

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: 12/04/2013 _____

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

APPLICATION FOR SURFACE POOL COMMINGLE

Proposal for Neff 25 Fed #5H, Neff 25 Fed #9H, & Neff 25 Fed #2:

OXY USA WTP LP is requesting approval for Central Tank Battery, Surface Pool Commingle, On Lease Measurement, Sales, & Storage from the following wells:

Federal Lease NMNM-25365

Well Name	Location	API #	Pool (39360)	BOPD	Oil Gravity	MCFPD	BTU
Neff 25 Federal #5H	25-22S-31E	30-015-41031	Livingston Ridge; Delaware	200	41.4	380	1289
Neff 25 Federal #2	25-22S-31E	30-015-26639	Livingston Ridge; Delaware	19	41.4	6	1289

Well Name	Location	API #	Pool (39350)	BOPD	Oil Gravity	MCFPD	BTU
Neff 25 Federal #9H	25-22S-31E	30-015-41459	Livingston Ridge; Bone Spring	800	41.8	1500	1294

The attached map shows the Federal lease and well locations in Section 25, T 22S - R 31E.

The BLM has a royalty rate of 12.5% in this lease.

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 production from the Neff wells listed above will be commingled, measured and sold on lease using a LACT Unit (meter #XXX). Production will be allocated by well test method. Produced water will be measured through a turbine meter (meter #XXX) and disposed at the Neff Federal #3 SWD. Meter numbers will be assigned during construction.

A central tank battery will be located at the Neff 25 Federal #5H in Section 25, T22S, R31E on Federal Lease NMNM-25365 in Eddy County, New Mexico. The gas sales meter is located 0.75 miles to the north of the facility. The gas will be sold to DCP via meter number 13145021. An Oxy check meter will be located at the Neff 25 Federal #5H facility. 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.


Process and Flow Descriptions:

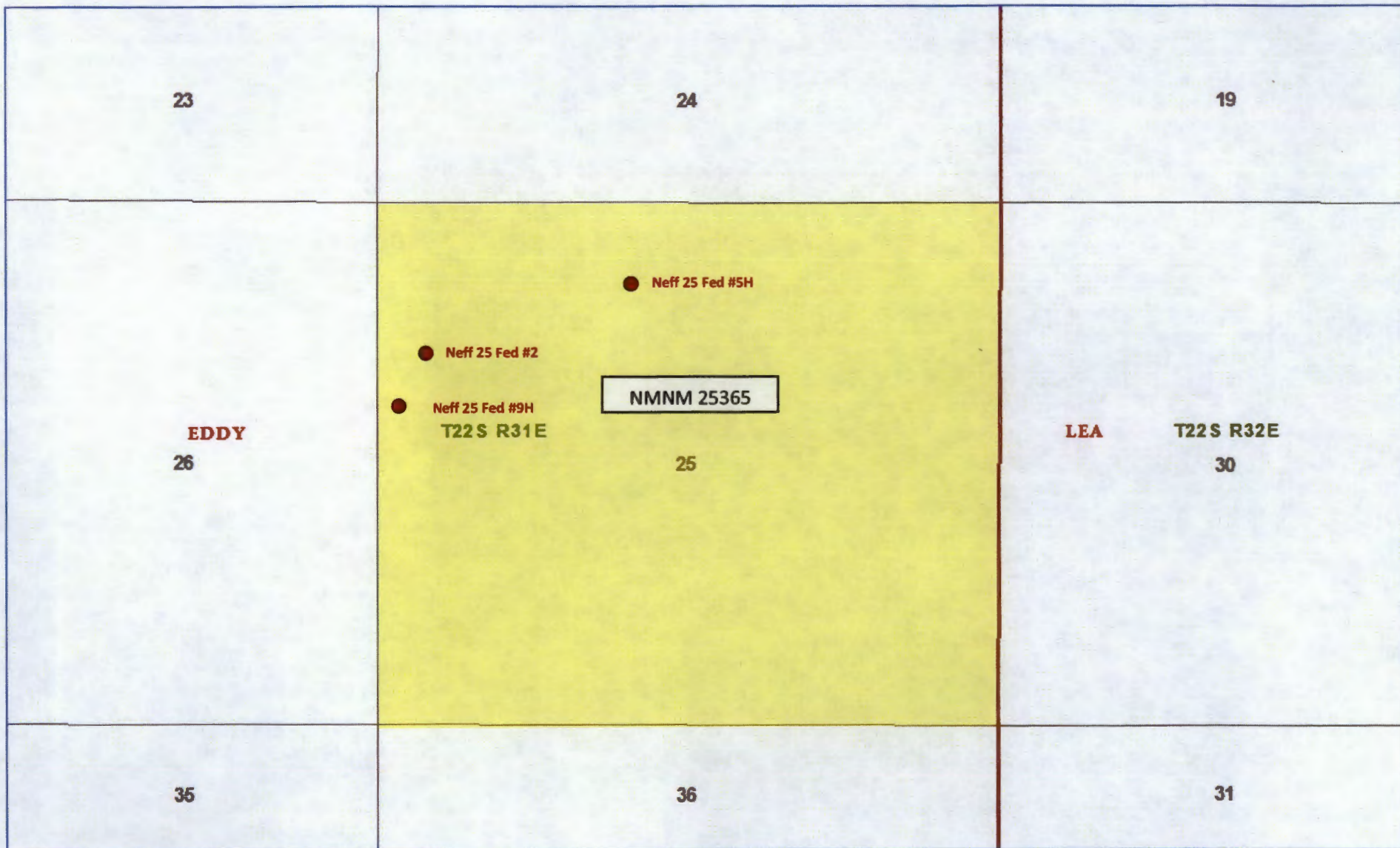
Please see attached diagram for the Neff 25 Federal #5 CTB. The flow of produced fluids and valve positions during production and sales phases is shown in the diagram.

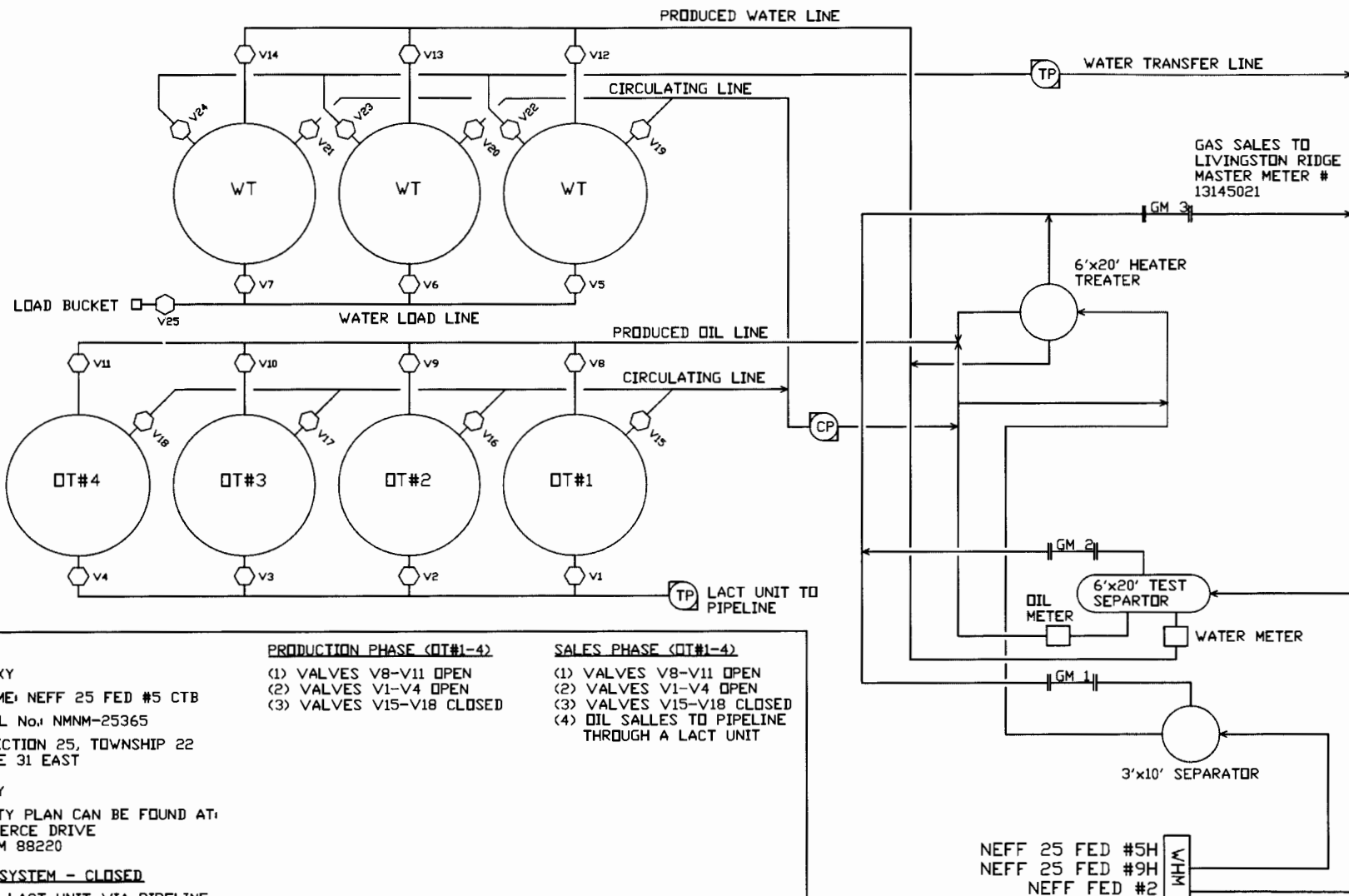
The surface pool commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells. In addition, commingling will not result in reduced royalty or improper measurement of production. The 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 are no 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: 12/04/2013





LEGEND

OPERATOR: OXY
FACILITY NAME: NEFF 25 FED #5 CTB
LEASE SERIAL No.: NMNM-25365
LOCATION: SECTION 25, TOWNSHIP 22
SOUTH, RANGE 31 EAST

COUNTY: EDDY

SITE SECURITY PLAN CAN BE FOUND AT:
1502 W COMMERCE DRIVE
CARLSBAD, NM 88220

PRODUCTION SYSTEM - CLOSED

OIL SOLD BY LACT UNIT VIA PIPELINE

PRODUCTION PHASE (OT#1-4)

- (1) VALVES V8-V11 OPEN
- (2) VALVES V1-V4 OPEN
- (3) VALVES V15-V18 CLOSED

SALES PHASE (OT#1-4)

- (1) VALVES V8-V11 OPEN
- (2) VALVES V1-V4 OPEN
- (3) VALVES V15-V18 CLOSED
- (4) OIL SALES TO PIPELINE
THROUGH A LACT UNIT

NOTE:

REFERENCE DRAWINGS		REVISIONS			ENGINEERING RECORD		Occidental PERMAN LTD.
NO.	FILE	NO.	DATE	DESCRIPTION	BY	DATE	
					CHK: JMR	10/11/13	SITE FACILITY DIAGRAM NEFF 25 FED #5 CTB EDDY COUNTY, NEW MEXICO DWA. NO. 001
					CHK:		
					APP:		
					APP:		
					CHK:		
					CHK:		
					PROJ. ENGR: J. REIDER	PLOT SCALE	REV A
					SCALE: NONE	CAD NO.	



**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

December 4, 2013

Interest Owners

Re: Request for a CTB & Pool Commingle
CTB Location: Sec 25-T 22S-R 31E – Neff 25 Federal #5H
Pool: Livingston Ridge; Delaware (39360); Livingston Ridge; Bone Spring (39350)
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 & Pool commingle for the mentioned wells in the attached documents.

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

Addressee	Certified Tracking Number
Andrew J. and Doris D Foster 1807 Duke Drive Richardson, TX 75081	7013109000009726225
Edward R. Hudson, Jr. and William A. Hudson II Domiciliary Foreign Personal Representatives of the Estate of Josephine Hudson 616 Texas Street Fort Worth, TX 76102	70070710000275784089
Maxine Hannifin Trustee of the Robert and Maxine Trust P.O. Box 218 Midland, TX 79702-0218	70070710000275784096
Donna S. Lampkin 2648 West Desert Cove Drive Phoenix, Arizona 85029	70070710000275784102
Penroc Oil Corporation P.O. Box 2769 Hobbs, NM 88241-2769	70070710000275784119
Mary T. Ard 222 W. 4th St PH-5 Fort Worth, TX 76102	70070710000275784126
Francis Hill Hudson Trustee of Lindy's Living Trust 4200 S. Hulen, Suite 302 Fort Worth, TX 76109	70070710000275784133
Nuevo Seis, Limited Partnership P.O. Box 2588 Roswell, NM 88202-2588	70070710000275784140
Delmar Hudson Lewis Trust P.O. Drawer 840738 Dallas, TX 75284-0738	70070710000275784157
Javelina Partners 616 Texas Street Fort Worth, TX 76102	70070710000275784164
Les. R. Honeyman and LaNell J. Honeyman 406 Skywood Circle Midland, TX 79705	70070710000275784171

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM25365
2. Name of Operator OXY USA WTP LP		6. If Indian, Allottee or Tribe Name
3a. Address PO BOX 4294 HOUSTON, TX 77210		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 713-513-6640		8. Well Name and No. MULTIPLE MULTIPLE
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T22S R31E		9. API Well No.
		10. Field and Pool, or Exploratory MULTIPLE
		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	
	<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 SURFACE POOL COMMINGLE

Proposal for Neff 25 Fed #5H, Neff 25 Fed #9H, & Neff 25 Fed #2:
OXY USA WTP LP is requesting approval for Central Tank Battery, Surface Pool Commingle, On Lease Measurement, Sales, & Storage from the following wells:

Federal Lease NMNM-25365
Well Name Location API # Pool (39360) BOPD Oil Gravity MCFPD BTU
Neff 25 Federal #5H 25-22S-31E 30-015-41031 Livingston Ridge; Delaware 200 41.4 380 1289
Neff 25 Federal #2 25-22S-31E 30-015-26639 Livingston Ridge; Delaware 19 41.4 6 1289

Well Name Location API # Pool (39350) BOPD Oil Gravity MCFPD BTU

14. I hereby certify that the foregoing is true and correct. Electronic Submission #228702 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 12/05/2013

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 #228702 that would not fit on the form

32. Additional remarks, continued

Neff 25 Federal #9H 25-22S-31E 30-015-41459 Livingston Ridge; Bone Spring 800 41.8 1500 1294

The attached map shows the Federal lease and well locations in Section 25, T 22S - R 31E.

The BLM has a royalty rate of 12.5% in this lease.

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 production from the Neff wells listed above will be commingled, measured and sold on lease using a LACT Unit (meter #XXX). Production will be allocated by well test method. Produced water will be measured through a turbine meter (meter #XXX) and disposed at the Neff Federal #3 SWD. Meter numbers will be assigned during construction.

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Process and Flow Descriptions:

Please see attached diagram for the Neff 25 Federal #5 CTB. The flow of produced fluids and valve positions during production and sales phases is shown in the diagram.

The surface pool 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. In addition, commingling 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.

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There are no working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

McMillan, Michael, EMNRD

From: Jennifer_Duarte@oxy.com
Sent: Wednesday, February 12, 2014 9:44 PM
To: McMillan, Michael, EMNRD
Subject: RE: Neff Wells - Production data for commingle

Yes the Neff #2 has been and still is producing (approximately 16 bopd + 90 bwpd + 1 mcfpd).

Thank you,
Jennifer Duarte

Regulatory Specialist
Room# 29.045

Occidental Permian Ltd. / Oxy USA WTP LP / Oxy USA Inc.
Phone: 713/513-6640, Fax: 713/985-8781, Cell: 832/740/3716

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Thursday, February 06, 2014 5:14 PM
To: Duarte, Jennifer A
Subject: RE: Neff Wells - Production data for commingle

How about the Neff Federal 2, is it still producing?

From: Jennifer_Duarte@oxy.com [mailto:Jennifer_Duarte@oxy.com]
Sent: Thursday, February 06, 2014 9:18 AM
To: McMillan, Michael, EMNRD
Subject: Neff Wells - Production data for commingle
Importance: High

Mr. McMillan,
Here is the production information on the 2 drilled and producing Neff Wells.

Neff 25 #5H

Date ▼	24 Hr Oil	24 Hr Gas	24 Hr Water
2/5/2014	266.00	223.00	1,500.00
2/4/2014	144.00	90.00	1,065.00
2/3/2014	89.00	29.00	494.00
2/2/2014	225.00	114.00	1,320.00
2/1/2014	217.00	136.00	1,515.00
1/30/2014	166.00	66,429.00	1,618.00
1/29/2014	27.00	00.00	1,520.00
1/28/2014	29.00	00.00	1,710.00
1/27/2014	10.00	00.00	2,102.00
1/26/2014	00.00	00.00	1,945.00
1/25/2014	00.00	00.00	852.00

Neff 25#9H

Date ▼	24 Hr Oil	24 Hr Gas	24 Hr Water (
2/5/2014	116	191	380
2/4/2014	119	172	334
2/3/2014	109	171	399
2/2/2014	116	157	419
2/1/2014	30		350
1/27/2014	10		210
1/26/2014	71	177	159
1/25/2014	137	204	334
1/24/2014	190	240	405
1/23/2014	236	653	465
12/2/2013	64	224	186
12/1/2013	83	198	212
11/29/2013	75	181	211
11/21/2013	166	273	662
11/20/2013	133	267	723
11/19/2013	140	256	726
11/18/2013	140	231	773
11/17/2013	146	219	721
11/16/2013	122	753	197
11/15/2013	27	76	873
11/14/2013			984

Please let me know if you need anything else.

Thanks,

Jennifer Duarte

Regulatory Specialist

Occidental Permian Ltd. / Oxy USA WTP LP / Oxy USA Inc.

5 Greenway Plaza, Room 29.045, Houston, TX 77046

Phone: 713/513-6640, Fax: 713/985-8781, Cell: 832/740/3716