

08/21/2013	SUSPENSE	ENGINEER DB	LOGGED IN 08/26/2013	TYPE PLC/OLM	PLC	APP NO. PPRG1323851664
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



OLM
PLC-383
PPRG1323857183

ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

4 Wells
30-015-41416
Misty 35 Fed Com #3H
30-015-41413
Misty 35 Fed Com #4H
30-015-41409
Ivone 35 Fed Com #2H
30-015-41410

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

Ivone 35 Fed
Com #3H
OXY USA WTP

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

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

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

Jennifer Duarte	See attachments	Regulatory Analyst	08/20/2013
Print or Type Name	Signature	Title	Date
		jennifer_duarte@oxy.com	
		e-mail Address	

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA WTP LP

OPERATOR ADDRESS: 5 GREENWAY PLAZA, SUITE 110; HOUSTON, TX 77046

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

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

☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

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

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.

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

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

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

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

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

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

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

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

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

SIGNATURE: 

TITLE: REGULATORY SPECIALIST

DATE: 08/20/2013

TYPE OR PRINT NAME: JENNIFER DUARTE TELEPHONE NO.: 713-513-6640 E-MAIL ADDRESS: jennifer_duarte@oxy.com

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

Proposal for Misty 35 Federal Com #3H, Misty 35 Federal Com #4H, Ivore 35 Federal Com #2H, & Ivore 35 Federal Com #3H: OXY USA WTP LP is requesting approval for Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage, from the following wells:

Federal Lease NMNM-0006245, 019440, 056542

Well Name	Location	API #	Pool 37920	BOPD	Oil Gravity	Mcfpd	BTU
Misty 35 Federal Com #3H	35-18S-30E	30-015-41416	Leo; Bone Spring South	310	42	515	1335
Misty 35 Federal Com #4H	35-18S-30E	30-015-41413	Leo; Bone Spring South	310	42	515	1335

Federal Lease NMNM-006245, 093771

Well Name	Location	API #	Pool 5200	BOPD	Oil Gravity	Mcfpd	BTU
Ivore 35 Federal Com #2H	35-18S-30E	30-015-41409	Benson; Bone Spring	310	42	515	1335

Federal Lease NMNM-006245, 093771, 0025503

Well Name	Location	API #	Pool 5200	BOPD	Oil Gravity	Mcfpd	BTU
Ivore 35 Federal Com #3H	35-18S-30E	30-015-41410	Benson; Bone Spring	310	42	515	1335

Attached map shows the Federal leases and well locations in Section 31, T 18S - R 31E & Section 6, T 19S - R 31E.

The BLM's interest in these leases is different. Leases NMNM0006245, NMNM019440, NMNM093771, NMNM0025503 have a royalty rate of 12.5%, lease NMNM056542 has a royalty rate of 12.5-25% Schedule B.

Oil & Gas metering:

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator and test gas meter at the proposed facility so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas and water. Well tests for each well will be conducted at least once per month for a minimum of 24 hours each well. The oil and gas hydrocarbon production from the Misty and Ivore wells listed above will be commingled, measured and sold off lease using the well test method.

A central tank battery will be located at the Misty 35 Fed Com #4H in Section 35, T18S, R30E on Federal Lease NMNM-0006245 in Eddy County, New Mexico. A gas sales meter will be located 4.5 miles south of the facility. The gas will be sold to Enterprise the meter number will be assigned and submitted via sundry after the meter is installed. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility. Produced water will be trucked from location and disposed in a public SWD in the area.

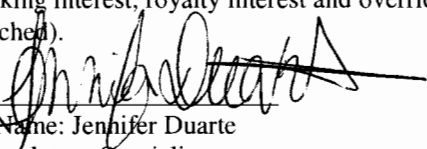
Process and Flow Descriptions:

Please see attached diagram for the Misty 35 Fed Com #4H CTB. The flow of produced fluids and valve positions during production and sales phases is shown in the diagram.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

Signed: 
Printed Name: Jennifer Duarte
Title: Regulatory Specialist
Date: 08/20/2013

Well Name	Well Type	Lease Number	Lease Royalty	API #	Unit Letter	Section	Township	Range	Pool	BOPD	Oil Gravity	MCFPD	BTU
Misty 35 Federal Com #4H	Oil	NMNM-0006245, 019440, 056542	12.5%; Sliding Scale Schedule B	30-015-41416	I	35	18S	30E	Leo; Bone Spring; South (37920)	310	42	515	1335
Misty 35 Federal Com #3H	Oil	NMNM-0006245, 019440, 056542	12.5%; Sliding Scale Schedule B	30-015-41413	P	35	18S	30E	Leo; Bone Spring; South (37920)	310	42	515	1335
Ivore 35 Federal Com #2H	Oil	NMNM-006245, 093771	12.50%	30-015-41409	H	35	18S	30E	Benson; Bone Spring (5200)	310	42	515	1335
Ivore 35 Federal Com #3H	Oil	NMNM-006245, 093771,0025503	12.50%	30-015-41410	A	35	18S	30E	Benson; Bone Spring (5200)	310	42	515	1335

27

26

25

Ivore 35 Fed Com #3H

Ivore 35 Fed Com #2H

Misty 35 Fed Com #4H

Misty 35 Fed Com #3H

NM-0006245

T18S R30E

NM-093771

NM-0025503

EDDY 34

35

36

NM-019440

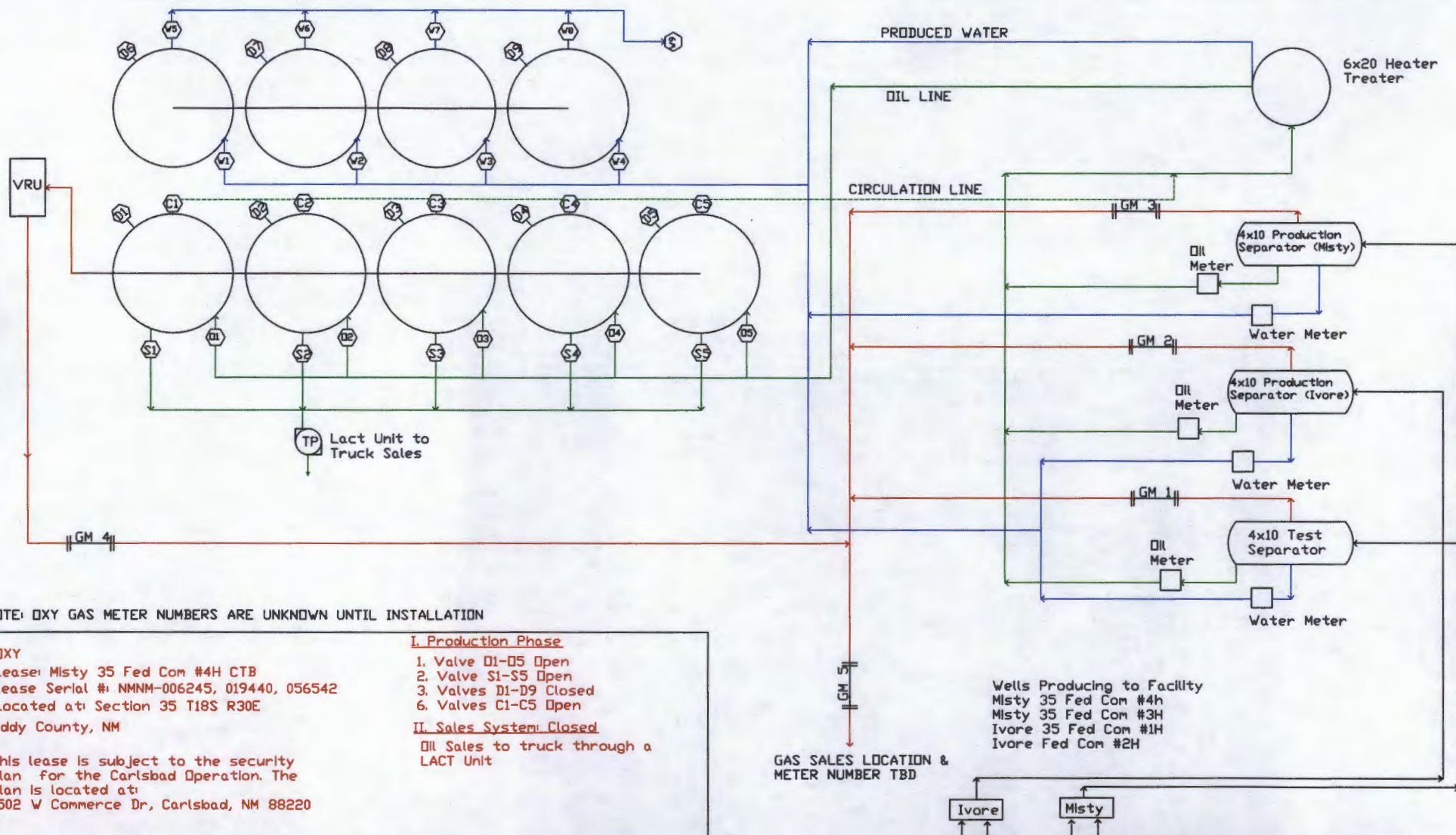
NM-056542

3

2

T19S R30E

1



NOTE: OXY GAS METER NUMBERS ARE UNKNOWN UNTIL INSTALLATION

OXY
Lease: Misty 35 Fed Com #4H CTB
Lease Serial #: NMNM-006245, 019440, 056542
Located at: Section 35 T18S R30E
Eddy County, NM

This lease is subject to the security plan for the Carlsbad Operation. The plan is located at:
1502 W Commerce Dr, Carlsbad, NM 88220

I. Production Phase

1. Valve D1-D5 Open
2. Valve S1-S5 Open
3. Valves D1-D9 Closed
6. Valves C1-C5 Open

II. Sales System Closed

Oil Sales to truck through a LACT Unit

NOTE:

REFERENCE DRAWINGS		REVISIONS			ENGINEERING RECORD	
NO.	TITLE	NO.	DATE	DESCRIPTION	BY	DATE
					BY: ANP	7/17/13
					DES:	
					CHK:	
					APP:	
					APP No:	
					OXY ENGR:	
					PROJ ENGR: A. PADDOCK	PLOT SCALE: DWG. NO.
					SCALE: NONE	CAD NO. 001



Occidental
PERMIAN LTD.

SITE FACILITY DIAGRAM
MISTY CTB (MISTY 35 FED COM 4H)

EDDY COUNTY, NEW MEXICO

REV
A

Misty 35 Fed 3H Flowline Routing



Approximately 1,250' of QTY 1 4" SDR 7 Polyethylene production flowlines (oil, gas, and produced water) to be laid on the surface to Misty 35 Fed 4H Battery. Operating Pressure < 125 psig

Ivore 35 Fed 3H Flowline Routing



Approximately 5,700' of QTY 1
4" SDR 7 Polyethylene
production flowlines (oil, gas,
and produced water) to be laid
on the surface Misty 35 Fed 4H
Battery. Operating Pressure
< 125 psig

Ivore 35 Fed 2H Flowline Routing



Approximately 4,400' of QTY 1
4" SDR 7 Polyethylene
production flowlines (oil, gas,
and produced water) to be laid
on the surface Misty 35 Fed 4H
Battery Location. Operating
Pressure < 125 psig



OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTIAL PERMIAN LP
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.513.6640 Cell: 832.740.3716
Jennifer_duarte@oxy.com

August 20, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for a CTB & Commingle

Misty 35 Federal Com #4H 30-015-41416

Misty 35 Federal Com #3H 30-015-41413

Ivove 35 Federal Com #2H 30-015-41409

Ivove 35 Federal Com #3H 30-015-41410

CTB Location: Sec 35-T 18S-R 30E – Misty 35 Federal Com #4H

Pool: Leo; Bone Spring; South (37920) & Benson; Bone Spring (5200)

Eddy County, New Mexico

To Whom It May Concern:

This is to advise you that OXY USA WTP LP is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tanks Battery & Off-lease Gas Measurement, Sales, & Storage for the above mentioned wells.

A copy of our application submitted to the Division is attached.

Any objection or requests that a hearing should be held 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.

Please contact me should you have any questions or need anything further.

Thank you in advance for your time.

Very Truly Yours,

OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTIAL PERMIAN LP
Jennifer Duarte
Regulatory Specialist

Enclosure

Interest Owners

Well	Owner	Address				Certified Receipt Number
MISTY 35 FEDERAL COM #3H & #4H	CANNON EXPLORATION CO	3608 S COUNTY ROAD 1184	MIDLAND	TX	79706- 6468	7007071000027578430C
	JAMES WOODARD	3405 FELDSPAR LANE	MIDLAND	TX	79707	70070710000275784294
	MCCOMBS ENERGY LLC	5599 SAN FELIPE SUITE 1200, ATTN: LARRY WYONT	HOUSTON	TX	77056	70070710000275784287
	ROGER T & HOLLY L ELLIOTT FAMILY	3910 TANFORAN AVENUE	MIDLAND	TX	79707	7007071000027578427C
	KLM PETROLEUM CORPORATION	508 W. WALL ST. STE 1235	MIDLAND	TX	79701- 5059	7007071000027578425E
	DRM PROPERTIES, INC.	4110 EAST 37TH STREET	ODESSA	TX	79762	7007071000027578424S
	MIKE MILLER	4221 BAYBROOK PLACE	MIDLAND	TX	79707	70070710000275784232
	DILLARD FISHER & DILLARD PTNRSHIP	415 WEST WALL, SUITE 703	MIDLAND	TX	79701	70070710000275784225
	ARLOMA CORPORATION	3887 STATE STREET, SUITE 22	SANTA BARBARA	CA	93105	70070710000275784218
	COG OPERATING LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784201
	CONCHO OIL & GAS LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784263
	OXY USA WTP LP	PO BOX 4294	HOUSTON	TX	77210-4294	Applicant
IVORE 35 FEDERAL COM #2H & #3H	CANNON EXPLORATION CO	3608 S COUNTY ROAD 1184	MIDLAND	TX	79706- 6468	7007071000027578430C
	JAMES WOODARD	3405 FELDSPAR LANE	MIDLAND	TX	79707	70070710000275784294
	MCCOMBS ENERGY LLC	5599 SAN FELIPE SUITE 1200, ATTN: LARRY WYONT	HOUSTON	TX	77056	70070710000275784287
	DILLARD, FISHER & HEASLEY PTNSHP	415 WEST WALL SUITE 703	MIDLAND	TX	79701	70070710000275784225
	ROGER T & HOLLY L ELLIOTT FAMILY	3910 TANFORAN AVENUE	MIDLAND	TX	79707	7007071000027578427C
	KLM PETROLEUM CORPORATION	508 W. WALL ST. STE 1235	MIDLAND	TX	79701- 5059	7007071000027578425E
	DRM PROPERTIES, INC.	4110 EAST 37TH STREET	ODESSA	TX	79762	7007071000027578424S
	MIKE MILLER	4221 BAYBROOK PLACE	MIDLAND	TX	79707	70070710000275784232
	COG OPERATING LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784201
	CONCHO OIL & GAS LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784263
	OXY USA WTP LP	PO BOX 4294	HOUSTON	TX	77210-4294	Applicant

NEW MEXICO STATE LAND OFFICE
Commingle PRE-Application ONLINE Version

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: JENNIFER DUARTE Company: OXY USA WTP LP
Address: PO BOX 4294 City HOUSTON
Telephone: 713-513-6640 Fax: _____ State TX Zip 77210

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

1. Briefly describe what you propose to do. Commingle the production of four Communitized wells at a Central Tank Battery. Central Tank Battery located on the Misty 35 Federal Com #4H.

2. Fill in the following information for each well. *[Attach additional pages if needed.]*

Well name & number Multiple Wells - Please See Attachment Lease # _____
Lessee of Record _____
Legal land description: Subdivisions _____
Sect _____ T _____ R _____ NMPM _____ County NM
Pool _____

Well name & number _____ Lease # _____
Lessee of Record _____
Legal land description: Subdivisions _____
Sect _____ T _____ R _____ NMPM _____ County NM
Pool _____

Well name & number _____ Lease # _____
Lessee of Record _____
Legal land description: Subdivisions _____
Sect _____ T _____ R _____ NMPM _____ County NM
Pool _____



Shipment Receipt

Address Information**Ship to:**

Commissioner of Public
Lands
State of New Mexico
310 Old Santa Fe Trail
Attention: Pete Martinez
SANTA FE, NM
87504
US
5058275760

Ship from:

Jennifer Duarte

Oxy Inc
5 Greenway Plaza
Suite 110
Houston, TX
77046
US
7135136640

Shipment Information:

Tracking no.: 796503297095

Ship date: 08/20/2013

Estimated shipping charges: 11.88

Package Information

Service type: FedEx 2-Day AM

Package type: FedEx Envelope

Number of packages: 1

Total weight: 0.25 LBS

Declared Value: 0.00 USD

Special Services:

Pickup/Drop-off: Use an already scheduled pickup at my location

Billing Information:

Bill transportation to: Houston Greenway-678

Your reference: J Duarte

P.O. no.:

Invoice no.:

Department no.:

Thank you for shipping online with FedEx ShipManager at fedex.com.

Please Note

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; Consult the applicable FedEx Service Guide for details. The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM0560355

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
MULTIPLE MULTIPLE2. Name of Operator
OXY USA WTP LPContact: JENNIFER A DUARTE
E-Mail: JENNIFER_DUARTE@OXY.COM

9. API Well No.

3a. Address
PO BOX 4294
HOUSTON, TX 772103b. Phone No. (include area code)
Ph: 713-513-664010. Field and Pool, or Exploratory
HACKBERRY BONESPRING NORT

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 35 T18S R30E

11. County or Parish, and State

EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE,
OFF LEASE MEASUREMENT, SALES & STORAGE

Proposal for Misty 35 Federal Com #3H, Misty 35 Federal Com #4H, Ivore 35 Federal Com #2H, & Ivore 35 Federal Com #3H:
OXY USA WTP LP is requesting approval for Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage from the following wells:

Federal Lease NMNM-0006245, 019440, 056542
Well Name Location API # Pool 37920 BOPD Oil Gravity Mcfpd BTU
Misty 35 Federal Com #3H 35-18S-30E 30-015-41416 Leo; Bone Spring South 310 42 515 1335
Misty 35 Federal Com #4H 35-18S-30E 30-015-41413 Leo; Bone Spring South 310 42 515 1335

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #217615 verified by the BLM Well Information System
For OXY USA WTP LP sent to the Carlsbad**

Name (Printed/Typed) JENNIFER A DUARTE

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 08/20/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title	Date
_____	_____	_____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #217615 that would not fit on the form

32. Additional remarks, continued

Federal Lease NMNM-006245, 093771

Well Name Location API # Pool 5200 BOPD Oil Gravity Mcfpd BTU

Ivore 35 Federal Com #2H 35-18S-30E 30-015-41409 Benson; Bone Spring 310 42 515 1335

Federal Lease NMNM-006245, 093771, 0025503

Well Name Location API # Pool 5200 BOPD Oil Gravity Mcfpd BTU

Ivore 35 Federal Com #3H 35-18S-30E 30-015-41410 Benson; Bone Spring 310 42 515 1335

Attached map shows the Federal leases and well locations in Section 31, T 18S - R 31E & Section 6, T 19S ? R 31E.

The BLM's interest in these leases is different. Leases NMNM0006245, NMNM019440, NMNM093771, NMNM0025503 have a royalty rate of 12.5%, lease NMNM056542 has a royalty rate of 12.5-25% Schedule B.

Oil & Gas metering:

Oil, gas and water volumes from each well producing to this battery will be determined by using a test separator and test gas meter at the proposed facility so that one well is always producing through the testing equipment. Production will be allocated on a daily basis based on the most recent individual well test of oil, gas and water. Well tests for each well will be conducted at least once per month for a minimum of 24 hours each well. The oil and gas hydrocarbon production from the Misty and Ivore wells listed above will be commingled, measured and sold off lease using the well test method.

A central tank battery will be located at the Misty 35 Fed Com #4H in Section 35, T18S, R30E on Federal Lease NMNM-0006245 in Eddy County, New Mexico. A gas sales meter will be located 4.5 miles south of the facility. The gas will be sold to Enterprise the meter number will be assigned and submitted via sundry after the meter is installed. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility. Produced water will be trucked from location and disposed in a public SWD in the area.

Process and Flow Descriptions:

Please see attached diagram for the Misty 35 Fed Com #4H CTB. The flow of produced fluids and valve positions during production and sales phases is shown in the diagram.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).