5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713.497.2203 Eric Fortier@oxy.com

July 13, 2023

Re: APPLICATION FOR LEASE COMMINGLE & OFF-LEASE MEASUREMENT, STORAGE AND SALES

Oil Commingling proposal for Saker Wells at Falcon Ridge CPF Train 2 in Lea County, NM

Dear Interest Owner:

This is to advise you that OXY USA INC is filing a surface commingle permit for oil production for the Saker wells at the Falcon Ridge CPF Train 2. A copy of the application submitted to the Division is attached. This request also includes future wells within the same pools and leases/CAs of wells listed 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 Eric Fortier at (713) 497-2203.

Respectfully,

OXY USA INC

Eric Fortier Regulatory Engineer

Eric_Fortier@oxy.com

<u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICA	ATION FOR S	SURFACE (COMMINGLING	(DIVERSE	OWNERSHIP)					
OPERATOR NAME:	OXY USA INC.									
OPERATOR ADDRESS:	PO BOX 4294, 1	HOUSTON, TX	X, 77210							
APPLICATION TYPE:										
☐ Pool Commingling ☐ Lease	Commingling	Pool and Lease Cor	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)				
LEASE TYPE: Fee State Federal										
Is this an Amendment to existing Order?										
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling \square Yes \square No										
(A) POOL COMMINGLING Please attach sheets with the following information										
(1) Pool Names and Codes		ties / BTU of Commingled action	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes				
(2) Are any wells producing a		∃Yes □No								
(4) Measurement type: (5) Will commingling decreas		r (Specify) action? Yes	□No If "yes", descri	be why commingli	ing should be approved					
	DI.		SE COMMINGLIN							
(1) Pool Name and Code. AN			s with the following in	nformation						
(1) Pool Name and Code. AN(2) Is all production from sam										
(3) Has all interest owners been	notified by certifie	d mail of the prop	posed commingling? CATION BY WELL TES	⊠Yes □N 5T	O					
			LEASE COMMIN							
(1) Complete Sections A and	Е.									
	(D) OF	F-LEASE ST	ORAGE and MEA	SUREMENT						
			ets with the following							
(1) Is all production from sam	11 2	□Yes □N	О							
(2) Include proof of notice to	all interest owners.									
			RMATION (for all s with the following in		ypes)					
 A schematic diagram of fa A plat with lease boundari Lease Names, Lease and V 	es showing all well	and facility locati	ions. Include lease numbe	ers if Federal or Sta	ate lands are involved.					
I hereby certify that the information		_	best of my knowledge an	d belief.						
SIGNATURE:	Ten	TI	ITLE:_REGULATORY E	ENGINEER	DATE:7/1:	3/2023				
TYPE OR PRINT NAME_ER	C FORTIER		TELEPHO	ONE NO.:713-	497-2203	_				
E-MAII ADDRESS: EDIC	F-MAIL ADDRESS: ERIC FORTIFR@OXY.COM									

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD D	DIVISION USE ONLY	
	NEW MEXIC	O OIL CONSERV	ATION DIVISION	SUE OF NEW MOSES
	- Geologia	cal & Engineering	g Bureau –	
	1220 South St. Fro	ancis Drive, Sant	a Fe, NM 87505	R. COMPARATION STATE
		ATIVE APPLICATI		
THI	S CHECKLIST IS MANDATORY FOR AL REGULATIONS WHICH RE	L ADMINISTRATIVE APPLICA QUIRE PROCESSING AT THE		
Applicant: OXY U	JSA INC.		OGR	ID Number: <u>16696</u>
	ER 6_7 FED COM #33H & MULTIF	LE	API: <u>3</u>	0-025-48934 & MULTIPLE
Pool: ANTELOPE RI	DGE;WOLFCAMP		Pool	Code: 2220
SUBMIT ACCU	RATE AND COMPLETE INF	ORMATION REQUI		THE TYPE OF APPLICATION
•	LICATION: Check those	' ' '	•	
	n – Spacing Unit – Simult			SD
L]NSL ☐ NSP _{(PR}	OJECT AREA)	P (PRORATION UNIT)	טט
B. Check	one only for [1] or [11]			
	mmingling – Storage – M	easurement		
		.C \square PC \square C	dls \square olm	
[II] Inje	ection – Disposal – Pressu			∋ry
	∐WFX □PMX □S\	VD □IPI □E	OR □PPR	
0) NOTIFICATIO	AN DECLUDED TO CLUS	11 1		FOR OCD ONLY
	ON REQUIRED TO: Check to be compared to the co		'.	Notice Complete
	alty, overriding royalty ov		/ners	
	lication requires publishe		VI 1013	Application
	fication and/or concurre		.0	Content
	fication and/or concurre			Complete
	ace owner			
	all of the above, proof of	f notification or pu	ıblication is attac	hed, and/or,
H.□ Nor	notice required			
3) CERTIFICATIO	ON: I hereby certify that t	he information su	hmitted with this	application for
	e approval is accurate (
	that no action will be tak	•	,	•
	are submitted to the Div			
	Note: Statement must be comple	ted by an individual with	manaaerial and/or sur	pervisory capacity.
	•	,		
			7/13/23	
ERIC FORTIER			Date	
Print or Type Name	<u></u>			
71			713-497-2203	
1.	•		Phone Number	
in the	5			
			ERIC_FORTIER(@OXY.COM
Signature			e-mail Address	

APPLICATION FOR LEASE COMMINGLING, OFF-LEASE MEASUREMENT, STORAGE AND SALES Commingling proposal for oil production for Saker Wells at the Falcon Ridge CPF Train #2

OXY USA INC requests approval of lease commingling, off-lease measurement, storage and sales for oil production from the wells listed below at the Falcon Ridge CPF Train #2 (H-01-T24S-R34E).

This commingle request also includes future wells within the same pools and leases/CAs of wells listed below.

POOL: Antelope Ridge; Wolfcamp (2220) - CA PENDING 62.5% BLM 12.5% NRI (NMNM014164) & 37.5% FEE

Well Name	АРІ	Est Date Online	Est Oil (bpd)	Est Gravity API	Est Gas (MSCFD)	Est BTU/cf	Est Water (bpd)
SAKER 6_7 FED COM 33H	30-025-48934	10/1/2023	1400	42	2399	1250	2758
SAKER 6_7 FED COM 37H	30-025-48938	10/1/2023	1400	42	2399	1250	2758
SAKER 6_7 FED COM 38H	30-025-48939	10/1/2023	1400	42	2399	1250	2758

Production estimates are average of first 6-month volumes

Process Description:

Production will flow to one of two three-phase production separators. Oil will then flow through an economizer then to an in-line heater before being sent to a VRT. It will then be pumped through LACTs, which will serve as the FMPs for BLM royalty payments and OXY's sales point.

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

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

Gas production will be measured at the orifice meters off the production and test separators and will be allocated back to the wells using the aforementioned well testing guidelines. These meters will serve as the BLM gas FMPs for the purpose of BLM royalty payment, and then sent to sales. Gas production commingling will be covered through a separate permit, pending approval by the NMOCD.

All water will be sent to the Falcon Ridge 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 will be calibrated on a regular basis per API, NMOCD and BLM specifications.

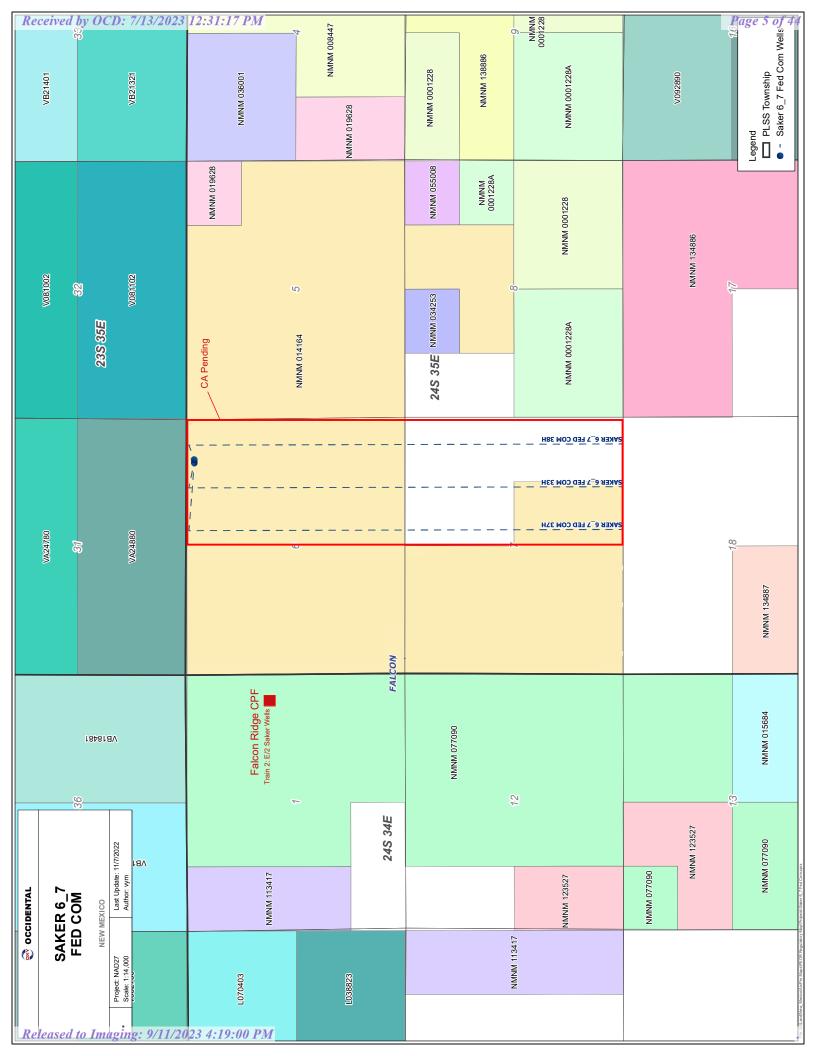
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

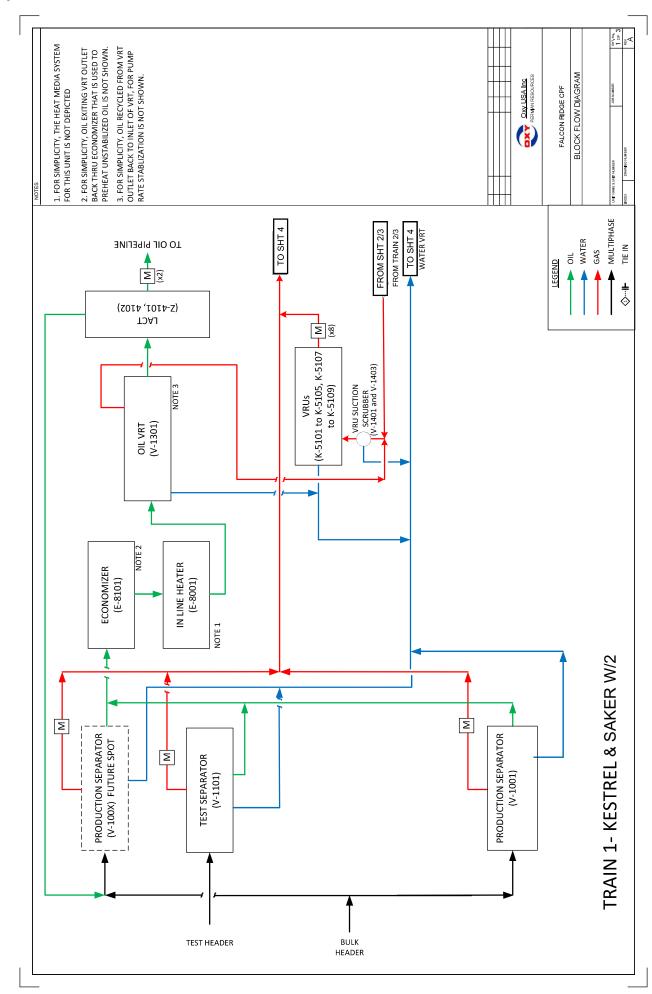
Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

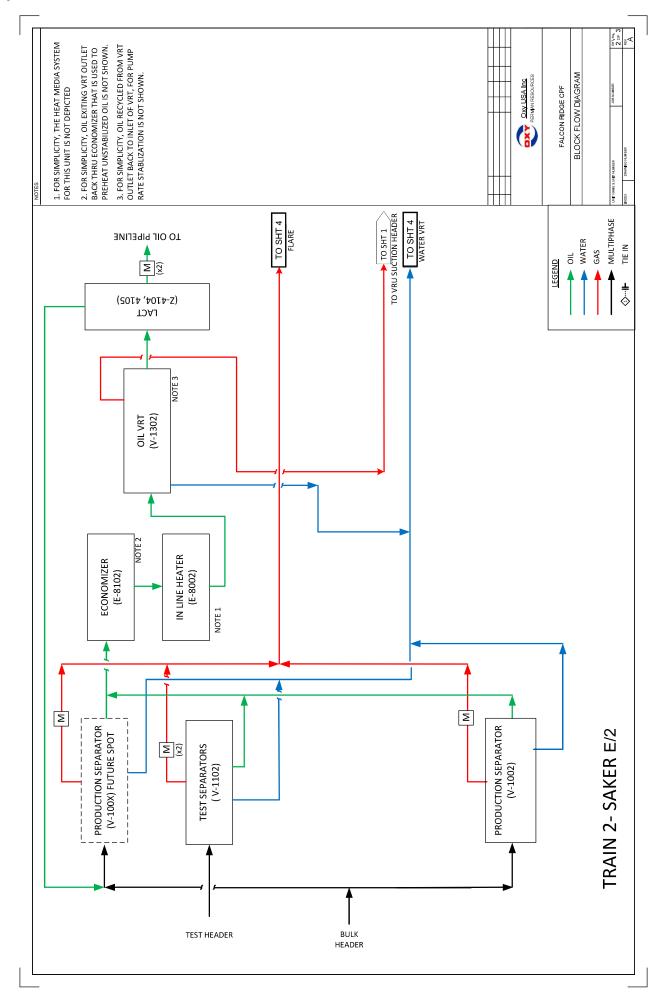
The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

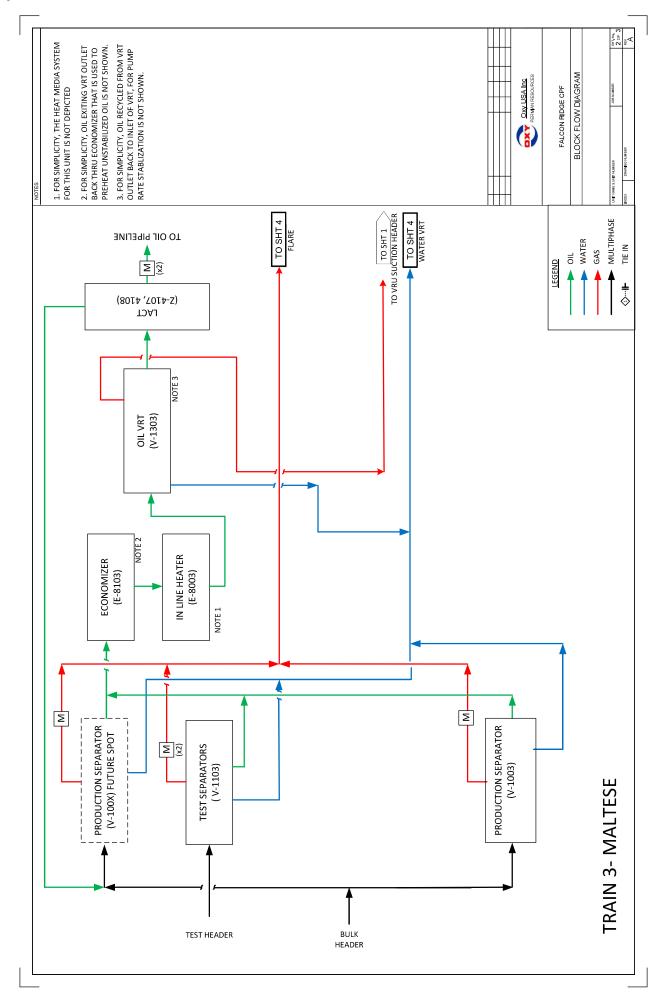
OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.

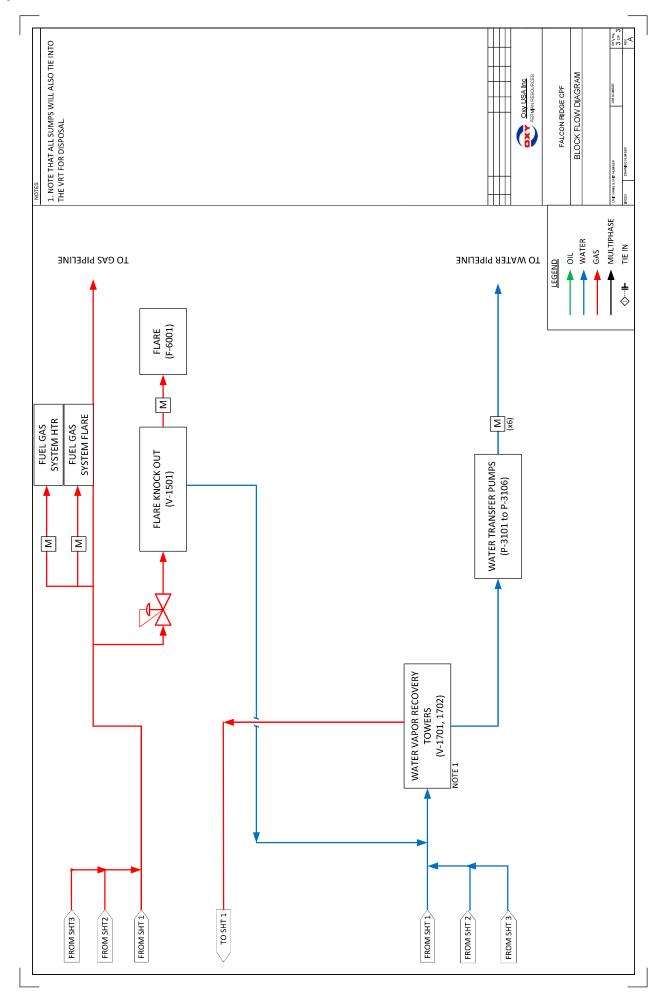
Page 1 of 1











Received by OCD: 4/13/2023/1233/15117/PM

<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

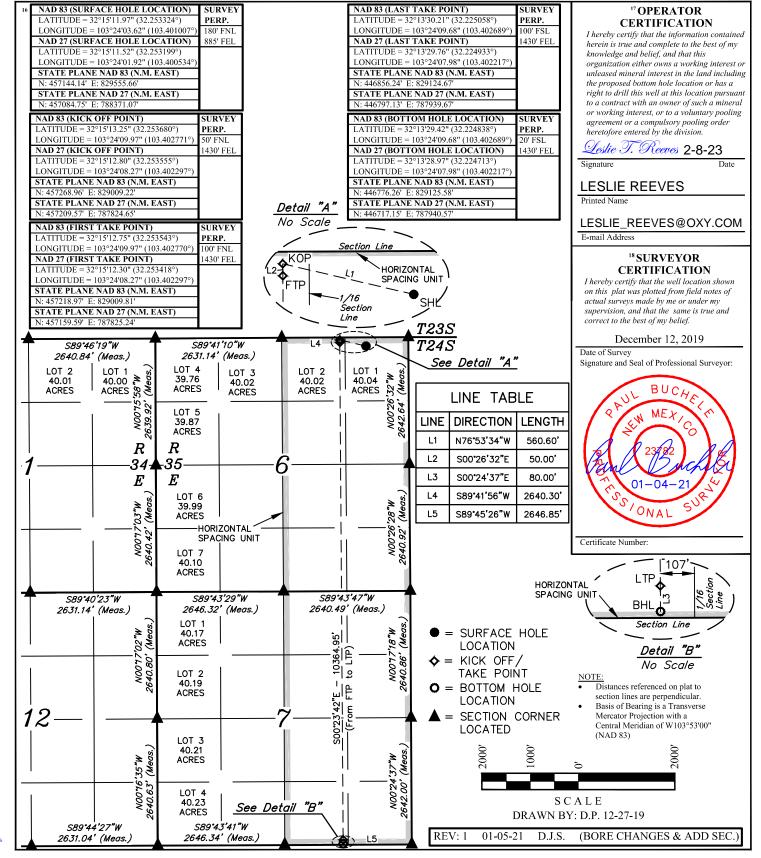
¹ API Number		² Pool Code					
30-025-48934	22	220					
4 Property Code		6 Well Number					
330848		SAKER 6_7 FED COM					
7 OGRID №.		8 Operator Name					
16696		3450.4' (NAVD 88)					

¹⁰ Surface Location

UL or lot no.	Section 6	Township 24S	Range 35E	Lot Idn	Feet from the 180	North/South line NORTH	Feet from the 885	East/West line EAST	County LEA		
	"Bottom Hole Location If Different From Surface										
777 1 /			3	T / T 1	E 16 (1	N. 41 (C. 41 1)	E (6 ()	TO 4/887 4.15	,		

35Ĕ SOUTH LEA P 24S 20 1430 **EAST** 2 Dedicated Acres Joint or Infil 14 Consolidation 5 Order No. 640.06

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.



Released to Imaging: 9/11/2023/4419:00/PM

<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

UL or lot no. Section Township Range

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

County

Released to Imaging: 9/41/2023 4:19:00 PM

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name		
30-025-48938		2220	ANTELOPE RIDGE; WOLFCAMP		
4 Property Code		⁵ Pr	operty Name	6 Well Number	
330848		SAKER	A 6_7 FED COM	37H	
⁷ OGRID No.			perator Name	⁹ Elevation	
16696		OX	Y USA INC.	3450.1' (NAVD 88)	

¹⁰ Surface Location

1	6	24S	35E	200 X	180	NORTH	920	EAST	LEA	
"Bottom Hole Location If Different From Surface										
T.T. 1	α		-		T . 4 . 1	27 12 16 17 18		T . (TT) . 14		

North/South line

Feet from the

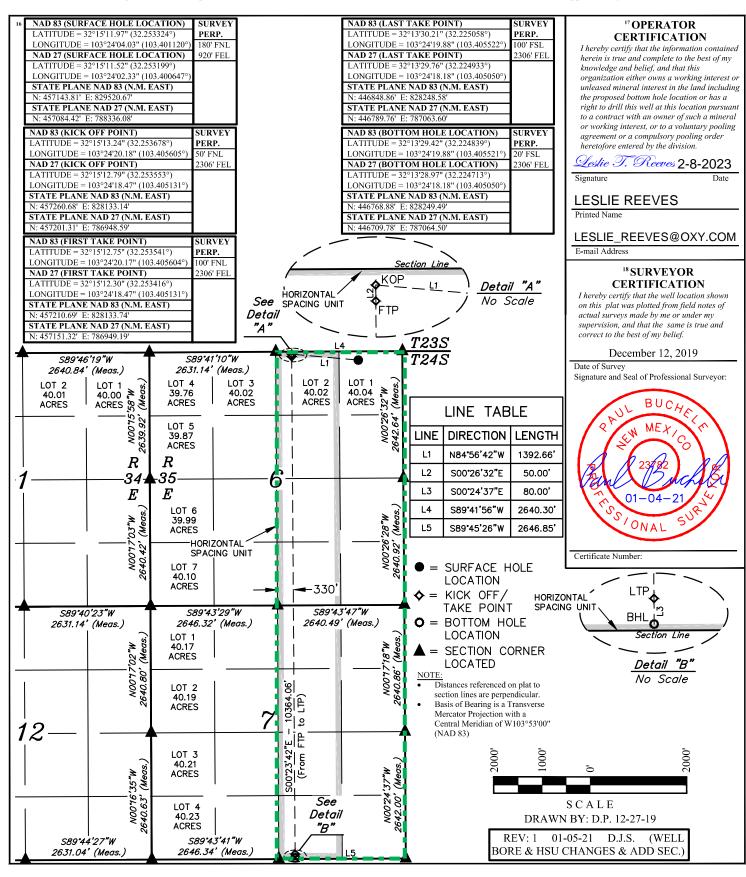
East/West line

UL or lot no. Lot Idn Feet from the Р 24S 35E 20 SOUTH 2306 **EAST** LEA 12 Dedicated Acres Joint or Infil 14 Consolidation 5 Order No. 640.06

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.

Feet from the

Lot Idn



<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

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Section Township Range Lot Idn

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

County

Released to Imaging: 9/4172023:4119300/PM

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		
30-025-48939		2220		
4 Property Code		5 Pro	operty Name	6 Well Number
330848		SAKER	6_7 FED COM	38H
7 OGRID No.			perator Name	⁹ Elevation
16696		UX	Y USA INC.	3450.8' (NAVD 88)

¹⁰ Surface Location

North/South line

Т

Feet from the

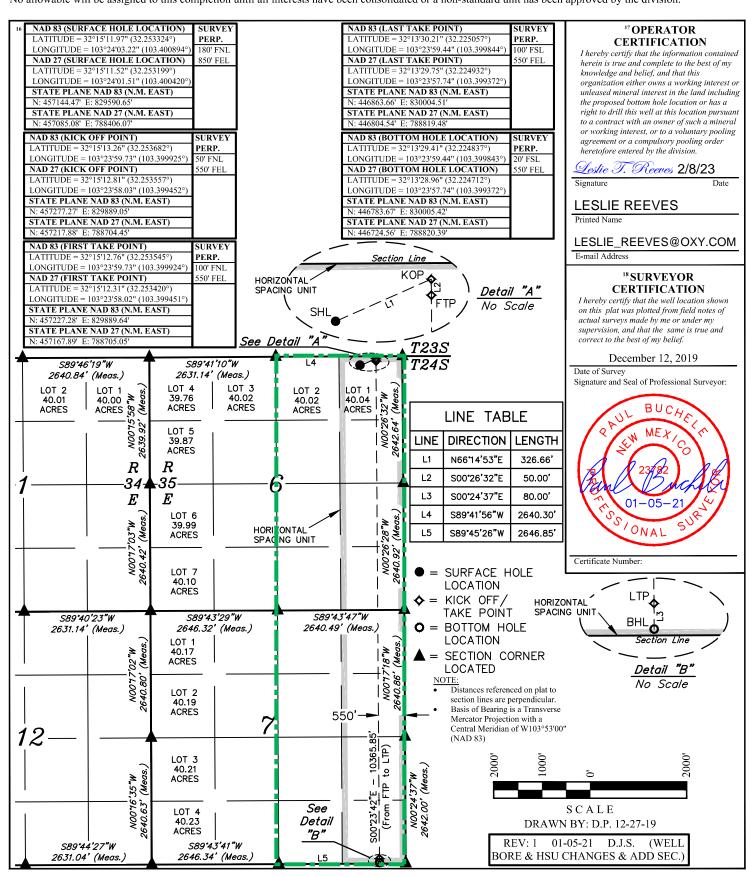
East/West line

١	1	6	24S Î	35Ē		180	NORTH	850	EAST	LEA	
	"Bottom Hole Location If Different From Surface										

UL or lot no. P	Sect	ion 7	Township 24S	Range 35E	Lot Idn	Fee	et from the 20	North/South line SOUTH	Feet from the 550	East/West line EAST	County LEA
12 Dedicated Acres 640.06		¹³ Jo	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.

Feet from the



Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated July 11, 2023 and ending with the issue dated July 11, 2023.

Publisher

Sworn and subscribed to before me this 11th day of July 2023.

Business Manager

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE July 11, 2023

Notice of Application for Surface Commingling

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit for oil production at the Falcon Ridge Facility Train #2. The facility is located in Lea County in Section 1 in T24S-R34E. Wells going to this battery are located in Sections 6 and 7 T24S-R35E. Production is from the Antelope Ridge; Wolfcamp pool.

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 Eric Fortier at (713) 497-2203. #00280508

67111848

00280508

TALENT ACQUISITION
OCCIDENTAL PERMIAN
5 GREENWAY PLAZA, STE 110
HOUSTON, TX 77046

	IVIAILED	ON JULY 13, 2023			
To Company Name	To Name	To Address Line 1	To City	To State	To ZIP PIC
FEDERAL GOVERNMENT ROYALTY	MINERALS MANAGEMENT SERVICE	620 East Greene Street	Carlsbad	NM	88220 _9414811898765419323096
	Bryan Bell Family LLC	PO Box 24591	NewOrleans	LA	70184 _9414811898765419323041
CATHLEEN ANN ADAMS	Cathleen Ann Adams Revocable Trust	PO Box 45807	RioRancho	NM	87174 _9414811898765419323089
	Charmar LLC	4815 Vista Del Oso Court NE	Albuquerque	NM	87109 _9414811898765419323034
	CrownRock Minerals LP	PO Box 51933	Midland	TX	79710 _9414811898765419323072
	DMA Inc	PO Box 1496	Roswell	NM	88202 _9414811898765419323416
	MerPel LLC	3100 Monticello Ave STE 500	Dallas	TX	75205 _9414811898765419323454
	Pegasus Resources II LLC	PO Box 731077	FortWorth	TX	75373 _9414811898765419323461
	Richard C Deason	1301 N Havenhurst Dr STE 217	WestHollywood	CA	90046 _9414811898765419323423
RONALD H MAYER	RONALD AND MARTHA H MAYER REV TRUST	PO Box 2391	Roswell	NM	88202 _9414811898765419323409
	SAP LLC	4901 Whitney Lane	Roswell	NM	88203 _9414811898765419323492
SUSAN ARROTT	Arrott Family Revocable Trust	PO Box 241868	LittleRock	AR	72223 _9414811898765419323447
	TD Minerals LLC	8111 Westchester Dr STE 900	Dallas	TX	75225 _9414811898765419323485
	Thomas D Deason	5016 92nd Street	Lubbock	TX	79424 _9414811898765419323430
	Viper Energy Partners LLC	515 Central Park Dr STE 100	OklahomaCity	ОК	73105 _9414811898765419323478
WELLS FARGO NATIONAL ASSOC	Robert N Enfield Irrevocable Trust B	PO Box 40909	Austin	TX	78704 _9414811898765419323515
	Rebecca Ann Allison	1635 Lytle Cove Rd	Abilene	TX	79602 _9414811898765419323553
	Randall Bates Allison	202 Contera CT	Abilene	TX	79602 _9414811898765419323560
	Leslie Carol Allison Epps Smith	2200 Aspen Dr	Pampa	TX	79065 _9414811898765419323508
	Angie Dawn Moad	3623 Hyde Park Ave	Midland	TX	79707 _9414811898765419323591
	Gary Noel Allison	3260 Portside Drive	May	TX	76857 _9414811898765419323546
SHANNON WAYNE ALLISON	Estate of Carl Wayne Allison	428 West 3rd Street	Burkburnett	TX	76354 _9414811898765419323584
	JC Resources LP	PO Box 803934	KansasCity	МО	64180 _9414811898765419323539
	Luxe Royalties LLC	2110 Farrington St	DALLAS	TX	75207 _9414811898765419323577
	Post Oak Mavros II LLC	34 S Wynden Dr STE 210	Houston	TX	77056 _9414811898765419324215
	Sortida Resources LLC	PO Box 50820	Midland	TX	79710 _9414811898765419324253
	Oak Valley Mineral and Land LP	PO Box 50820	Midland	TX	79710 _9414811898765419324260
	Amon G Carter Foundation	PO Box 840738	Dallas	TX	75284 _9414811898765419324222
	Brady L Smith no marital status	PO Box 2120	OklahomaCity	ОК	73102 _9414811898765419324208
	Brett G Taylor Royalty Trust	PO Box 9	Aledo	TX	76008 _9414811898765419324291
	Courtenay A Taylor Royalty Trust	PO Box 9	Aledo	TX	76008 _9414811898765419324246
	John Paul Albert no marital status	3936 Spyglass Road	OklahomaCity	ОК	73120 _9414811898765419324284
	Kimbell Art Foundation	301 Commerce St STE 2300	FortWorth	TX	76102 _9414811898765419324239
	Sundance Minerals I	PO Box 17744	FortWorth	TX	76102 _9414811898765419324277
	Wake Energy LLC	PO Box 5148	Edmond	ОК	73083 9414811898765419324857

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

To: Fortier, Eric; Musallam, Sandra C

Cc: McClure, Dean, EMNRD; Kautz, Paul, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Paradis, Kyle O;

Walls, Christopher

Subject: Approved Administrative Order CTB-1103

Date: Approved Administrative Order CTB-1103

Monday, September 11, 2023 4:06:41 PM

Attachments: CTB1103 Order.pdf

NMOCD has issued Administrative Order CTB-1103 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-025-48934	Salvar (7 Fadaval Com #22H	E/2	6-24S-35E	2220	
	Saker 6 7 Federal Com #33H	E/2	7-24S-35E	2220	
30-025-48938 30-025-48939	C-1 (7 E-1) C #27H	E/2	6-24S-35E	2220	
	Saker 6 7 Federal Com #37H	E/2	7-24S-35E	2220	
	Salvar (7 Fadaval Care #2011	E/2	6-24S-35E	2220	
	Saker 6 7 Federal Com #38H	E/2	7-24S-35E	2220	

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

Sundry Print Report.

95%

search report



Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
SAKER 6-7	37H	300254893800X1	NMNM14164	NMNM14164	OXY USA
SAKER 6-7	33H	300254893400X1	NMNM14164	NMNM14164	OXY USA
SAKER 6-7	38H	300254893900X1	NMNM14164	NMNM14164	OXY USA

Notice of Intent

Sundry ID: 2746222

Type of Submission: Notice of Intent

Type of Action: Off-lease Measurement/Storage

Date Sundry Submitted: 08/15/2023 Time Sundry Submitted: 10:34

Date proposed operation will begin: 12/01/2023

Procedure Description: OXY requests approval according to 43 CFR 3173.22 for off-lease measurement, storage and sales for following BLM wells at the Falcon Ridge Facility Train 2 (H-01-T24S-R34E), located on lease NMNM077090.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Saker_Primary_Oil_and_Gas_BLM_Submittal_v1_20230815103337.pdf

Federal Communitization Agreement

THIS AGREEMENT entered into as of the 1st day of August 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 24 South, Range 35 East, N.M.P. M.

Lots 1 and 2, S/2NE/4, and SE/4 of Section 6, Lea County, New Mexico E/2 of Section 7, Lea County, New Mexico

Containing 640.06 acres, and this agreement shall include only the <u>Wolfcamp Formation</u> underlying said lands and the crude oil and associated natural gas 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 <u>OXY USA Inc., 5 Greenway</u>
 <u>Plaza, Suite 110, Houston, TX 77046</u>. 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the

Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal lease.

- 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

Page 3 of 17

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 August 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 (30 C.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 above written and have set opposite their respective names the date of execution.

	OXY U	JSA Inc.	
Date	Ву:	James Laning Attorney-in-Fact	
	ACKNOWLEDG	MENT	
STATE OF TEXAS COUNTY OF HARRIS	§ § ss. §		
This instrument was acknow LANING, Attorney-in-fact of corporation. (SEAL)	_		-
	Notary	Public in and for the	State of Texas

OXY USA I	NC.	
BY:	Signature of Authorized Agent	_
NAME:	James Laning Name of Authorized Agent	
TITLE:	Attorney-In-Fact Title of Authorized Agent	- -
	ACKNO	WLEDGMENT
STATE OF _		
		knowledged before me on this the day of ING, Attorney-in-fact of OXY USA INC., a
	porturion, on benun or said e	orporation.
		Notary Public in and for the State of

OCCIDENTAL PERMIAN LIMITED PARTNERSHIP

BY:		
	Signature of Authorized Agent	it .
NAME: _	James Laning Name of Authorized Agent	
TITLE: _	Attorney-In-Fact Title of Authorized Agent	
	AC	CKNOWLEDGMENT
STATE OF)	
The		was acknowledged before me on this the day of S LANING, Attorney-in-fact of OCCIDENTAL
PERMIAN 1	-	RSHIP, a Texas limited partnership.
		Notary Public in and for the State of Texas

OXY Y-1 COMPANY

BY:				
	Signature of Authorize	ed Agent		
NAME:	James Laning Name of Authorized			
TITLE:	Attorney-In-F	Fact		
		ACKNOW	LEDGMENT	
STATE O	F TEXAS)		
COUNTY	OF HARRIS)		
, 2		ning, Attorney	-in-fact of OXY Y-1	n this the day of COMPANY, a New
			Notary Public in a	nd for the State of Texas

OXY USA WTP Limited Partnership

BY:		
	Signature of Authorized Agent	
NAME: _	James Laning Name of Authorized Agent	
TITLE: _	Attorney-In-Fact Title of Authorized Agent	
	ACKNC	OWLEDGMENT
STATE OF	TEXAS)) OF HARRIS)	
, 20_	, by James Laning, Attorn	nowledged before me on this the day of ney-in-fact of OXY USA WTP LIMITED rtnership, on behalf of said partnership.
		Notary Public in and for the State of Texas

ADVANCE ENERGY PARTNERS HAT MESA LLC

BY:		
	Signature of Authorized Agent	
NAME:		
_	Name of Authorized Agent	
TITLE:		
	Title of Authorized Agent	
	ACKNOW	LEDGMENT
STATE OF	§	
COUNTY (S OF8	
COUNTI	σι <u></u>	
The	foregoing instrument was acknowledge	owledged before me on this the day of
	, 20, by	, Attorney-in-fact of <u>ADVANCE</u>
ENERGY F	PARTNERS HAT MESA, a	, on behalf of said
		Notary Public in and for the State of
		My commission expires

DEVON ENERGY PRODUCTION COMPANY LP

BY:	
Signature of Authorized Agent	
NAME:	
NAME: Name of Authorized Agent	
TITLE: Title of Authorized Agent	
Title of Authorized Agent	
ACKNOW	LEDGMENT
STATE OF§	
8	
COUNTY OF§	
The foregoing instrument was ackn	owledged before me on this the day of
, 20, by	· ·
	P, a, on behalf of
said	
	
	Notary Public in and for the State of
	My commission expires

COG OPERATING LLC

BY:			
Signa	ature of Authorized Agent		
NAME:			
Nam	ne of Authorized Agent		
TITLE:	e of Authorized Agent		
Title	of Authorized Agent		
	ACKNOW	/LEDGMENT	
	Heiriow	LEDGMENT	
STATE OF	8		
5777E			
COUNTY OF	§		
_	-	owledged before me on this the	-
, 20), by	, Attorney-in-fact of COG O	perating
<u>LLC</u> , a	, on b	ehalf of said	
		National Publication and Country Charles	
		Notary Public in and for the State of My commission expires	

EXHIBIT "A"

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

Plat of communitized area covering **640.06** acres in Lots 1 and 2, S/2NE/4 and SE/4 of Section 6 and E/2 of Section 7, Township 24 South, Range 35 East, Lea County New Mexico.

Saker 6 7 Fed Com 33H, 37H, and 38H

	@ OCCIDENTAL					
	SAKER 6_7 FED COM 33H, 37H, 38H	25	30	29	28	27
La constitution of the con	Lifa COUNTY, NEW MERICO Project NASCET Sooie 126,000 Lina Update: 6992025 Sooie 126,000 Author type County of County	36	31	23S 35E 32	33	34
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15	14	13	18	17	16	15
22	23	24	19	20	21 Legend:	m Boundary r 6_7 Fed Com Wells

EXHIBIT "B"

To Communitization Agreement Dated August 1, 2023 embracing the following described land in E/2 of Section 6 and E/2 of Section 7, Township 24 South, Range 35 East, Lea County New Mexico.

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM-14164

Description of Land Committed: Township 24 South, Range 35 East,

NMPM,

Section 6: Lots 1 and 2, S/2NE/4.

Section 7: W/2SE/4

Current Lessee of Record: OXY USA Inc.

COG Operating LLC

Devon Energy Production Co LP

Advance Energy Partners Hat Mesa LLC

Number of Acres: 400.06 acres

Name and Percent of WI Owners: OXY USA INC. – 69.642777%

Occidental Permian Limited Partnership -

15.178611%

OXY USA WTP Limited Partnership –

8.010934%

OXY Y-1 Company - 7.167678%

Tract No. 2

Lease Serial No.: Fee

Description of Land Committed: Township 24 South, Range 35 East,

NMPM, Section 7: NE/4, E/2SE/4

Number of Acres: 240

Page 14 of 17

Authority for Pooling: Leases contain pooling clause

Lease Owner: See Below

Name and Percent of WI Owners: OXY USA Inc. – 98.976%

OXY Y-1 Company – .2418% OXY USA WTP LP – .27%

Occidental Permian Limited Partnership -

.512%

Lease No. 1

Lessor: Rebecca Ann Allison

Original Lessee: Sugar Creek Resources, LLC

Date of Lease: March 5, 2020

Authority for Pooling: Leases contain pooling clause

Lease No. 2

Lessor: Randall Bates Allison

Lessee: Sugar Creek Resources, LLC

Date of Lease: March 5, 2020

Authority for Pooling: Leases contain pooling clause

Lease No. 3

Lessor: Leslie Carol Allison Epps Smith
Lessee: Sugar Creek Resources, LLC

Date of Lease: March 5, 2020

Authority for Pooling: Leases contain pooling clause

Lease No. 4

Lessor: Angie Dawn Moad

Lessee: Sugar Creek Resources, LLC

Date of Lease: March 5, 2020

Authority for Pooling: Leases contain pooling clause

Lease No. 5

Lessor: Gary Noel Allison
Lessee: OXY USA Inc.
Date of Lease: October 13, 2021

Authority for Pooling: Leases contain pooling clause

Lease No. 6

Lessor: Shannon Wayne Allison

Lessee: OXY USA Inc.
Date of Lease: September 26, 2021

Authority for Pooling: Leases contain pooling clause

Lease No. 7

Lessor: JC Resources, LP
Lessee: OXY USA Inc.
Date of Lease: March 17, 2022

Authority for Pooling: Leases contain pooling clause

Lease No. 8

Lessor: Bessie Ann Prather and husband, Paul D.

Prather

Lessee: Robert E. Landreth Date of Lease: October 29, 1993

Authority for Pooling: Leases contain pooling clause

Lease No. 9

Lessor: Dorthy Louis Howard and husband, Frankie

Howard

Lessee: Robert E. Landreth
Date of Lease: October 29, 1993

Authority for Pooling: Leases contain pooling clause

Lease No. 10

Lessor: Diane Allison
Lessee: Robert E. Landreth
Date of Lease: October 29, 1993

Authority for Pooling: Leases contain pooling clause

Lease No. 11

Lessor: Mrs. Lela Roberta Hice and husband, John

Hice

Lessee: Robert E. Landreth Date of Lease: October 29, 1993

Authority for Pooling: Leases contain pooling clause

Lease No. 12

Lessor: Thomas L. Allison, Jr. and wife, Mary Alice

Allison

Lessee: Robert E. Landreth Date of Lease: October 29, 1993

Authority for Pooling: Leases contain pooling clause

RECAPITULATION

Total	640.06	100.0000%
2	240.00	37.5%
1	400.06	62.5%
Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated July 11, 2023 and ending with the issue dated July 11, 2023.

Publisher

Sworn and subscribed to before me this 11th day of July 2023.

Business Manager

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL NOTICE July 11, 2023

Notice of Application for Surface Commingling

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit for oil production at the Falcon Ridge Facility Train #2. The facility is located in Lea County in Section 1 in T245-R34E. Wells going to this battery are located in Sections 6 and 7 T24S-R35E. Production is from the Antelope Ridge; Wolfcamp pool.

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 Eric Fortier at (713) 497-2203. #00280508

67111848

00280508

TALENT ACQUISITION OCCIDENTAL PERMIAN 5 GREENWAY PLAZA, STE 110 HOUSTON, TX 77046

APPLICATION FOR LEASE COMMINGLING, OFF-LEASE MEASUREMENT, STORAGE AND SALES Commingling proposal for oil production for Saker Wells at the Falcon Ridge CPF Train #2

OXY USA INC requests approval of lease commingling, off-lease measurement, storage and sales for oil and gas production from the wells listed below at the Falcon Ridge CPF Train #2 (H-01-T24S-R34E).

This commingle request also includes future wells within the same pools and leases/CAs of wells listed below.

POOL: Antelope Ridge; Wolfcamp (2220) - CA PENDING 62.5% BLM 12.5% NRI (NMNM014164) & 37.5% FEE

Well Name	API	Est Date Online	Est Oil (bpd)	Est Gravity API	Est Gas (MSCFD)	Est BTU/cf	Est Water (bpd)
SAKER 6_7 FED COM 33H	30-025-48934	10/1/2023	1400	42	2399	1250	2758
SAKER 6_7 FED COM 37H	30-025-48938	10/1/2023	1400	42	2399	1250	2758
SAKER 6_7 FED COM 38H	30-025-48939	10/1/2023	1400	42	2399	1250	2758

Production estimates are average of first 6-month volumes

Process Description:

Production will flow to one of two three-phase production separators. Oil will then flow through an economizer then to an in-line heater before being sent to a VRT. It will then be pumped through LACTs, which will serve as the FMPs for BLM royalty payments and OXY's sales point.

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

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

Gas production will be measured at the orifice meters off the production and test separators and will be allocated back to the wells using the aforementioned well testing guidelines. These meters will serve as the BLM gas FMPs for the purpose of BLM royalty payment, and then sent to sales. Train 2 is the first production online at the Falcon Ridge CPF. Gas production will eventually be commingled with Trains 1 and 3. A gas commingle permit for all trains at Falcon Ridge CPF will be filed when development commences for Trains 1 and 3.

All water will be sent to the Falcon Ridge 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 will be 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 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.

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-1103

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.

Order No. CTB-1103 Page 1 of 5

- 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. 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, 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

Order No. CTB-1103 Page 2 of 5

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.

- 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.

Order No. CTB-1103 Page 3 of 5

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).

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12. 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

DYLANM. FUGE

DIRECTOR

Order No. CTB-1103 Page 5 of 5

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1103

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Falcon Ridge Central Processing Facility Train 2
Central Tank Battery Location: UL H, Section 1, Township 24 South, Range 34 East

Gas Title Transfer Meter Location:

Pools

Pool Name Pool Code ANTELOPE RIDGE; WOLFCAMP 2220

Leases as defined in 19.15.12.7(C) NMAC

13.12.7(0) 11111110		
UL or Q/Q	S-T-R	
E/2	6-24S-35E	
W/2 SE/4	7-24S-35E	
NE/4, E/2 SE/4	7-24S-35E	
	UL or Q/Q E/2 W/2 SE/4	E/2 6-24S-35E W/2 SE/4 7-24S-35E

Wells

, , , , , , , , , , , , , , , , , , , 				
Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48934	Saker 6 7 Federal Com #33H	E/2	6-24S-35E	2220
		E/2	7-24S-35E	2220
30-025-48938	Saker 6 7 Federal Com #37H	E/2	6-24S-35E	2220
		E/2	7-24S-35E	
30-025-48939	Saker 6 7 Federal Com #38H	E/2	6-24S-35E	2220
		E/2	7-24S-35E	

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: CTB-1103

Operator: Oxy USA, Inc. (16696)

Pooled Areas				
Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp BLM	E/2 E/2	6-24S-35E 7-24S-35E	640.06	A

Leases Comprising Pooled Areas Pooled UL or Q/Q Lease S-T-R Acres Area ID E/26-24S-35E NMNM 105367930 (014164) 400.06 \mathbf{A} W/2 SE/4 7-24S-35E Fee NE/4, E/2 SE/4 7-24S-35E **240** \mathbf{A}

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

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III 1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170

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

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

CONDITIONS

Action 239695

CONDITIONS

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	239695
	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