

RECEIVED: 05/13/2019	REVIEWER: MAM	TYPE: DHC	APP NO: DMAAM19133 55645
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



**ADMINISTRATIVE APPLICATION CHECKLIST**

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

Applicant: OXY USA Inc. OGRID Number: 16696  
Well Name: Loving Federal #1 API: 30-015-24333  
Pool: Loving Atoka, North (Gas) Pool Code: 88694

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

DHC-4986

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement  
 DHC     CTB     PLC     PC     OLS     OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX     PMX     SWD     IPI     EOR     PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

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

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

David Stewart  
Print or Type Name

5/8/19  
Date

[Signature]  
Signature

432-685-5717  
Phone Number  
david\_stewart@oxy.com  
e-mail Address

\*Originally filed 7/23/18 & withdrawn 8/14/18

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

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-107A  
Revised August 1, 2011

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELL BORE  
 Yes  No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator OXY USA Inc. - 16696 Address P.O. Box 50250 Midland TX 79710  
Lease Loving Federal 1 Well No. F-4-235-26E County Eddy  
OGRID No. 16696 Property Code 305122 API No. 30-015-24333 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>N. Loving Strawn (G)</u>		<u>N. Loving Morrow (G)</u>
Pool Code	<u>80710</u>		<u>80695</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>1244-11273'</u>		<u>1218-12367'</u>
Method of Production (Flowing or Artificial Lift)	<u>Flowing</u>		<u>Flowing</u>
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	<u>-</u>		<u>-</u>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>12.17 W-1195</u>		<u>12.17 W-1195</u>
Producing, Shut-In or New Zone	<u>New</u>		<u>New</u>
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: <u>See Production</u> Rates: <u>Cune</u>	Date: Rates:	Date: <u>See Production</u> Rates: <u>Cune</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % <u>52</u> %	Oil Gas % %	Oil Gas % <u>40</u> %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No

Are all produced fluids from all commingled zones compatible with each other? Yes  No

Will commingling decrease the value of production? Yes  No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOCD Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE David Stewart TITLE SR. Regulatory Advisor DATE 5/6/19

TYPE OR PRINT NAME David Stewart TELEPHONE NO. (432) 665-5717

E-MAIL ADDRESS david\_stewart@oxy.com

Additional Contact - Justin Belk - SR. Prod Engineer - 713-552-2501  
justin\_belk@oxy.com



OXY USA Inc.  
Box 27570, Houston, TX 77227-7570

Courtney R. Carr  
Land Negotiator Staff

Phone (713) 599-4116  
Courtney\_Carr@oxy.com

January 16, 2019

RE: Application for down hole commingle  
Loving Federal Com #1 (API: 30-015-24333)

To Whom It May Concern:

OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division and the Bureau of Land Management for approval of the above mentioned commingle project.

This letter serves as notice that the operator and interest owners are identical for the well listed above.

Best Regards

OXY USA Inc.

A handwritten signature in black ink that reads 'Courtney Carr'.

Courtney Carr  
Land Negotiator Staff

District I  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone (505) 393-6161 Fax (505) 393-0720  
 District II  
 811 S. First St., Artesia, NM 88210  
 Phone (505) 748-1283 Fax (505) 748-9720  
 District III  
 1000 Rt. Brazos Road, Aztec, NM 87410  
 Phone (505) 334-6176 Fax (505) 334-6170  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 476-3460 Fax (505) 476-3462

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

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-24333	<sup>2</sup> Pool Code 80710	<sup>3</sup> Pool Name North Louisa Strawn (Gas)
<sup>4</sup> Property Code	<sup>5</sup> Property Name Louisa Federal	
<sup>6</sup> OGRID No. 16696	<sup>7</sup> Operator Name OXY USA Inc.	
<sup>8</sup> Well Number 1		
<sup>9</sup> Elevation 3030'		

**" Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	23S	26E		1980	North	2235	West	Eddy

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

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>10</sup> Dedicated Acres 320	<sup>11</sup> Joint or Infill N	<sup>12</sup> Consolidation Code	<sup>13</sup> Order No.
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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.

	<p style="text-align: center;"><b>" OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this operator either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore approved by the division.</i></p> <p style="text-align: right;">         Signature <span style="float: right;">7/23/18</span>        Date        David Stewart        Printed Name        david.stewart@oxy.com        E mail Address     </p> <p style="text-align: center;"><b>" SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>Certificate Number</p>
--	--

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) 748-1282 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-24333		<sup>2</sup> Pool Code 80695		<sup>3</sup> Pool Name North Loving Morrow (Gas)	
<sup>4</sup> Property Code		<sup>5</sup> Property Name Loving Federal			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 16696		<sup>8</sup> Operator Name OXY USA Inc.			<sup>9</sup> Elevation 3030'

" Surface Location

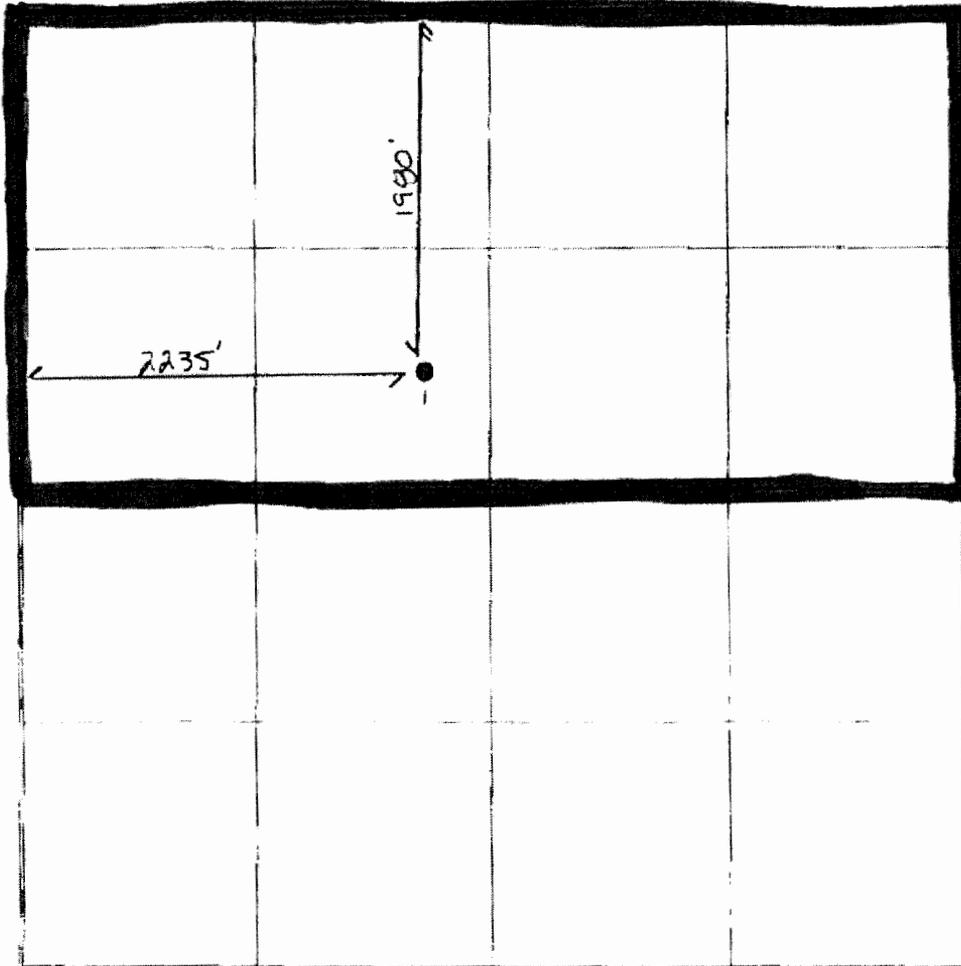
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	23S	28E		1980	North	2235	West	Eddy

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>10</sup> Dedicated Acres 320	<sup>11</sup> Joint or Infill N	<sup>12</sup> Consolidation Code	<sup>13</sup> 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.



" OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*David Stewart* 7/23/18  
Signature Date

David Stewart  
Printed Name

david.stewart@oxy.com  
E-mail Address

" SURVEYOR CERTIFICATION

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

Date of Survey

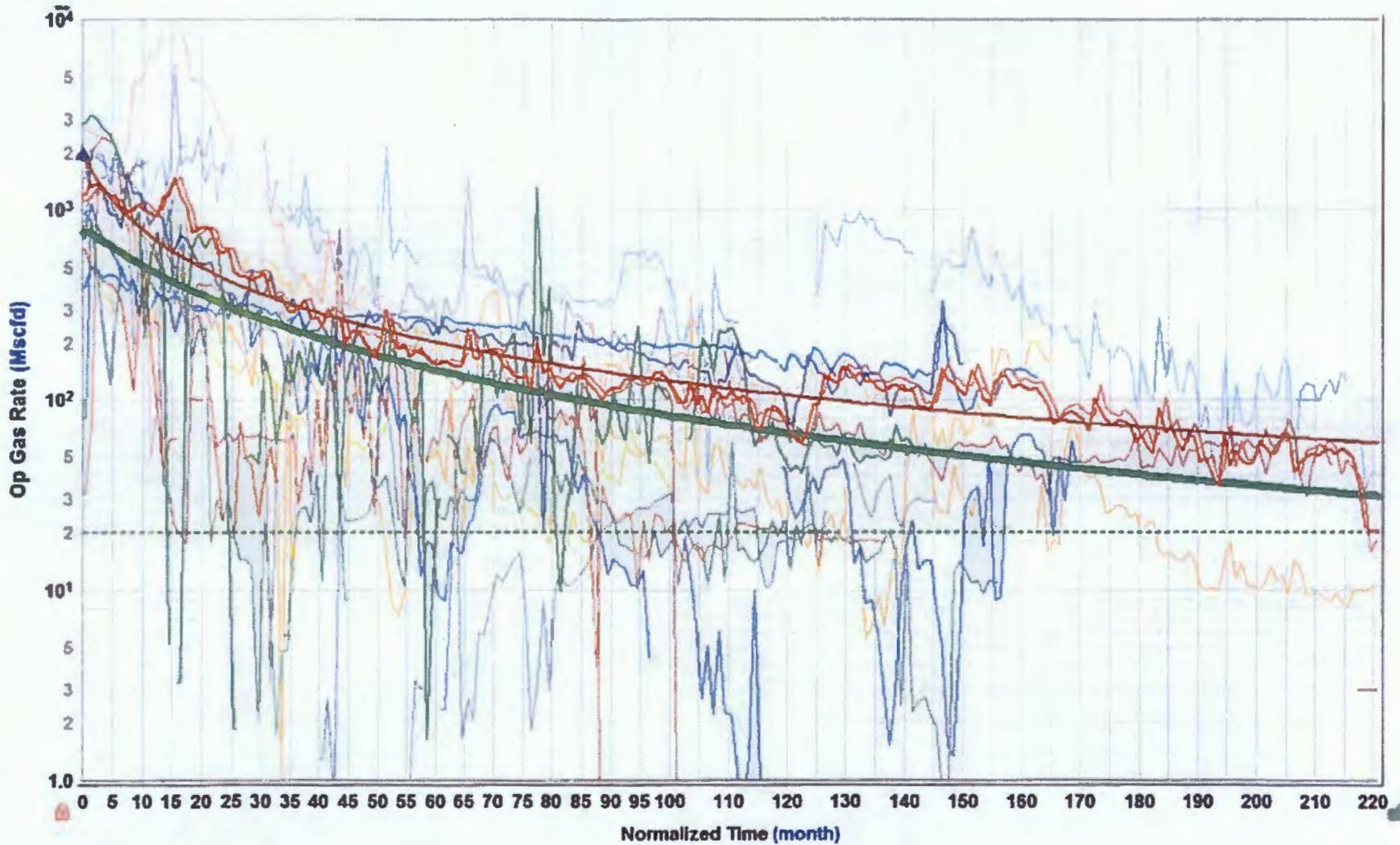
Signature and Seal of Professional Surveyor

Certificate Number

**Attachment C-107A - Loving Federal #1 - 30-015-24333**

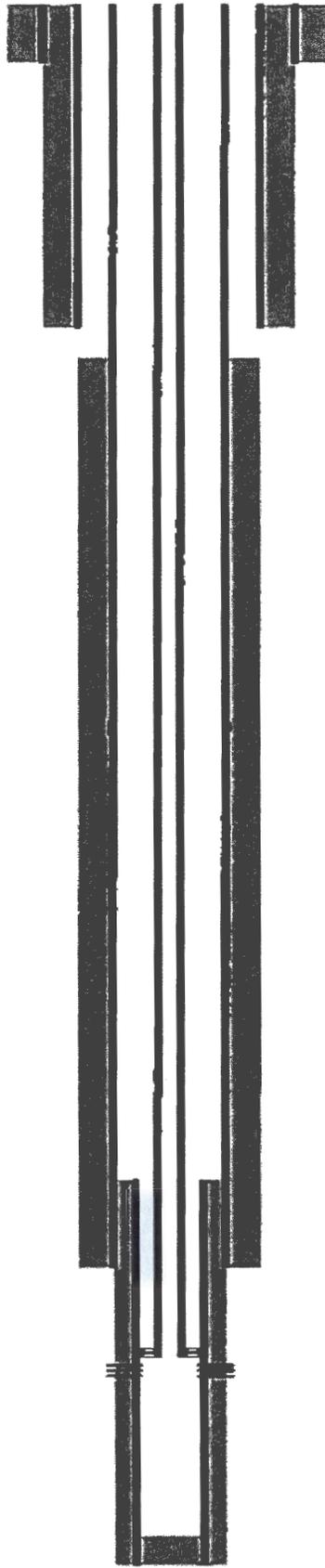
Production curve for each zone for at least one year. (If not available, attach explanation.) Zones are not opened, so well has no production history in this well  
For zones with no production history, estimated production rates and supporting data.

Morrow: 368 mscf peak - Strawn: 400 mscf peak - This is based on analogs risked for potential depletion or rock quality



Data to support allocation method or formula. (based on estimated peak production in type curve Strawn estimated 400 mscf, and Morrow estimate 368 mscf)

OXY USA Inc. - Current  
Loving Federal #1  
API No. 30-015-24333



26" hole @ 402'  
20" csg @ 402'  
w/ 800sx-TOC-Surf-Circ

14-3/4" hole @ 2700'  
10-3/4" csg @ 2700'  
w/ 1600sx-TOC-Surf-Circ

9-1/2" hole @ 10500'  
7-5/8" csg @ 10500'  
DVT @ 5982'  
w/ 2300sx-TOC-3350'-TS

2-3/8" tbg & pkr @ 11386'

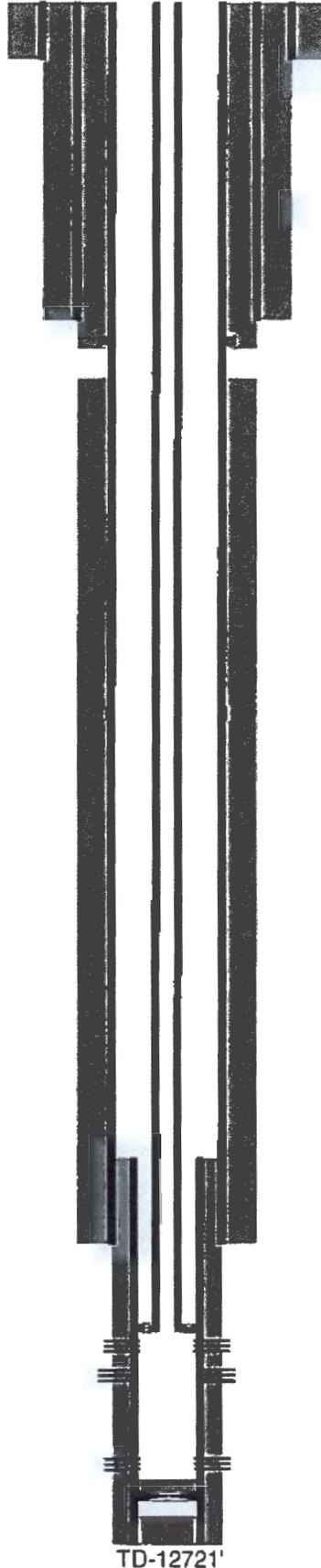
Perfs @ 11458-11540'

6-1/8" hole @ 12721'  
5" liner @ 9983-12716'  
w/ 475sx-TOC-9983'-Circ

PB-12641'

TD-12721'

OXY USA Inc. - Proposed  
Loving Federal #1  
API No. 30-015-24333



26" hole @ 402'  
20" csg @ 402'  
w/ 800sx-TOC-Surf-Circ

14-3/4" hole @ 2700'  
10-3/4" csg @ 2700'  
w/ 1600sx-TOC-Surf-Circ

*Perf @ 3000' sqz 1270sx cmt to surface*

9-1/2" hole @ 10500'  
7-5/8" csg @ 10500'  
DVT @ 5982'  
w/ 2300sx-TOC-3350'-TS

6-1/8" hole @ 12721'  
5" liner @ 9983-12716'  
w/ 475sx-TOC-9983'-Circ

*2-7/8" tbg & pkr @ 11100'*

*CIBP @ 12500', DB 7sx cmt to 12450'*

PB-12641'

*Strawn Perfs @ 11244-11273'  
Atoka Perfs @ 11458-11540' - sqz w/ 102sx cmt*

*Morrow Perfs @ 12218-12387'*

TD-12721'

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS** **Carlsbad Field Office**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.* **OCD Artesia**

5. Lease Serial No.  
NMNM18038

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
SCR443

8. Well Name and No.  
LOVING FED COM 1

9. API Well No.  
30-015-24333-00-S1

10. Field and Pool or Exploratory Area  
N LOVING

11. County or Parish, State  
EDDY COUNTY, NM

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
OXY USA INCORPORATED  
Contact: DAVID STEWART  
E-Mail: david\_stewart@oxy.com

3a. Address  
5 GREENWAY PLAZA SUITE 110  
HOUSTON, TX 77046-0521

3b. Phone No. (include area code)  
Ph: 432.685.5717

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 4 T23S R28E SENW

12. CHECK THE 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"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Recomplete	<input 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 recomplete 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

- MIRU PU, RD production tree, NU BOP & test.
- Unset packer & POOH with pkr & tbg.
- RIH w/ 4.151" bit & scraper to 12510' & circulate control fluid, POOH.
- RIH w/ CBL & casing log.
- RIH w/ CIBP & set @ 12500', dump bail 7sx cmt to 12450'.
- RIH w/ cement retainer & pkr to 11580', PUH & set cmt ret & pkr @ 11420'. M&P 102sx CI H cmt & sqz Atoka perms @ 11458-11540'.

GC 8-10-18  
Accepted for record - NMOCD

RECEIVED

AUG 07 2018

DISTRICT II-ARTESIA O.C.D.

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

**Electronic Submission #428254 verified by the BLM Well Information System  
For OXY USA INCORPORATED, sent to the Carlsbad  
Committed to AFMSS for processing by PRISCILLA PEREZ on 07/25/2018 (18PP2280SE)**

Name (Printed/Typed) DAVID STEWART Title REGULATORY ADVISOR

Signature (Electronic Submission) Date 07/23/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /s/ Jonathon Shepard

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.

Title Petroleum Engineer Date 8/26/2018

Office Carlsbad Field 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.

(Instructions on page 2)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #428254 that would not fit on the form**

**32. Additional remarks, continued**

7. RIH & perf 2spf @ 3000', RIH w/ cmt ret & pkr & set @ 2950'.

8. Open annular valve, EIR and M&P 1270sx CI C cmt, circ/sqz cmt to surf in 7-5/8" x 10-3/4" to plug communication.

9. RIH w/ 6-3/4" bit to 2950' & test casing to 500#, drill out cement and cmt ret to 3500', test casing to 500#.

10. RIH w/ 4.151" bit to clean out liner, drill out cmt to new PBTD @ 12450', test csg to 500#.

11. RIH & perf Morrow & Strawn w/ 6spf @ 12387-12380, 12264-12255, 12232-12218, 11273-11269, 11257-11244'.

12. RIH w/ straddle pkr, acidize w/ 15% HCL acid. (Volume TBD).

13. POOH & RIH w/ prod tbg & pkr, set @ 11100'.

14. RD BOP, NU prod tree, RDPU, turn well over to operations and test.

## BUREAU OF LAND MANAGEMENT

Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972

### Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plug back operations shall commence within ninety (90) days from this approval. **If you are unable to plug back the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.**
2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612**
3. **Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.**
4. **Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.**
5. **Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours. In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. **Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.** Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.**
6. **Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.** If plugging back to a new zone submit a Completion Report, form 3160-4 with the Subsequent Report.**
7. **Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.**
8. **If well location is within the Timing Limitation Stipulation Area for Lesser Prairie-Chicken: From March 1<sup>st</sup> through June 15<sup>th</sup> annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted**