<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	ATION FOR SURFACE (	COMMINGLING	(DIVERSE	UWNERSHIP)	
OPERATOR NAME:	OXY USA INC.				
OPERATOR ADDRESS:	PO BOX 4294, HOUSTON, TX	X, 77210			
APPLICATION TYPE:	o		a	. (0 1 12 -	
	Commingling Pool and Lease Co		Storage and Measur	ement (Only if not Surface	e Commingled)
LEASE TYPE: Fee			the commerciate O	ndon No. CTD 1020	
	sting Order? \(\sum Yes\) \(\sum No\) If unagement (BLM) and State Land				ingling
		OL COMMINGLIN ts 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
		_			
		_			
		_			
(2) Are any wells producing at	t top allowables? Yes No				
(3) Has all interest owners bee (4) Measurement type: \( \square\) N	en notified by certified mail of the pro- Metering		☐Yes ☐No.	ng should be approved	
		SE COMMINGLINGS with the following in			
<ul><li>(2) Is all production from same</li><li>(3) Has all interest owners been</li></ul>	RPLE SAGE; WOLFCAMP GAS (98 e source of supply?   Yes  notified by certified mail of the propetering  Other (Specify) WELL	lo posed commingling?	⊠Yes □No	0	
	(C) <b>DOOL</b>	I E ACE COMMIN	ICI INC		
		LEASE COMMING  ts with the following in			
(1) Complete Sections A and I					
	(D) OFF-LEASE ST				
(1) Is all production from same		ets with the following	IIIIOFIIIAUION		
(2) Include proof of notice to a	11.7 — —				
	(E) ADDITIONAL INFO Please attach sheet	DRMATION (for all its with the following in		rpes)	
- · ·	cility, including legal location.				
	es showing all well and facility locati Vell Numbers, and API Numbers.	ions. Include lease numbe	ers if Federal or Sta	te lands are involved.	
I hereby certify that the informat	ion above is true and complete to the	best of my knowledge an	d belief.		
	112	ITLE:_REGULATORY E		DATE:06/2	22/2023
TYPE OR PRINT NAME_SAM	NDRA MUSALLAM		TELEPHONE N	NO.:713-366-5106	
E-MAIL ADDRESS:SANDF	RA_MUSALLAM@OXY.COM				

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	NE HE TEN			
	- Geolog	CO OIL CONSERVA iical & Engineering Francis Drive, Sant	<b>ATION DIVISION</b> g Bureau –	
	ADMINIST	RATIVE APPLICATI	ON CHECKLIST	
THIS	CHECKLIST IS MANDATORY FOR REGULATIONS WHICH I	ALL ADMINISTRATIVE APPLICA REQUIRE PROCESSING AT THE		
Applicant: OXY U				RID Number: 16696
	RAL GORGE 12 13 FEDERAL CO	OM #035H & MULTIPLE		30-015-47205 & MULTIPLE
ool: PURPLE SAGE;	WOLFCAMP, GAS		Pool	Code: 98220
SUBMIT ACCUR	ATE AND COMPLETE IN	IFORMATION REQUI		THE TYPE OF APPLICATION
A. Location	ICATION: Check those n – Spacing Unit – Simu NSL NSP	Iltaneous Dedicatio	n	lsd
[   ] Com [ [    ] Inje	one only for [1] or [11] nmingling – Storage – I DHC ©CTB U ction – Disposal – Press WFX PMX U	PLC PC C sure Increase – Enha	OLS OLM Canced Oil Recov	Amendment to CTB 1038 ery  FOR OCD ONLY
A. Offse B. Roya C. Appli D. Notifi E. Notifi F. Surfa G. For a	N REQUIRED TO: Checlet operators or lease hould be a considered to operators or lease hould be a considered to operators or lease hould be a considered to operation and/or concurred to the above, proof to otice required	olders owners, revenue ow ned notice rent approval by SL rent approval by BL	vners O .M	Notice Complete  Application Content Complete
administrative understand the	N: I hereby certify that a approval is accurate nat no action will be to are submitted to the D	and <b>complete</b> to taken on this applica	he best of my kn	
N	lote: Statement must be comp	leted by an individual with	managerial and/or su	pervisory capacity.
			06/22/2023	
SANDRA MUSALLAM			Date	
Print or Type Name				
, , , , , , , , , , , , , , , , , , , ,			713-366-5106	
<b>C</b> 1			Phone Numbe	r
Mush			SANDRA_MUSA	ALLAM@OXY.COM
Signature			e-mail Address	

# APPLICATION FOR LEASE COMMINGLING AND OFF-LEASE MEASUREMENT, STORAGE & SALES Commingling Proposal for Oil Production at the Corral Gorge 12-13 Battery

OXY USA INC requests to amend CTB 1038 for oil production at the Corral Gorge 12-13 Battery (G 02 T25S R29E). This commingle request includes the current and future wells in the pools and leases/CAs listed below.

#### Wells to be added:

**COM AGREEMENT PENDING NMNM105720866** 

50% NMNM015303 (BLM 12.5% NRI) & 25% SLO VC-0601 & 25% SLO V0-3633-0004

**POOL: PURPLE SAGE; WOLFCAMP GAS (98220)** 

WELL NAME	АРІ	SURFACE LOCATION	DATE ONLINE	EST. OIL (BOPD)	EST. GRAVITY API	EST. GAS (MSCFD)	EST. BTU/CF	EST. WATER (BWPD)
CORRAL BLUFF 11_14 FED COM 35H	30-015-47527	N-02-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 36H	30-015-48024	A-11-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 37H	30-015-48025	A-11-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 38H	30-015-48026	A-11-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 312H	30-015-48029	A-11-25S-29E	EST SEP 2023	1391	45	3730	1324	4526

#### **COM AGREEMENT PENDING**

50% NMNM015303 (BLM 12.5% NRI) & 50% SLO V0-3633-0004

POOL: PURPLE SAGE; WOLFCAMP GAS (98220)

WELL NAME	АРІ	SURFACE LOCATION	DATE ONLINE	EST. OIL (BOPD)	EST. GRAVITY API	EST. GAS (MSCFD)	EST. BTU/CF	EST. WATER (BWPD)
CORRAL BLUFF 11_14 FED COM 31H	30-015-48021	M-02-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 32H	30-015-48023	M-02-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 33H	30-015-47769	N-02-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 34H	30-015-47770	N-02-25S-29E	EST SEP 2023	1391	45	3730	1324	4526
CORRAL BLUFF 11_14 FED COM 311H	30-015-48028	M-02-25S-29E	EST SEP 2023	1391	45	3730	1324	4526

Production estimates are average of first 6-month volumes.

#### **Existing Wells:**

#### **COM AGREEMENT PENDING NMNM105720866**

50% NMNM015303 (BLM 12.5% NRI) & 25% SLO VC-0601 & 25% SLO V0-3633-0004

POOL: PURPLE SAGE; WOLFCAMP GAS (98220)

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BOPD)	GRAVITY API	GAS (MSCFD)	BTU/CF	WATER (BWPD)
CORRAL GORGE 12 13 FEDERAL COM #031H	30-015-47212	D-12-25S-29E	Jul-2022	346	45	1313	1324	935
CORRAL GORGE 12 13 FEDERAL COM #032H	30-015-47214	D-12-25S-29E	Jul-2022	330	45	1437	1324	1659
CORRAL GORGE 12 13 FEDERAL COM #034H	30-015-47201	N-01-25S-29E	Jul-2022	288	45	1080	1324	891
CORRAL GORGE 12 13 FEDERAL COM #311H	30-015-47215	D-12-25S-29E	Jul-2022	427	45	1386	1324	918

#### **COM AGREEMENT PENDING**

50% NMNM015303 (BLM 12.5% NRI) & 50% SLO VB-1105-0001

POOL: PURPLE SAGE; WOLFCAMP GAS (98220)

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BOPD)	GRAVITY API	GAS (MSCFD)	BTU/CF	WATER (BWPD)			
CORRAL GORGE 12 13 FEDERAL COM #035H	30-015-47205	O-01-25S-29E	Jul-2022	373	45	1501	1324	2001			
CORRAL GORGE 12 13 FEDERAL COM #036H	30-015-47206	O-01-25S-29E	Jul-2022	405	45	1869	1324	1067			
CORRAL GORGE 12 13 FEDERAL COM #037H	30-015-47207	A-12-25S-29E	Jul-2022	314	45	1168	1324	789			
CORRAL GORGE 12 13 FEDERAL COM #038H	30-015-47208	A-12-25S-29E	Jul-2022	378	45	1333	1324	1826			

#### **Process Description:**

Production is sent through a 10' X 40' three-phase production separator. After separation, the oil stream flows through a line-heater, to two heater-treaters, to vertical vapor recovery towers, then to LACT units. The aforementioned LACT units serve as the

point of royalty payment. The existing tanks will remain onsite and will be incorporated into the design as emergency backup storage in the event of system upsets and power outages.

Oil production is allocated back to each well based on well test. For testing purposes, the facility is equipped with four permanent 6' x 20' three-phase test separators. Each test vessel is equipped with oil turbine meters, gas orifice meters and water turbine meters. In addition, the facility is equipped to add up to four portable 6' X 20' three-phase test separators. Any portable test separator will be equipped with an oil turbine meter, gas orifice meter and water turbine meter.

All wells are tested daily prior to Range 1 of decline and then tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells are tested at least twice per month. Wells are tested at least once per month when Range 3 of decline is started.

Gas production from all wells is measured at the orifice meters off the production and test separators and then sent to sales. These meters serve as the BLM gas FMPs for the purpose of BLM royalty payment. Gas production is allocated back to the wells using the aforementioned well testing guidelines. Gas commingling is handled through PLC 784D.

All water from the Corral Gorge 12-13 Battery is sent to the Corral Fly Water Disposal System.

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

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

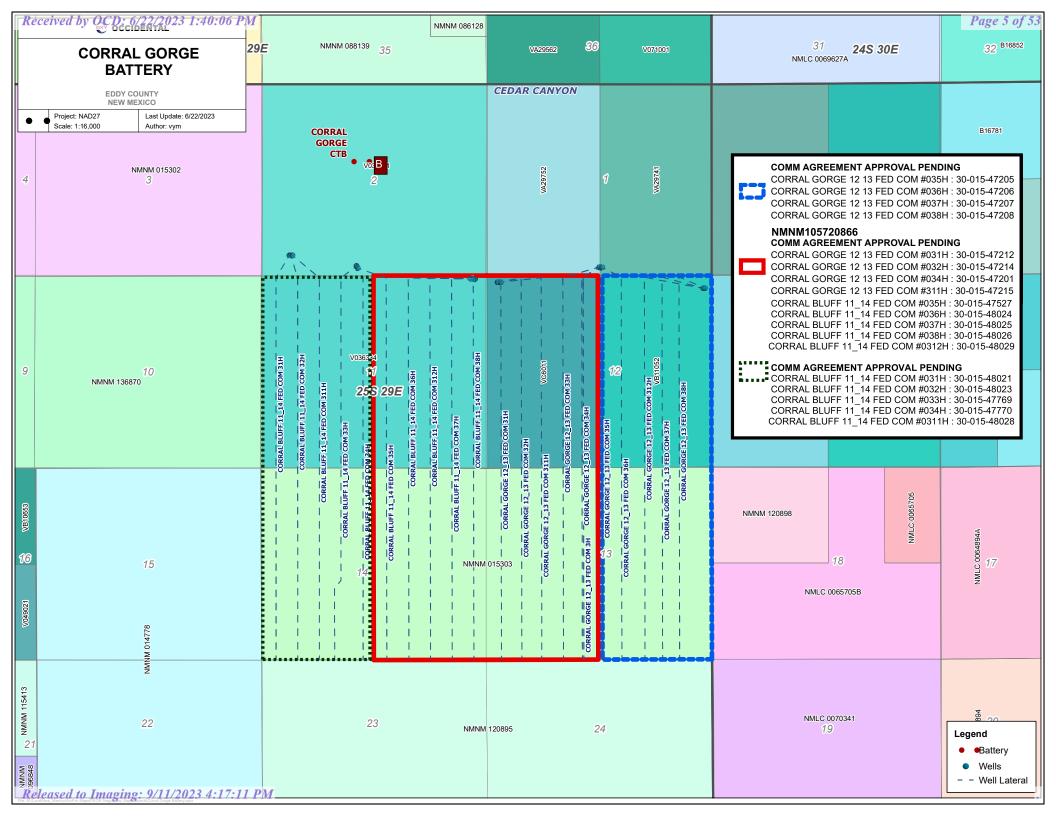
The oil and gas meters are calibrated on a regular basis per API, NMOCD and BLM specifications.

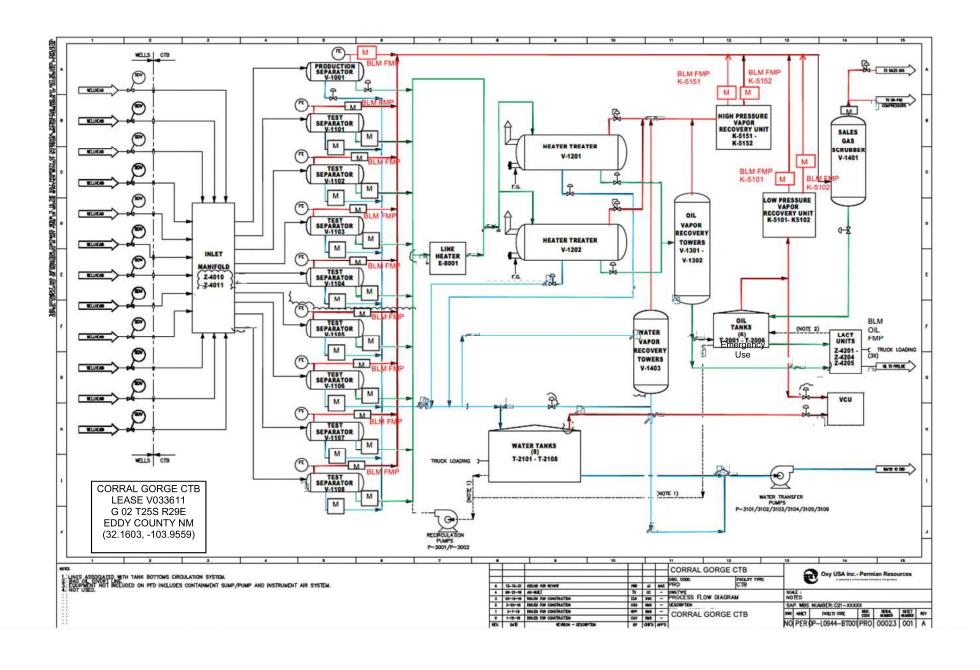
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

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.

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

OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.





# Received by OCD: 6/22/2023 1:40:06 PM1:58 PM DEFINING WELL IS CORRAL BLUFF 11 14 FED COM #311H (30-015-48028)

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



#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name PURPLE SAGE WOLFCAMP (GAS)			
30-015-48021						
4 Property Code		<sup>5</sup> Property Name				
329731		CORRAL BL	31H			
7 OGRID No.		8 OI	perator Name	9 Elevation		
16696		OX	Y USA INC.	3037.3'		

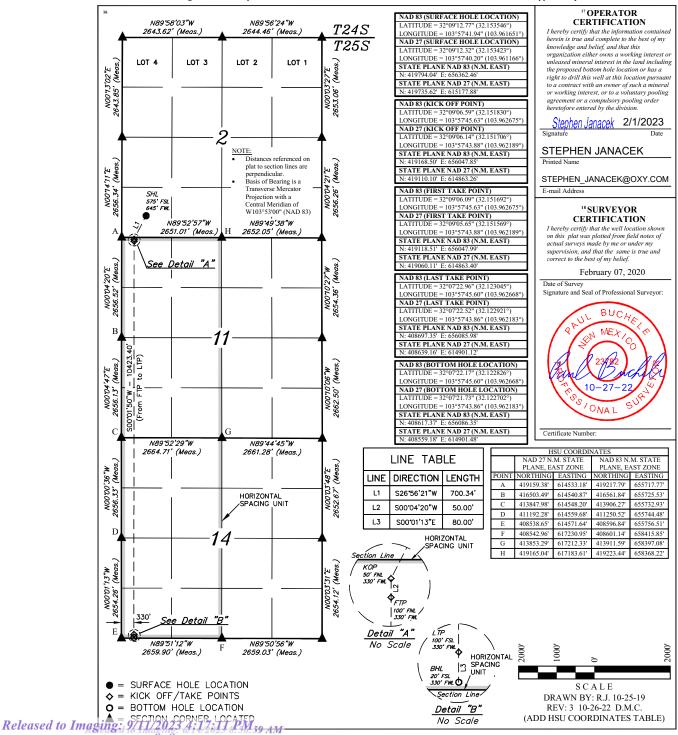
# <sup>10</sup> Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the SOUTH 645 WEST I	County EDDY
--	----------------

#### "Bottom Hole Location If Different From Surface

UL or lot no. M	Section 14	Township 25S	Range 29E	Lot Idn	Feet from the 20	North/South line SOUTH	Feet from the 330	East/West line WEST	County EDDY
12 Dedicated Acre 640 1280-	es 13 J	oint or Infill	14 Conso	olidation Code	15 Order No.				

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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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



#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>2</sup> Pool Code <sup>3</sup> Pool Name			
30-015-48023	98220	PURPLE SAGE WOLFCAMP (GAS)			
<sup>4</sup> Property Code 329731		operty Name UFF 11_14 FED COM	<sup>6</sup> Well Number 32H		
<sup>7</sup> OGRID No. 16696		perator Name Y USA INC.	<sup>9</sup> Elevation 3037.2'		

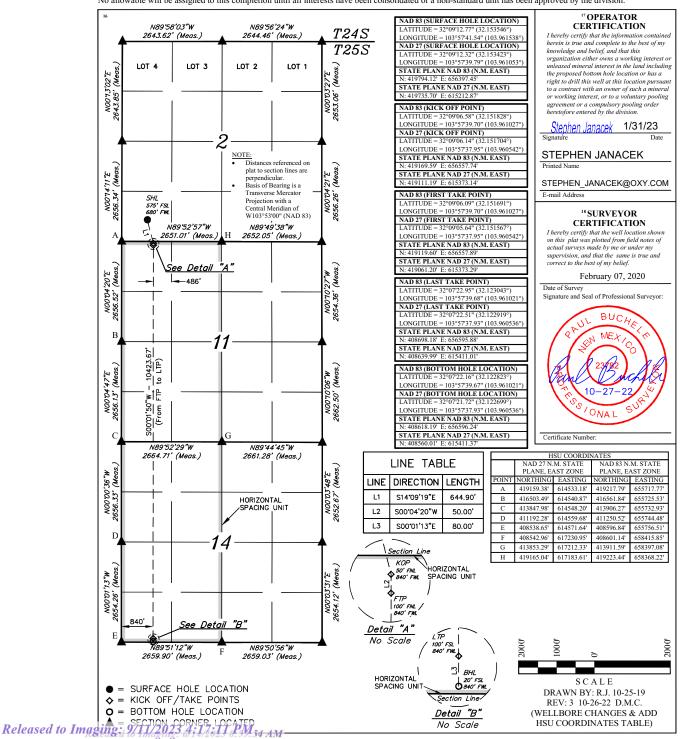
#### <sup>10</sup> Surface Location

M 2 25S 29E 575 SOUTH 680 WEST EDDY	UL or lot no. M	Section 2	Township 25S	Range 29E	Lot Idn	Feet from the 575		Feet from the 680	East/West line WEST	County EDDY
-------------------------------------	--------------------	--------------	-----------------	--------------	---------	----------------------	--	----------------------	------------------------	----------------

#### <sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. M	Section 14	Township 25S	Range 29E	Lot Idn	Feet from the 20	North/South line SOUTH	Feet from the 840	East/West line WEST	County EDDY
12 Dedicated Acro	es 13 J	oint or Infill	14 Conso	olidation Code	15 Order No.				

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.



25S

29E

HORIZONTAL SPACING UNIT

N89°50'56"W

2659.03' (Meas.)

S00'02'36"W -

1980' FSI 1710' FWL

N89°51'12"W

2659.90' (Meas.)

000

14 0 TP1 L3 2200' FSL 4 1860' −

See Detail "B'

<u>District I</u> 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

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EDDY

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>2</sup> Pool Code <sup>3</sup> Pool Name		
30-015-47769	98220	PURPLE SAGE WOLFCAMP (GAS)		
4 Property Code		5 Property Name	6 Well Number	
329731	COR	RAL BLUFF 11_14 FED COM	33H	
7 OGRID No.		8 Operator Name	9 Elevation	
16696		OXY USA INC.	3063.2'	

Surface Location

UL or lot no. N	Section 2	Township 25S	Range 29E	Lot Idn	Feet from the 283	North/South line SOUTH	Feet from the 2227	East/West line WEST	County 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										

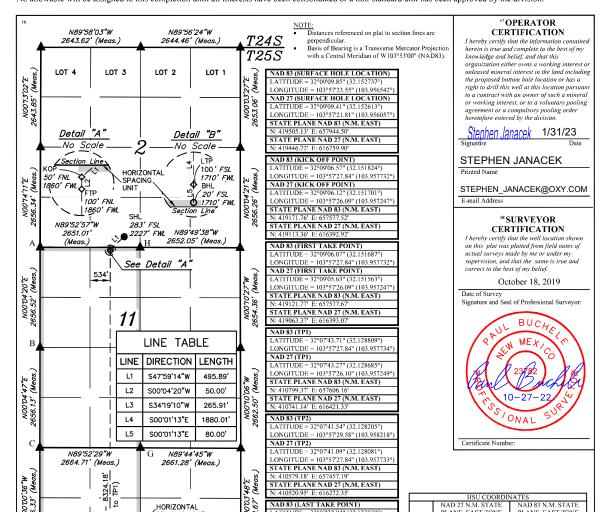
SOUTH

1710

WEST

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.

20



NAD 83 (LAST TAKE POINT) LATITUDE = 32°07'22.94" (32.123038°) LONGITUDE = 103°57'29.56" (103.958211°

LONGITUDE = 103°57'23'35' (103.988211' NAD 27 (LAST TAKE POINT)
LATITUDE = 33°0'7'22.49" (32.122914°)
LONGITUDE = 103°57'27.82" (103.957727'
STATE PLANE NAD 83 (N.M. EAST)
N: 408699.58' E: 657465.70'

STATE PLANE NAD 27 (N.M. EAST)

LONGITUDE = 103°57'29.56" (103.958211' NAD 27 (BOTTOM HOLE LOCATION)

LATITUDE = 32°07'21.70" (32.122695°) LONGITUDE = 103°57'27.82" (103.957726' STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

N: 408619 60' E: 657466 06

408561.41' E: 616281.18

203

	HSU COORDINATES										
	NAD 27 N.		NAD 83 N.M. STATE								
	PLANE, E.	AST ZONE	PLANE, E	AST ZONE							
POINT	NORTHING	EASTING	NORTHING	EASTING							
Α	419159.38'	614533.18'	419217.79'	655717.77'							
В	416503.49'	614540.87'	416561.84'	655725.53'							
С	413847.98'	614548.20'	413906.27'	655732.93'							
D	411192.28'	614559.68'	411250.52'	655744.48'							
E	408538.65'	614571.64'	408596.84'	655756.51'							
F	408542.96'	617230.95'	408601.14'	658415.85'							
G	413853.29	617212.33'	413911.59'	658397.08'							
Н	419165.04'	617183.61'	419223.44'	658368.22'							

- SURFACE HOLE LOCATION
- = KICK OFF/TAKE POINTS
- Q = BOTTOM HOLE LOCATION
- SECTION CORNER LOCATED

DRAWN BY: R.J. 10-26-19 REV: 2 10-27-22 L.M.W. (WELLBORE CHANGE & ADD COORDINATE TABLE)

N00'00' 2656.33'

D

73"W (Meas.)

NOO'01' 2654.26'

<u>District I</u> 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

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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



WELL LOCATION AND ACREAGE DEDICATION PLAT

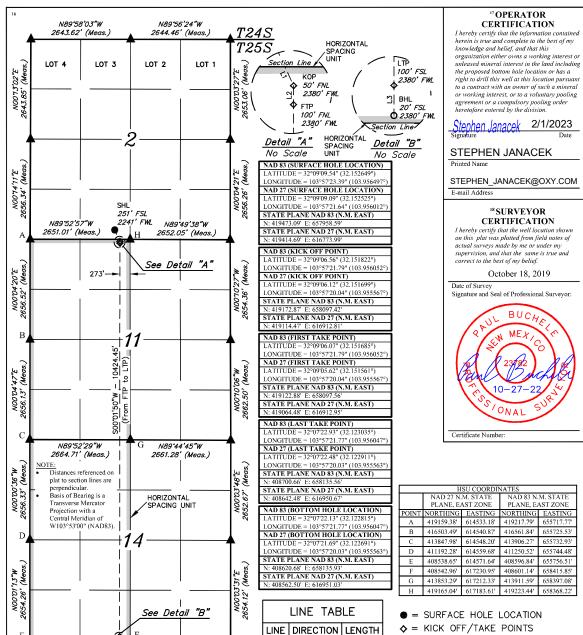
		WEEL LOCATION AND	D MCKEMGE DEDICATION I EATI	
<sup>1</sup> API Number	r	<sup>2</sup> Pool Code	3 Pool Name	
30-015-47770		98220 PURPLE SAGE WOLFCAMP (GAS)		
4 Property Code		5 Pr	operty Name	6 Well Number
329731		CORRAL BL	UFF 11_14 FED COM	34H
7 OGRID No.		8 OI	perator Name	9 Elevation
16696		OX	Y USA INC.	3062.3'

Surface Location

N	2	25S	29E		251	SOUTH	2241	WEST	EDDY		
	"Bottom Hole Location If Different From Surface										

UL or lot no. Feet from the North/South line Feet from the East/West line 20 SOUTH 2380 EDDY WEST 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.



S24\*34'39"E

S00°04'20"W

S00°01'13"E

L3

N89\*50'56"W 2659.03' (Meas.) 330.84

50.00'

80.00'

to Imaging: 6/14/2023 7:44:27

Released

= KICK OFF/TAKE POINTS

O = BOTTOM HOLE LOCATION

▲ = SECTION CORNER LOCATED

DRAWN BY: R.J. 10-26-19 REV: 2 10-27-22 L.M.W. (WELLBORE CHANGE & ADD COORDINATE TABLE)

2659.90' (Meas.)

5/11/2023 12:54:30 PM

OCD:

by

<u>District I</u> 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

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1280

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

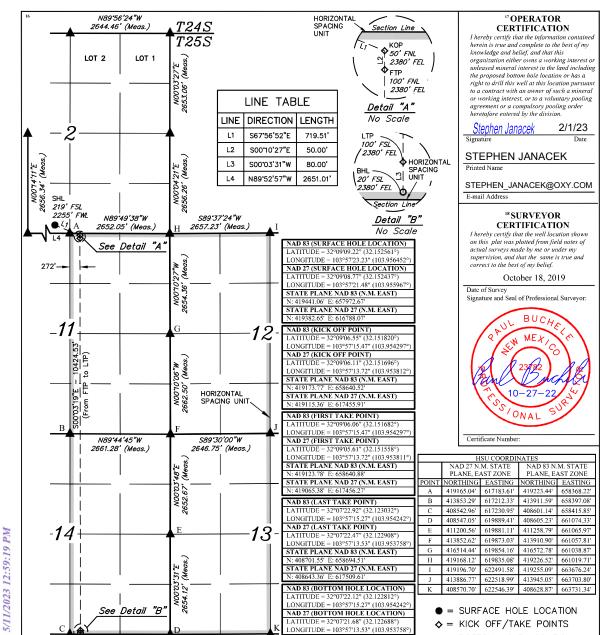
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

2 Poc	ol Code 3	Pool Name
98220	PURPLE SAGE WOLFCAMP (GAS)	)
	5 Property Name	6 Well Number
	35H	
	9 Elevation	
	3061.9'	
		98220 PURPLE SAGE WOLFCAMP (GAS)

 Sur.	lace	Location	l

N N	2	25S	29E	Lot Ian	219	SOUTH	2255	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 N 14 25S 29E 20 SOUTH 2380 EAST EDDY									

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.



Imaging: 6/14/2023 0 Released

Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD83).

STATE PLANE NAD 83 (N.M. EAST)

N: 408621.56' E: 658694.76'

STATE PLANE NAD 27 (N.M. EAST)

DRAWN BY: R.J. 10-26-19 Distances referenced on plat to section lines are perpendicular. REV: 2 10-27-22 L.M.W. (WELLBORE CHANGE & ADD COORDINATE TABLE)

O = BOTTOM HOLE LOCATION

▲ = SECTION CORNER LOCATED

Released to Imaging: 9/11/20234: 17:11 PM

90

N89\*50'56"W

2659.03' (Meas.)

S89'43'46"W

2657.66' (Meas.)

OCD:

ph

<u>District I</u> 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



WELL LOCATION AND ACREAGE DEDICATION PLAT

			101111		
<sup>1</sup> API Number	,	<sup>2</sup> Pool Code	<sup>2</sup> Pool Code <sup>3</sup> Pool Name		
30-015-48024		98220		PURPLE SAGE WOLFCAMP (GAS)	
4 Property Code			5 P	roperty Name	6 Well Number
329731		CC	ORRAL BL	UFF 11_14 FED COM	36H
7 OGRID No.	8 Op			perator Name	9 Elevation
16696			OX	Y USA INC.	3069.7' (NAVD 88)
					·

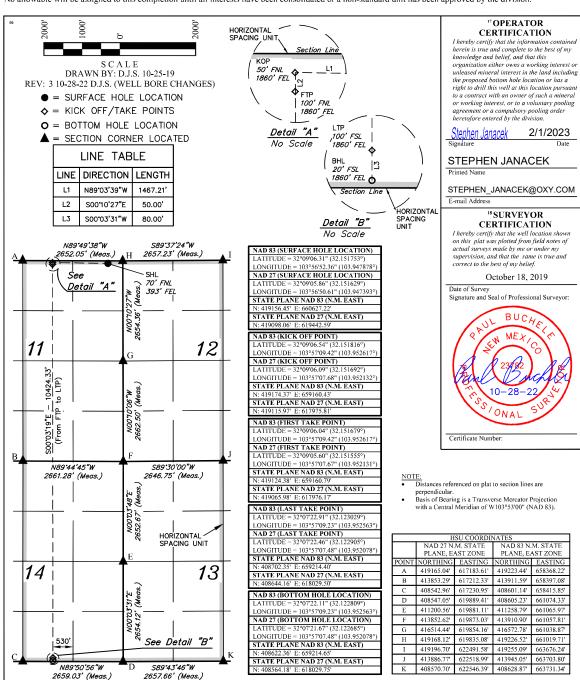
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	11	25S	29E		70	NORTH	393	EAST	EDDY

"Bottom Hole Location If Different From Surface

	UL or lot no. O	Section 14	Township 25S	Range 29E	Lot Idn	Feet from the 20	North/South line SOUTH	Feet from the 1860	East/West line EAST	County EDDY
ĺ	12 Dedicated Acre 1280	es 1 Y	Joint or Infill	14 Cons	olidation Code	15 Order No.				

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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# 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



#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>1</sup> API Number		<sup>2</sup> Pool Code <sup>3</sup> Pool Name		
30-015-48025		98220	PURPLE SAGE WOLFCAMP (GAS)		
4 Property Code		5 Pr	operty Name	6 Well Number	
329731		CORRAL BL	BLUFF 11_14 FED COM 37H		
7 OGRID No.		8 OI	perator Name	9 Elevation	
16696		OX	Y USA INC.	3069.8' (NAVD 88)	

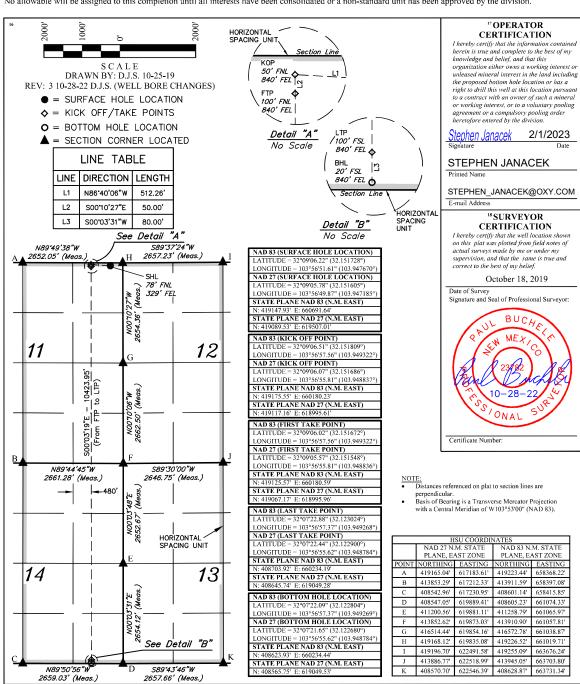
#### <sup>10</sup> Surface Location

	UL or lot no. A	Section 11	258		Lot Idn	Feet from the 78	I NORTH I	329	I FAST	County EDDY
--	--------------------	---------------	-----	--	---------	---------------------	-----------	-----	--------	----------------

#### "Bottom Hole Location If Different From Surface

	UL or lot no. P	Section 14	Township 25S	Range 29E	Lot Idn	Feet from the 20	North/South line SOUTH	Feet from the 840	East/West line EAST	County EDDY
ſ	12 Dedicated Acres 13 Join		oint or Infill	14 Conso	lidation Code	15 Order No.				
- 1	1280	lΥ								

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.



<u>District I</u> 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

<sup>1</sup> API Number		<sup>2</sup> Pool Code					
30-015-48026		98220	PURPLE SAGE WOLFCAMP (GAS)				
4 Property Code			operty Name	6 Well Number			
329731		CORRAL BL	38H				
7 OGRID No.			perator Name	<sup>9</sup> Elevation			
16696		OX	3070.0' (NAVD 88)				

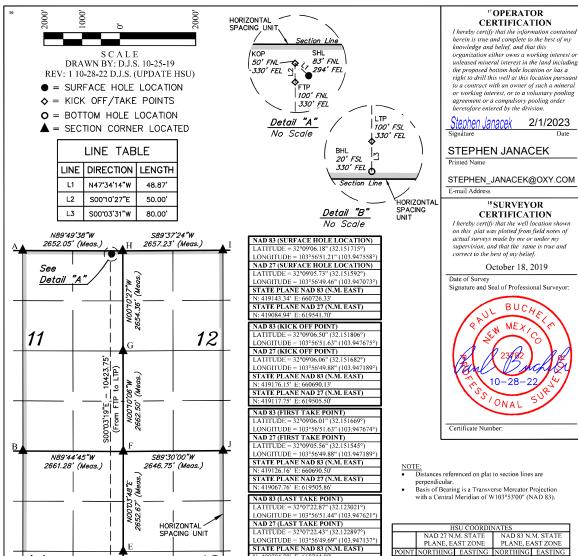
#### <sup>10</sup> Surface Location

ſ	UL or lot no. A	Section 1.1	Township 258	Range 29F	Lot Idn	Feet from the	North/South line NORTH	Feet from the 204	East/West line	County EDDY
L	71	11	233	275		65	NORTH	277	LINGI	LDD1

#### "Bottom Hole Location If Different From Surface

UL or lot no. P	Secti 14	ion ‡	Township 25S	Range 29E	Lot Idn	F	eet from the 20	North/South line SOUTH	Feet from the 330	East/West line EAST	County EDDY
12 Dedicated Acre 1280	es	13 Jo Y	oint or Infill	14 Consc	olidation Code		15 Order No.				

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.



N: 408704.70' E: 660744.08' STATE PLANE NAD 27 (N.M. EAST)

NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°07'22.08" (32.122801°) LONGITUDE = 103°56'51.44" (103.947621

NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°07'21.64" (32.122677°)
LONGITUDE = 103°56'49.69" (103.947137°

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

13

See Detail "B"

S89'43'46"W

2657.66' (Meas.)

200

330

N89°50'56"W

2659.03' (Meas.)

	Н	SU COORDII	NATES			
	NAD 27 N.	M. STATE	NAD 83 N.M. STATE			
	PLANE, E	AST ZONE	ST ZONE PLANE, EA			
POINT	NORTHING	EASTING	NORTHING	EASTING		
A	419165.04'	617183.61'	419223.44'	658368.22'		
В	413853.29'	617212.33'	413911.59'	658397.08'		
С	408542.96'	617230.95'	408601.14'	658415.85'		
D	408547.05'	619889.41'	408605.23'	661074.33'		
Е	411200.56'	619881.11'	411258.79'	661065.97		
F	413852.62'	619873.03'	413910.90'	661057.81'		
G	416514.44'	619854.16'	416572.78'	661038.87		
Н	419168.12'	619835.08'	419226.52'	661019.71'		
I	419196.70'	622491.58'	419255.09'	663676.24'		
J	413886.77'	622518.99'	413945.05'	663703.80'		
K	408570.70'	622546.39'	408628.87'	663731.34'		

14

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

		WEEL LOCATION THE	D MERCEAGE DEDICATION I EAT	
<sup>1</sup> API Number	•	<sup>2</sup> Pool Code	3 Pool Name	
30-015-48028		98220	PURPLE SAGE WOLFCAMP (GAS)	
4 Property Code		5 P	6 Well Number	
329731		CORRAL BL	311H	
7 OGRID No.		8 O	perator Name	9 Elevation
16696		OX	Y USA INC.	3038.5' (NAVD 83)

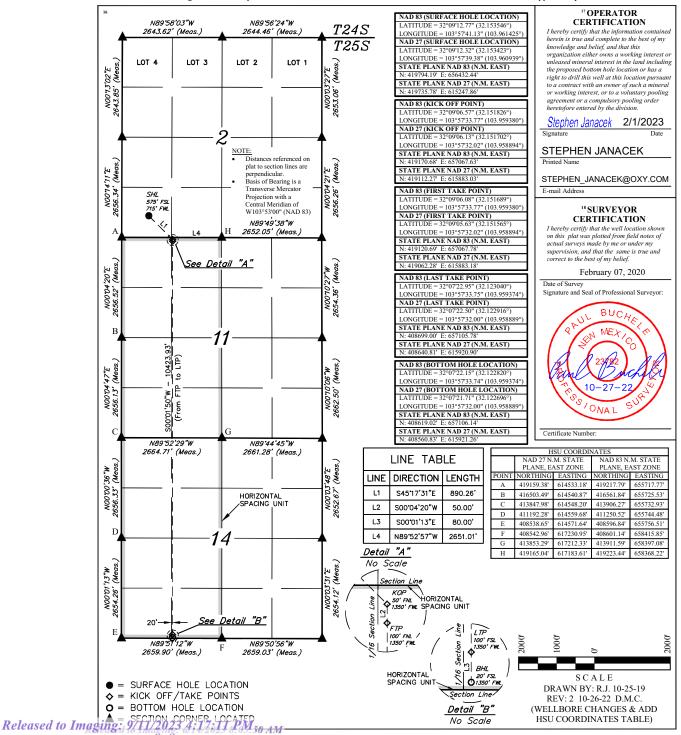
<sup>10</sup> Surface Location

	CL.	or lot no.	Section	250	20F	Lot Iun	rect from the	SOUTH	71.5	WEST	County EDDY
--	-----	------------	---------	-----	-----	---------	---------------	-------	------	------	----------------

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. N	Secti 14	ion 4	Township 25S	Range 29E	Lot Idn	Feet from the 20	North/South line SOUTH	Feet from the 1350	East/West line WEST	County EDDY
12 Dedicated A 640			int or Infill NING WELL		lidation Code	15 Order No.				

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.



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

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# 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



#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name	
30-015-48029	982	20		
4 Property Code		5 P	6 Well Number	
329731		CORRAL BL	312H	
7 OGRID No.		8 O	9 Elevation	
16696		OX	3069.7' (NAVD 88)	

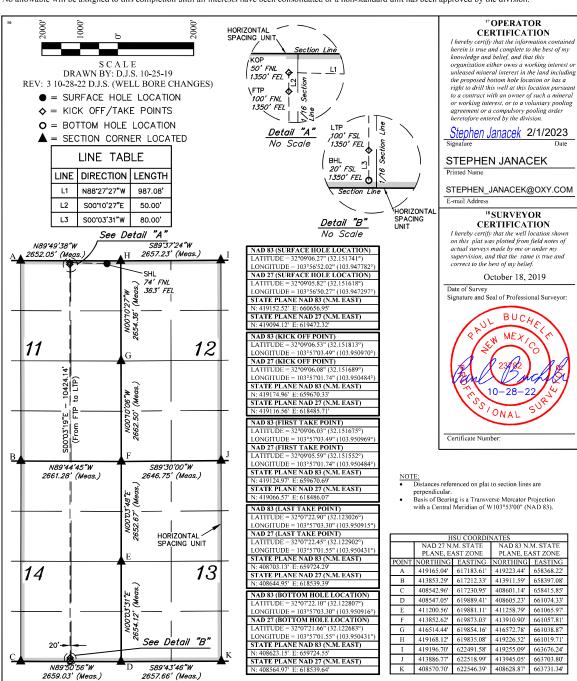
#### <sup>10</sup> Surface Location

	UL or lot no. A	Section 11	Township 25S	Range 29E	Lot Idn	Feet from the 74	North/South line NORTH	Feet from the 363	East/West line EAST	County 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	14	25S	29E		20	SOUTH	1350	EAST	EDDY
12 Dedicated Acre	es 1	<sup>3</sup> Joint or Infill	14 Cons	olidation Code	15 Order No.				
1280	v								

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.



# **MAILED 6/22/23**

To Company Name	To Name	To Address Line 1	To City	To State	To ZIP	Tracking Number
	XTO HOLDINGS LLC	PO BOX 840780	DALLAS	TX	75284	_9414811898765415908884
	XTO HOLDINGS LLC	810 HOUSTON ST STE 2000	FT WORTH	TX	76102	_9414811898765415908877
COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	PO BOX 1148	SANTA FE	NM	87504	_9414811898765415908754
	JEANNE A WELLS AND ROBERT L WELLS	2350 LIMON DR UNIT C102	FORT COLLINS	СО	80525	_9414811898765415908792
	ENERGEX LLC	4873 RAINTREE CIRCLE	PARKER	СО	80134	_9414811898765415908785
	BRILI LLC	1820 N 101ST STREET UNIT 3021	SCOTTSDALE	AZ	85255	_9414811898765415908778
	TIM LILLEY AND WIFE TASHINA LILLEY	PO BOX 310	PARKER	СО	80134	_9414811898765415908952
	ESCONDIDO OIL & GAS LLC	PO BOX 395	ROANOKE	TX	76262	_9414811898765415908921
	CHAD BARBE	PO BOX 2107	ROSWELL	NM	88202	_9414811898765415908990

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

June 22, 2023

Re: Request for Lease Surface Commingling, Off-lease Measurement, Sales, & Storage for Oil Production at the Corral Gorge 12-13 Battery

#### Dear Interest Owner:

This is to advise you that OXY USA INC is filing an application with NMOCD to amend previously approved order CTB-1038 for oil production at the Corral Gorge 12-13 Battery. A copy of the application is attached. This request is for existing and future wells in the Lease / Communitization Agreements and Pools in the attached 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,

OXY USA INC
Sandra Musallam
Regulatory Engineer

 $Sandra\_Musallam@oxy.com$ 

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: <u>Musallam, Sandra C</u>; <u>Fortier, Eric</u>

Cc: McClure, Dean, EMNRD; Rikala, Ward, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O;

Walls, Christopher; Lamkin, Baylen L.; Dawson, Scott

**Subject:** Approved Administrative Order CTB-1038-A **Date:** Approved Administrative Order CTB-1038-A Monday, September 11, 2023 4:13:31 PM

Attachments: CTB1038A Order.pdf

NMOCD has issued Administrative Order CTB-1038-A which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

30-015-47205   Corral Gorge 12 13 Federal Com	Well API	Well Name	UL or Q/Q	S-T-R	Pool
#30-015-47206	20 015 47205	Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	09220
30-015-47206	30-015-4/205	#35H	<b>E/2</b>	13-25S-29E	98220
30-015-47207   Corral Gorge 12 13 Federal Com	30-015-47206	Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	00220
30-015-47207		#36H	<b>E/2</b>	13-25S-29E	90220
30-015-47208   Corral Gorge 12 13 Federal Com	30 015 47207	Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	08220
#38H	30-013-47207	#37H	E/2	13-25S-29E	90220
SSH   E/2   13-25S-29E	30 015 47208		<b>E/2</b>	12-25S-29E	08220
30-015-47212   Corral Gorge 12 13 Federal Com #31H   W/2   13-25S-29E   E/2   14-25S-29E   E/2   11-25S-29E   E/2   11-25S-29E   E/2   14-25S-29E   E/2   11-25S-29E   E/2   11-25S-29	30-013-47200	#38H			70220
30-015-47212 #31H			<b>E/2</b>	11-25S-29E	
#31H    E/2   14-25S-29E	30-015-47212		W/2	12-25S-29E	98220
30-015-47214   Corral Gorge 12 13 Federal Com   W/2   12-258-29E   98220	30-013-4/212	#31H	W/2	13-25S-29E	90220
30-015-47214   Corral Gorge 12 13 Federal Com #32H   W/2   13-25S-29E   W/2   14-25S-29E   E/2   14-25S-29E   E/2   11-25S-29E   W/2   13-25S-29E   W/2   11-25S-29E   W/2   13-25S-29E   W/2   13-25S-29			E/2	14-25S-29E	
30-015-47214			E/2	11-25S-29E	
13-25S-29E   E/2   14-25S-29E   98220	20 015 47214	Corral Gorge 12 13 Federal Com	W/2	12-25S-29E	09220
Corral Gorge 12 13 Federal Com	30-015-4/214	#32H	W/2	13-25S-29E	98220
Corral Gorge 12 13 Federal Com #34H   W/2   13-25S-29E   98220			<b>E/2</b>	14-25S-29E	
#34H   W/2   13-25S-29E   98220			E/2	11-25S-29E	98220
30-015-47215   Corral Gorge 12 13 Federal Com	20 015 47301		W/2	12-25S-29E	
Solution	30-015-4/201		W/2	13-25S-29E	
30-015-47215   Corral Gorge 12 13 Federal Com #311H   W/2   13-25S-29E   98220			<b>E/2</b>	14-25S-29E	
30-015-47215 #311H			E/2	11-25S-29E	
#311H	20 015 45215		W/2	12-25S-29E	00220
Second State   Seco	30-015-4/215		W/2	13-25S-29E	98220
30-015-47527			<b>E/2</b>	14-25S-29E	
30-015-47527 #35H W/2 13-258-29E 98220  E/2 14-258-29E  E/2 11-258-29E  W/2 12-258-29E  W/2 13-258-29E  #36H W/2 13-258-29E  #36H W/2 13-258-29E  #36H E/2 14-258-29E  Solution of the property of the propert			E/2	11-25S-29E	
#35H	20.015.45525		W/2	12-25S-29E	00220
Corral Bluff 11 14 Federal Com   W/2   12-25S-29E   98220	30-015-4/52/		W/2	13-25S-29E	98220
30-015-48024			<b>E/2</b>	14-25S-29E	
30-015-48024 #36H W/2 13-258-29E 98220  E/2 14-258-29E  E/2 11-258-29E  W/2 12-258-29E  W/2 12-258-29E  #37H W/2 13-258-29E  E/2 14-258-29E  E/2 14-258-29E  E/2 11-258-29E  W/2 12-258-29E  W/2 12-258-29E  W/2 13-258-29E  W/2 13-258-29E  98220			E/2	11-25S-29E	
#36H	20.015.40024		W/2	12-25S-29E	00220
30-015-48025	30-015-48024		W/2	13-25S-29E	98220
30-015-48025			<b>E/2</b>	14-25S-29E	
30-015-48025 #37H W/2 13-258-29E 98220  E/2 14-258-29E  E/2 11-258-29E  W/2 12-258-29E  W/2 12-258-29E  W/2 13-258-29E  98220	30-015-48025		E/2	11-25S-29E	
30-015-48025 #37H W/2 13-25S-29E 98220  E/2 14-25S-29E  E/2 11-25S-29E  W/2 12-25S-29E  W/2 12-25S-29E  #38H W/2 13-25S-29E  98220			W/2	12-25S-29E	00000
30-015-48026 Corral Bluff 11 14 Federal Com W/2 12-25S-29E W/2 13-25S-29E W/2 13-25S-29E			W/2	13-25S-29E	98220
30-015-48026			<b>E/2</b>	14-25S-29E	
30-015-48026 #38H W/2 13-25S-29E $98220$	30-015-48026		E/2	11-25S-29E	
30-015-48026 #38H W/2 13-25S-29E <sup>98220</sup>			W/2	12-25S-29E	00220
E/2 14-25S-29E			W/2	13-25S-29E	<b>98220</b>
			<b>E/2</b>	14-25S-29E	

30-015-48029	Corral Bluff 11 14 Federal Com	E/2 W/2	11-25S-29E 12-25S-29E	00000
	#312H	W/2	13-25S-29E	98220
		<b>E/2</b>	14-25S-29E	
20 015 49021	Corral Bluff 11 14 Federal Com	W/2	11-25S-29E	98220
30-015-48021	#31H	W/2	14-25S-29E	
20.015.40022	Corral Bluff 11 14 Federal Com	W/2	11-25S-29E	98220
30-015-48023	#32H	W/2	14-25S-29E	
30-015-47769	Corral Bluff 11 14 Federal Com	W/2	11-25S-29E	98220
	#33H	W/2	14-25S-29E	
30-015-47770	Corral Bluff 11 14 Federal Com	W/2	11-25S-29E	98220
	#34H	W/2	14-25S-29E	
30-015-48028	Corral Bluff 11 14 Federal Com	W/2	11-25S-29E	98220
	#311H	W/2	14-25S-29E	

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

# Received by OCD: 6/22/2023 1:40:06-PM CARLSBAD CURRENT-ARGUS

#### AFFIDAVIT OF PUBLICATION

Ad No. 0005772539

**OXY USA INC** 5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

I, a legal clerk of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

7/19/2023

Subscribed and sworn before me this

19th of July 2023.

State of WI, County of Brown

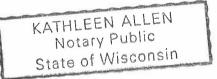
**NOTARY PUBLIC** 

My Commission Expires

Ad#: 0005772539

PO:

# of Affidavits: 1



Notice of Application for Surface Commingling OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD to amend surface commingle permit CTB 1038 for oil production at the Corral Gorge Battery. The facility is located in Eddy County in Section 2 T255 R29E. Wells going to the battery are located in Sections 2, 11, 12, 13 and 14 in T25S R29E. Production is from the Purple Sage; Wolfcamp Gas.
Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.
For questions pertaining to the application, please contact Sandra Musallam at (713) 366-5106.
#5772539, Current Argus, July 19, 2023

# **CORRAL BLUFF OIL COMMINGLE SLO NOTIFICATION CONFIRMATION**

Tracking Number:

# 9414811898765415908754

Copy Add to Informed Delivery

# **Latest Update**

Your item was picked up at a postal facility at 10:31 am on July 24, 2023 in SANTA FE, NM 87501.

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USPS Tracking Plus®



Delivered, Individual Picked Up at Postal Facility

SANTA FE, NM 87501 July 24, 2023, 10:31 am

See All Tracking History

# Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of January, 2023, 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 25 South, Range 29 East, N.M.P.M.

Section 11: W/2 Section 14: W/2

**Eddy County, New Mexico** 

Containing **640.00** 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, Ste. 110, Houston, TX, 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 January 1, 2023, 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.

#### **OPERATOR:**

	OXY USA INC. (Record Title and Working Interest Owner)
DATE:	BY:
-	NAME:
	TITLE:

# ACKNOWLEDGMENT

STATE OF TEXAS	§ .
COUNTY OF HARRIS	§ §
The foregoing instru	ment was acknowledged before me on this the
day of, 20, by	, ATTORNEY-IN-FACT of OXY
USA INC., a Delaware corp	poration, on behalf of said corporation.
	Notary Public in and for the State of
	My commission expires

# WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

EOG RESOURCES, INC.
(Record Title Only)

(	Record Title Only)
Γ	BY: NAME: TITLE:
ACKN	IOWLEDGMENT
STATE OF	) ) ss. )
6 6	acknowledged before me on this the, as
of EOG RESOURCES, INC., a	, on
behalf of said	
	Notary Public in and for the State of My commission expires

# WORKING INTEREST OWNERS

AND/OR LESSEES OF RECORD

XTO HOLDINGS, LLC (Record Title and Working Interest Owner)

Γ	BY: NAME: FITLE:
ACKNOWL	EDGMENT
STATE OF) ss. COUNTY OF)	
The foregoing instrument was acknow	rledged before me on this the
day of, 20, by	, as
of XTO HOLDINGS, LLC, a	, on behalf

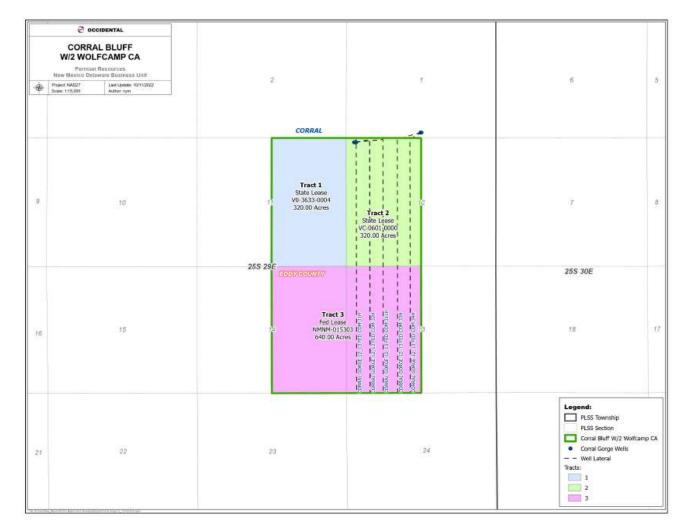
# **EXHIBIT "A"**

Attached to and made a part of that Communitization Agreement dated January 1, 2023.

Plat of communitized area covering **640.00** acres in Township 25 South, Range 29 East, W/2 of Sections 11 & 14, N.M.P.M., Eddy County, New Mexico

Corral Gorge 12-13 Federal Com 31H (30-015-48021) Corral Gorge 12-13 Federal Com 32H (30-015-48023) Corral Gorge 12-13 Federal Com 33H (30-015-47769) Corral Gorge 12-13 Federal Com 34H (30-015-47770)

Corral Gorge 12-13 Federal Com 311H (30-015-48028)



# **EXHIBIT "B"**

To Communitization Agreement Dated January 1, 2023 embracing the following described land in Township 25 South, Range 29 East, W/2 of Sections 11 & 14, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: OXY USA INC.

# **DESCRIPTION OF LEASES COMMITTED**

# Tract No. 1

Lease Serial No.: VO-3633-0004

Description of Land Committed: Township 25 South, Range 29 East,

N.M.P.M., Section 11: W/2

Number of Acres: 320.00

Lease Owner: XTO HOLDINGS, LLC

Name and Percent of WI Owners: XTO HOLDINGS, LLC......80.000000%

OXY USA INC......<u>20.000000</u>%

100.000000%

# Tract No. 2

Lease Serial Number: NMNM-015303

Description of Land Committed: Township 25 South, Range 29 East,

N.M.P.M., Section 14: W/2

Number of Acres: 320.00

Current Lessee of Record: EOG RESOURCES, INC.

Name and Percent of WI Owners: XTO HOLDINGS, LLC......80.000000%

OXY USA INC......20.000000%

100.000000%

Corral Bluff 11-14 Fed Com 31H-34H, 311H CA

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area		
Tract No.	Committed	ili Collillullitizca Afca		
1	320.00	50.000%		
2	320.00	50.000%		
Total	640.00	100.0000%		

NM State Land Office Oil, Gas, & Minerals Division

# STATE/FEDERAL OR STATE/FEDERAL/FEE

Revised August, 2021

# ONLINE Version COMMUNITIZATION AGREEMENT

API Initial Well: 30-015-47769

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof 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 portions 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 Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such 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 land subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, 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 the 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 25 South, Range 29 East, N.M.P.M.

Section 11: W/2 Section 14: W/2

**Eddy County, New Mexico** 

Containing 640.00 acres, more or less, and this agreement shall include only the Wolfcamp Formation or pool, underlying said lands and the oil, natural gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes, is 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. All matters of operation 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 three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.

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- Operator shall furnish the Secretary of the Interior, or his authorized representative, and the 4. Commissioner, 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 and the State of New Mexico, 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 therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement.
- 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 is such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is January 1, 2023, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules & regulations; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative,

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State/Fed/Fee

and all requirements of the Commissioner, 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 the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 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 interest 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 lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.
- 12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.
- 13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. 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 written and have set opposite their respective names the date of execution.

OXY USA INC. (Lessee of Record and Working Interest Owner)				
Ву				
Name				
	Print name of person			
Title				
	Type of authority			

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**Operator:** 

# **EOG RESOURCES, INC.** (Lessee of Record Only)

Ву	
Name	
	Print name of person
Title	
	Type of authority
XTO HOLDIN (Lessee of Reco	IGS, LLC ord and Working Interest Owner)
(Lessee of Reco	
(Lessee of Reco	

Type of authority

[Acknowledgments are on following page.]

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version
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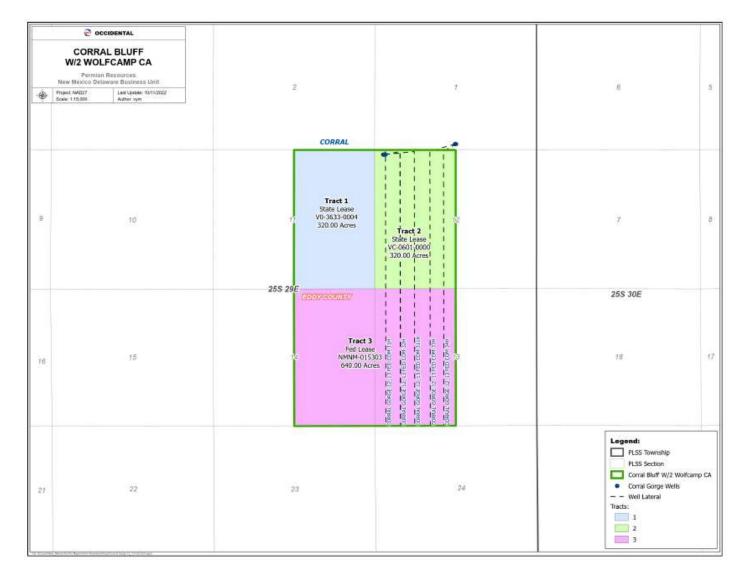
# Acknowledgment in a Representative Capacity

State of	
County of)	
This instrument was acknowledged before me on	
	Date
By_ Name(s) of Person(s)	
Name(s) of Person(s)	
As	of OXY USA INC.  Name of party on behalf of whom instrument was executed
Type of authority, e.g. officer, trustee, etc	Name of party on behalf of whom instrument was executed
(Seal)	Signature of Notarial Officer
	My commission expires:
	wy commission expires.
Acknowledgment in a	a Representative Capacity
State of	
county of	
This instrument was acknowledged before me on	D
_	Date
By	
As	of EOG RESOURCES, INC.  Name of party on helial of whom instrument was executed.
Type of authority, e.g. officer, author, etc	Tunic of party on collars of whom instrument was executed
(Seal)	Signature of Notarial Officer
(Scar)	Signature of Potaliai Officer
	My commission expires:
Acknowledgment in	a Representative Capacity
_	a representative Supacity
State of	
This instrument was acknowledged before me on	
	Date
By	<del></del>
Name(s) of Person(s)	
As	of XTO HOLDINGS, LLC
1 ype of authority, e.g. officer, trustee, etc	Name of party on behalf of whom instrument was executed
(Seal)	Signature of Notarial Officer
	My commission expires:

#### **EXHIBIT A**

To Communitization Agreement dated January 1, 2023

Plat of communitized area covering 640.00 acres in Township 25 South, Range 29 East, W/2 of Sections 11 & 14, N.M.P.M., Eddy County, New Mexico



#### **EXHIBIT B**

To Communitization Agreement dated January 1, 2023 embracing the following described land in Township 25 South, Range 29 East, W/2 of Sections 11 & 14, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: OXY USA INC.

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

#### TRACT NO. 1

Lease Serial No.: VO-3633-0004
Lease Date: April 1, 1991
Lease Term: 5 years

Lessor: State of New Mexico

Original Lessee: Yates Petroleum Corporation Present Lessee: XTO HOLDINGS, LLC

Description of Land Committed: Township 25 South, Range 29 East, N.M.P.M., Section 11: W/2

Number of Acres: 320.00 acres Royalty Rate: One-sixth Name and Percent ORRI Owners: None

Name and Percent WI Owners: XTO HOLDINGS, LLC......80.000000%

OXY USA INC......<u>20.000000%</u>

100.000000%

#### TRACT NO. 2

Lease Serial No.:

NMNM-015303

Lease Date:

April 1, 1972

Lease Term:

10 years

Lessor: The United States of America

Original Lessee: L.G. Wells

Present Lessee: EOG RESOURCES, INC.

Description of Land Committed: Township 25 South, Range 29 East, N.M.P.M., Section 14: W/2

Number of Acres: 320.00 acres Royalty Rate: 12.50%

Name and Percent ORRI Owners: Pegasus Resources, LLC......3.162500%

 McMullen Minerals, LLC.
 0.275000%

 Foundation Minerals, LLC.
 0.625000%

 Mavros Mineral II, LLC.
 0.562500%

 Oak Valley Mineral and Land, LP.
 0.062500%

 Chad Barbe.
 0.312500%

 XTO Royalty Holdings, LLC.
 3.500000%

8.500000%

Name and Percent WI Owners: XTO HOLDINGS, LLC......80.000000%

OXY USA INC.....20.000000%

100.000000%

# **RECAPITULATION**

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	50.000%
2	320.00	50.000%
Total	640.00	100.000%

ONLINE version August 2021 State/Fed/Fee State/Fed/Fee

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
CORRAL GORGE	34H	300154720100S1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	36H	300154802400X1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	34H	300154777000X1	NMNM15303	NMNM15303	OXY USA
CORRAL GORGE	35H	300154720500S1	NMNM15303	NMNM15303	OXY USA
CORRAL GORGE	38H	300154720800S1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	37H	300154802500X1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	35H	300154752700X1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	312H	300154802900X1	NMNM15303	NMNM15303	OXY USA
CORRAL GORGE	36H	300154720600S1	NMNM15303	NMNM15303	OXY USA
CORRAL GORGE	31H	300154721200S1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	33H	300154776900X1	NMNM15303	NMNM15303	OXY USA
CORRAL GORGE	32H	300154721400S1	-	-	OXY USA
CORRAL GORGE	311H	300154721500S1	NMNM15303	NMNM15303	OXY USA
CORRAL GORGE	37H	300154720700S1	NMNM15303	NMNM15303	OXY USA
CORRAL BLUFF	38H	300154802600X1	NMNM15303	NMNM15303	OXY USA

## **Notice of Intent**

**Sundry ID: 2737921** 

Type of Submission: Notice of Intent

Date Sundry Submitted: 06/26/2023

Date proposed operation will begin: 09/01/2023

Type of Action: Commingling (Surface) and Off-Lease

Measurement

Time Sundry Submitted: 11:00

**Procedure Description:** OXY requests approval according to 43 CFR 3173.14 (a)(1)(iii) to commingle production at the Corral Gorge 12-13 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. Justification, allocation methodology and other pertinent information are attached.

#### **Surface Disturbance**

Is any additional surface disturbance proposed?: No

#### **NOI Attachments**

#### **Procedure Description**

Corral\_Bluff\_BLM\_Submittal\_06.23\_20230626105937.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	<b>Signed on:</b> JUN 26, 2023 10:56 AM
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

lame:	
	State:

# 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-1038-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 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 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.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. 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.
- 6. 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.
- 7. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

#### **CONCLUSIONS OF LAW**

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

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- 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-1038.
- 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 production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a 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,

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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 commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil 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 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 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.
- 5. 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

Order No. CTB-1038-A Page 3 of 5

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.

- 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 production in accordance with 19.15.12.10.C.(2) NMAC.
- 8. 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.
- 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, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. 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.
- 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.

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- 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.

**DATE:** 9/11/2023

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

DYLAMM.FUGE

**DIRECTOR** 

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

# Exhibit A

Order: CTB-1038-A

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Corral Gorge 12 13 Battery

Central Tank Battery Location: UL G, Section 2, Township 25 South, Range 29 East

**Gas Title Transfer Meter Location:** 

#### **Pools**

**Pool Name Pool Code** PURPLE SAGE; WOLFCAMP (GAS) 98220

Leases as defined in 19.15.12.7(	C)	<b>NMAC</b>
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Leases as defined in 19.13.12.7(C) INMAC				
Lease	UL or Q/Q	S-T-R		
VB 1105 0002	<b>E/2</b>	12-25S-29E		
VC 0601 0001	W/2	12-25S-29E		
V0 3633 0004	All	11-25S-29E		
NMNM 105348317 (015303)	All	13-25S-29E		
[NNINNI 103346317 (013303)	All	14-25S-29E		

#### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47205	7205 C 12 12 E1 12 5H	<b>E/2</b>	12-25S-29E	98220
30-013-47203	Corral Gorge 12 13 Federal Com #35H	<b>E/2</b>	13-25S-29E	90220
20 015 47206	Council Course 12 12 Endougl Com #26H	E/2	12-25S-29E	00220
30-015-47206	Corral Gorge 12 13 Federal Com #36H	<b>E/2</b>	13-25S-29E	98220
30-015-47207	Convol Congo 12 12 Endoval Com #27H	E/2	12-25S-29E	98220
30-013-4/20/	Corral Gorge 12 13 Federal Com #37H	<b>E/2</b>	13-25S-29E	90220
30-015-47208	Council Course 12 12 Endougl Com #2011	E/2	12-25S-29E	98220
30-015-4/208	115-47208 Corral Gorge 12 13 Federal Com #38H	<b>E/2</b>	13-25S-29E	90220
		E/2	11-25S-29E	
30-015-47212	47212 Corral Gorge 12 13 Federal Com #31H	W/2	12-25S-29E	98220
30-013-4/212		W/2	13-25S-29E	70440
		<b>E/2</b>	14-25S-29E	
		<b>E/2</b>	11-25S-29E	
30-015-47214	Corral Gorge 12 13 Federal Com #32H	W/2	12-25S-29E	98220
30-013-4/214	Corrai Gorge 12 13 Federal Com #3211	W/2	13-25S-29E	70220
		<b>E/2</b>	14-25S-29E	
		<b>E/2</b>	11-25S-29E	
30-015-47201	Convol Congo 12 12 Endoval Com #24H	W/2	12-25S-29E	98220
30-013-4/201	Corral Gorge 12 13 Federal Com #34H	W/2	13-25S-29E	90220
		<b>E/2</b>	14-25S-29E	
		E/2	11-25S-29E	
30 015 47215	Carrel Cargo 12 13 Federal Com #211H	W/2	12-25S-29E	98220
30-015-47215	Corral Gorge 12 13 Federal Com #311H W/2 13-25S-2	13-25S-29E	90220	
		<b>E/2</b>	14-25S-29E	

		E/2	11-25S-29E	
30-015-47527	Corral Bluff 11 14 Federal Com #35H	W/2	12-25S-29E	98220
30-013-47327	Corrai Diuri 11 14 i cuci ai Com #3311	W/2	13-25S-29E	70220
		<b>E/2</b>	14-25S-29E	
		<b>E/2</b>	11-25S-29E	
30-015-48024	Corral Bluff 11 14 Federal Com #36H	W/2	12-25S-29E	98220
30-013-40024	Corrai Biuri 11 14 Federai Com #3011	W/2	13-25S-29E	70220
		<b>E/2</b>	14-25S-29E	
		<b>E/2</b>	11-25S-29E	
30-015-48025	Corral Bluff 11 14 Federal Com #37H	W/2	12-25S-29E	00220
30-015-46025	Corrai biuii 11 14 Federai Com #5/H	W/2	13-25S-29E	98220
		<b>E/2</b>	14-25S-29E	
		E/2	11-25S-29E	
20.015.40026		W/2	12-25S-29E	98220
30-015-48026	Corral Bluff 11 14 Federal Com #38H	W/2	13-25S-29E	
		<b>E/2</b>	14-25S-29E	
		E/2	11-25S-29E	
20.015.40020	C IDI ((11.14 E I I C     214 H	W/2	12-25S-29E	00220
30-015-48029	Corral Bluff 11 14 Federal Com #312H	W/2	13-25S-29E	98220
		<b>E/2</b>	14-25S-29E	
20.04#.40024	C IDI 0044 44 E I I C 1124 E	W/2	11-25S-29E	00000
30-015-48021	Corral Bluff 11 14 Federal Com #31H	W/2	14-25S-29E	98220
20.015.40022	C IDI CC 11 1 4 E I I C HATE	W/2	11-25S-29E	00220
30-015-48023	Corral Bluff 11 14 Federal Com #32H	W/2	14-25S-29E	98220
20.04.	C IDI 0044 44 E I I C 1124 I	W/2	11-25S-29E	00000
30-015-47769	Corral Bluff 11 14 Federal Com #33H	W/2	14-25S-29E	98220
20.015.45550	C IDI 0044 44 E I I C 1124E	W/2	11-25S-29E	00220
30-015-47770	Corral Bluff 11 14 Federal Com #34H	W/2	14-25S-29E	98220
20.04#.40020	G IDI 0044 44 F I I G 10444	W/2	11-25S-29E	00000
30-015-48028 Corra	Corral Bluff 11 14 Federal Com #311H	W/2	14-25S-29E	98220
		,=		

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

# Exhibit B

Order: CTB-1038-A

Operator: Oxy USA, Inc. (16696)

Pooled Areas				
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Welform NMNM 105720967 (144250)	E/2	12-25S-29E	640	<b>A</b>
CA Wolfcamp NMNM 105720867 (144359)	<b>E/2</b>	13-25S-29E		A
	E/2	11-25S-29E		
CA Welferm NMNM 105720066 (144250)	UL or Q/Q S-T-R Acres  E/2 12-25S-29E 640  E/2 13-25S-29E  E/2 11-25S-29E  W/2 12-25S-29E  W/2 13-25S-29E  E/2 14-25S-29E  W/2 11-25S-29E  W/2 11-25S-29E  640	1200	D	
CA Wolfcamp NMNM 105720866 (144358)	W/2	13-25S-29E	640 1280	В
	<b>E/2</b>	14-25S-29E		
CA Wolform NMNM 106202224	W/2	11-25S-29E	640	С
CA Wolfcamp NMNM 106303224	W/2	14-25S-29E	040	C

# **Leases Comprising Pooled Areas**

Lease	UL or Q/Q	S-T-R	Acres	Pooled
Lease		5-1-K	Acres	Area ID
VB 11050002	E/2	12-25S-29E	320	A
NMNM 105348317 (015303)	E/2	13-25S-29E	320	A
V0 3633 0004	E/2	11-25S-29E	320	В
VC 0601 0001	W/2	12-25S-29E	320	В
NIMNIM 105249217 (015202)	W/2	13-25S-29E	640	В
NMNM 105348317 (015303)	<b>E/2</b>	14-25S-29E	040	В
V0 3633 0004	W/2	11-25S-29E	320	C
NMNM 105348317 (015303)	W/2	14-25S-29E	320	C

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 231772

#### **CONDITIONS**

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	231772
	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.	9/11/2023