRACKING NUMBER
COERT HOLDINGS 1 LLC	910 LOUISIANA ST	SUITE 2400	HOUSTON	TX	77002	7006 0810 0000 0533 7011

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
LOST TANK 3	15	300153795100S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	7	300153216700S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	10	300153234500S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 10	3	300153789700S1	NMNM0417506	NMNM0417506	OXY USA
LOST TANK 3	5	300153058600S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	6	300153188700S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	11	300153272500S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	13	300153795000S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	18	300153790800S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 10	2	300153796000S1	NMNM0417506	NMNM0417506	OXY USA
LOST TANK 3	12	300153272600S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 10	4	300153796100S1	NMNM0417506	NMNM0417506	OXY USA
LOST TANK 11	1	300153796200S1	NMNM0417506	NMNM0417506	OXY USA
LOST TANK 3	8	300153216800S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	24	300153792200S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	14	300153791800S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	16	300153790700S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	19	300153795200S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	20	300153791900S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 10	5	300153792400S1	NMNM0417506	NMNM0417506	OXY USA
LOST TANK 3	22	300153792100S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 10	1	300153795900S1	NMNM0417506	NMNM0417506	OXY USA
LOST TANK 3	9	300153216900S1	NMNM0417696	NMNM0417696	OXY USA
LOST TANK 3	21	300153792000S1	NMNM0417696	NMNM0417696	OXY USA

Notice of Intent

Sundry ID: 2683653

Type of Submission: Notice of Intent

Date Sundry Submitted: 07/24/2022

Date proposed operation will begin: 06/01/2016

Type of Action: Commingling (Surface)

Time Sundry Submitted: 09:21

Procedure Description: OXY requests approval according to 43 CFR 3173.14(a)(1)(i) to commingle leases at the North Tank 3 Federal 5 Battery. Commingling will not reduce the individual wells' production value or otherwise negatively affect the royalty revenue of the federal government. It is the most effective means of producing the reserves. Production allocation and other pertinent information are attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

LT_3_5_Comminge_BLM_Submittal_20220724212022.pdf

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: SANDRA MUSALLAM

Signed on: JUL 24, 2022 09:20 PM

Name: OXY USA INCORPORATED

Title: Regulatory Engineer

Street Address: 5 GREENWAY PLAZA, SUITE 110

City: HOUSTON **State:** TX

Phone: (713) 366-5106

Email address: SANDRA_MUSALLAM@OXY.COM

Field

Representative Name:

Street Address:

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

Phone:

Email address:

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Musallam, Sandra C](#); [Schenkel, Beth V](#)
Cc: [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-1075
Date: Thursday, December 29, 2022 3:37:03 PM
Attachments: [CTB1075 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1075 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-37959	Lost Tank 10 Federal #1	A B C H	10-22S-31E	96582
30-015-37960	Lost Tank 10 Federal #2	A B C H	10-22S-31E	96582
30-015-37897	Lost Tank 10 Federal #3	A B C H	10-22S-31E	96582
30-015-37961	Lost Tank 10 Federal #4	A B C H	10-22S-31E	96582
30-015-37924	Lost Tank 10 Federal #5	A B C H	10-22S-31E	96582
30-015-37962	Lost Tank 11 Federal #1	D	11-22S-31E	96582
30-015-30586	Lost Tank 3 Federal #5	All	3-22S-31E	96582
30-015-31887	Lost Tank 3 Federal #6	All	3-22S-31E	96582
30-015-32167	Lost Tank 3 Federal #7	All	3-22S-31E	96582
30-015-32168	Lost Tank 3 Federal #8	All	3-22S-31E	96582
30-015-32169	Lost Tank 3 Federal #9	All	3-22S-31E	96582
30-015-32345	Lost Tank 3 Federal #10	All	3-22S-31E	96582
30-015-32725	Lost Tank 3 Federal #11	All	3-22S-31E	96582
30-015-32726	Lost Tank 3 Federal #12	All	3-22S-31E	96582
30-015-37950	Lost Tank 3 Federal #13	All	3-22S-31E	96582
30-015-37918	Lost Tank 3 Federal #14	All	3-22S-31E	96582
30-015-37951	Lost Tank 3 Federal #15	All	3-22S-31E	96582
30-015-37907	Lost Tank 3 Federal #16	All	3-22S-31E	96582
30-015-37908	Lost Tank 3 Federal #18	All	3-22S-31E	96582
30-015-37952	Lost Tank 3 Federal #19	All	3-22S-31E	96582
30-015-37919	Lost Tank 3 Federal #20	All	3-22S-31E	96582
30-015-37920	Lost Tank 3 Federal #21	All	3-22S-31E	96582
30-015-37921	Lost Tank 3 Federal #22	All	3-22S-31E	96582
30-015-37922	Lost Tank 3 Federal #24	All	3-22S-31E	96582

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. CTB-1075

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 production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil 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 production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
9. 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.

10. 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.
11. 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.
12. Commingling of oil 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.
13. 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.
14. 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 production from the pools, leases, and wells identified in Exhibit A.

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

Applicant is authorized to surface commingle oil 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 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 or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order CTB-742-A.
3. The allocation of oil 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 production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
4. The allocation of oil 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 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 production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil 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 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 production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil 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 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.

8. 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, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
9. If a well is not included in Exhibit A but produces from a pool and 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, proposed method to determine the allocation of oil production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. 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).
12. 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: 12/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1075

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Lost Tank 3 Federal 5 Battery

Central Tank Battery Location: UL H, Section 3, Township 22 South, Range 31 East

Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
LOST TANK; DELAWARE, WEST	96582

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 417696	All	3-22S-31E
	All minus D	4-22S-31E
NMNM 417506	A B C H	10-22S-31E
	D	11-22S-31E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-37959	Lost Tank 10 Federal #1	A B C H	10-22S-31E	96582
30-015-37960	Lost Tank 10 Federal #2	A B C H	10-22S-31E	96582
30-015-37897	Lost Tank 10 Federal #3	A B C H	10-22S-31E	96582
30-015-37961	Lost Tank 10 Federal #4	A B C H	10-22S-31E	96582
30-015-37924	Lost Tank 10 Federal #5	A B C H	10-22S-31E	96582
30-015-37962	Lost Tank 11 Federal #1	D	11-22S-31E	96582
30-015-30586	Lost Tank 3 Federal #5	All	3-22S-31E	96582
30-015-31887	Lost Tank 3 Federal #6	All	3-22S-31E	96582
30-015-32167	Lost Tank 3 Federal #7	All	3-22S-31E	96582
30-015-32168	Lost Tank 3 Federal #8	All	3-22S-31E	96582
30-015-32169	Lost Tank 3 Federal #9	All	3-22S-31E	96582
30-015-32345	Lost Tank 3 Federal #10	All	3-22S-31E	96582
30-015-32725	Lost Tank 3 Federal #11	All	3-22S-31E	96582
30-015-32726	Lost Tank 3 Federal #12	All	3-22S-31E	96582
30-015-37950	Lost Tank 3 Federal #13	All	3-22S-31E	96582
30-015-37918	Lost Tank 3 Federal #14	All	3-22S-31E	96582
30-015-37951	Lost Tank 3 Federal #15	All	3-22S-31E	96582
30-015-37907	Lost Tank 3 Federal #16	All	3-22S-31E	96582
30-015-37908	Lost Tank 3 Federal #18	All	3-22S-31E	96582
30-015-37952	Lost Tank 3 Federal #19	All	3-22S-31E	96582
30-015-37919	Lost Tank 3 Federal #20	All	3-22S-31E	96582
30-015-37920	Lost Tank 3 Federal #21	All	3-22S-31E	96582
30-015-37921	Lost Tank 3 Federal #22	All	3-22S-31E	96582
30-015-37922	Lost Tank 3 Federal #24	All	3-22S-31E	96582

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 81269

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 81269
	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.	12/29/2022