

Initial Application Part I

Received: 08/08/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

RECEIVED: 08/08/2019	REVIEWER:	TYPE: PLC	APP NO: pMAM1922134397
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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: AVOGATO 30_31 STATE COM #1H & MULTIPLE **API:** 30-025-45954 & MULTIPLE
Pool: RED TANK; BONES SPRINGS, EAST & WC-025 G-09 S223332A; UPR WOLFCAMP **Pool Code:** 51687, 51683, & 98177

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

PLC-596

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

- ☐ Notice Complete
☐ 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.

ELIZABETH VELASCO

Print or Type Name

Signature

8/8/2019

Date

432-686-1413

Phone Number

ELIZABETH_VELASCO@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 INC (16696)

OPERATOR ADDRESS: P O BOX 4294, HOUSTON, TX 77210-4294

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
Please see list attached					

(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) WELL TESTS

(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: 8/8/2019

TYPE OR PRINT NAME: ELIZABETH VELASCO

TELEPHONE NO.: 432-686-1413

E-MAIL ADDRESS: ELIZABETH VELASCO@OXY.COM

APPLICATION FOR POOL AND LEASE COMMINGLE, OFF-LEASE MEASUREMENT, SALES AND STORAGE

Commingling proposal for the Avogato 30_31 State Com Central Tank Battery

OXY USA INC requests approval for the new Avogato 30_31 State Com Central Tank Battery (location LAT= 32.367279 LONG= -103.606518, Lea County)

Wells feeding the battery are listed below:

WELL NAME	API #	SURFACE LOCATION	DATE ONLINE	OIL (BOPD)	OIL GRAVITY API	BTU/CF	GAS (MSCFD)	WATER (BWPD)
POOL: RED TANK; BONE SPRING, EAST (51687) - STATE LEASE #S: VB3740, V035262, V035272								
*AVOGATO 30 31 STATE COM 4H	30-025-45923	A-30-22S-33E	EST. JAN 2020	758	39.0	1240	1268	2824
*AVOGATO 30 31 STATE COM 11H	30-025-45956	D-30-22S-33E	EST. DEC 2019	748	39.0	1240	1426	1356
*AVOGATO 30 31 STATE COM 12H	30-025-45957	D-30-22S-33E	EST. DEC 2019	748	42.0	1240	1426	1356
*AVOGATO 30 31 STATE COM 13H	30-025-45958	B-30-22S-33E	EST. DEC 2019	748	42.0	1240	1426	1356
*AVOGATO 30 31 STATE COM 14H	30-025-45959	B-30-22S-33E	EST. DEC 2019	748	42.0	1240	1426	1356
*AVOGATO 30 31 STATE COM 21H	30-025-45924	C-30-22S-33E	EST. NOV 2019	1166	41.8	1289	1487	2194
*AVOGATO 30 31 STATE COM 22H	30-025-45925	C-30-22S-33E	EST. NOV 2019	1166	41.8	1289	1487	2194
*AVOGATO 30 31 STATE COM 23H	30-025-45926	C-30-22S-33E	EST. NOV 2019	1166	41.8	1289	1487	2194
*AVOGATO 30 31 STATE COM 24H	30-025-45960	B-30-22S-33E	EST. OCT 2019	1166	41.8	1289	1487	2194
*AVOGATO 30 31 STATE COM 25H	30-025-45961	B-30-22S-33E	EST. OCT 2019	1166	41.8	1289	1487	2194
*AVOGATO 30 31 STATE COM 31H	30-025-45929	C-30-22S-33E	EST. NOV 2019	1243	44.4	1289	2548	2976
*AVOGATO 30 31 STATE COM 33H	30-025-45928	C-30-22S-33E	EST. NOV 2019	1243	44.4	1289	2548	2976
*AVOGATO 30 31 STATE COM 34H	30-025-45930	B-30-22S-33E	EST. NOV 2019	1243	44.4	1289	2548	2976
*AVOGATO 30 31 STATE COM 74H	30-025-45964	A-30-22S-33E	EST. JAN 2020	396	44.0	1289	734	579
POOL: RED TANK; BONE SPRING (51683) - STATE LEASE #S: VB3740, V035262, V035272								
*AVOGATO 30 31 STATE COM 32H	30-025-45927	C-30-22S-33E	EST. NOV 2019	1243	44.4	1289	2548	2976
POOL: WC-025 G-09 S223332A; UPPER WOLFCAMP (98177) - STATE LEASE #S: V035262, V035272								
*AVOGATO 30 31 STATE COM 35H	30-025-45931	B-30-22S-33E	EST. NOV 2019	1243	44.4	1289	2548	2976

*Production estimates are average of first 6-month volumes for wells not online yet.

PROCESS DESCRIPTION

Production from Avogato 30_31 State Com Wells 4H-74H will flow off-lease to the Avogato 30_31 State Com CTB where production will be separated, measured, and stored. The battery is equipped with six three-phase test separators (6' x 20') and two three-phase production separators (10' x 40'). The test separators are equipped with turbine meters for oil and water measurement, and a gas orifice meter for gas measurement. After separation, oil production will be sent through four line heaters and then through two 8' X 20' heater treaters. It will then flow through two 48" vapor recovery towers before flowing to four oil storage tanks. From the tanks, the oil is pumped through a LACT meter (LAT= 32.367279 /LONG= -103.606518) and sent to sales. Oil production will be allocated back to each well based on well test.

All Avogato 30_31 State Com Wells 1H-74H 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, as specified in Hearing Order R-14299.

Gas production from all wells will be combined after the three-pharse separators. It will then be flow through two OXY check meters, which will serve as the point of royalty payment, then to sales.

All water from the batteries will be sent to the Salt Water Disposal Distribution system.

Additional Application Components:

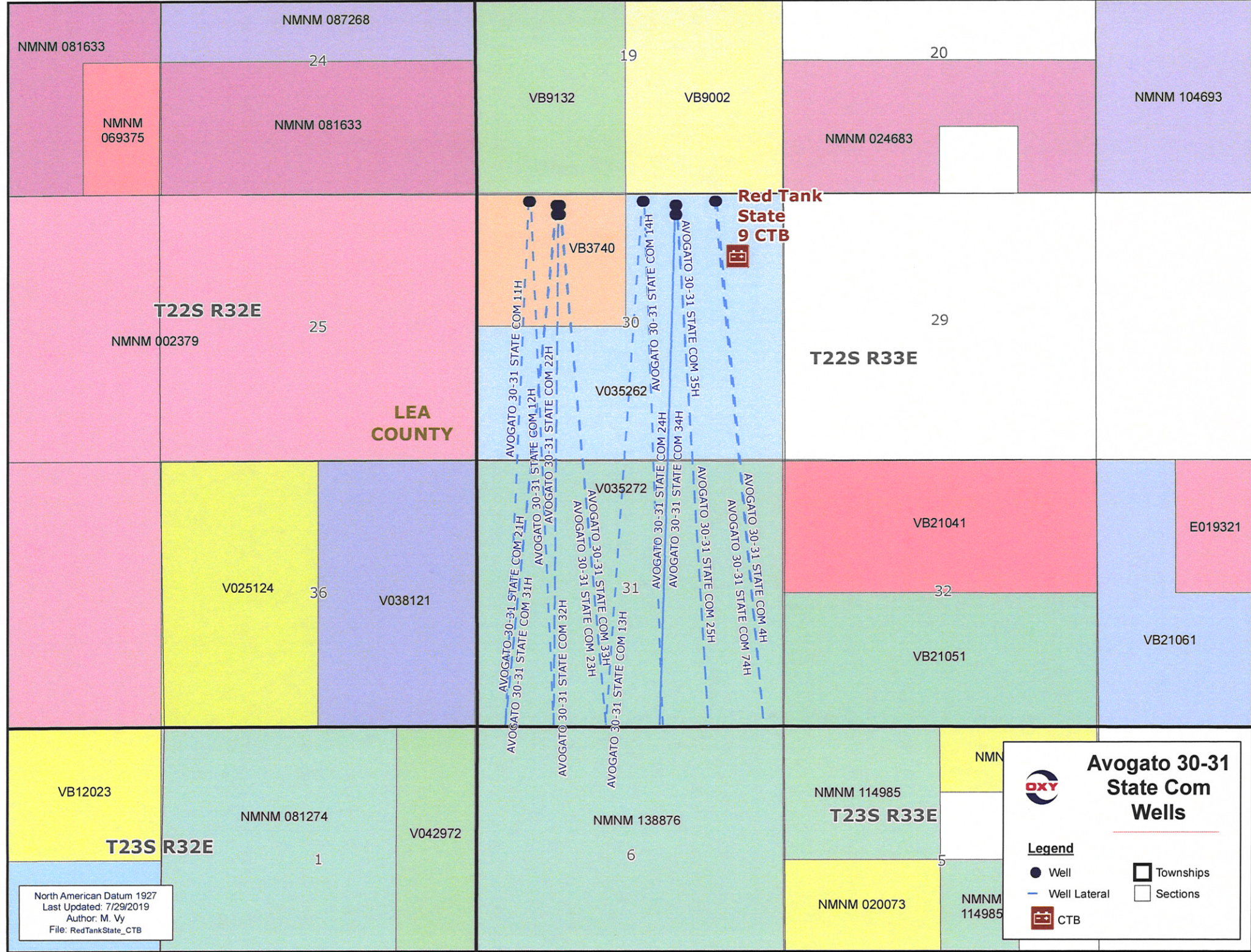
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

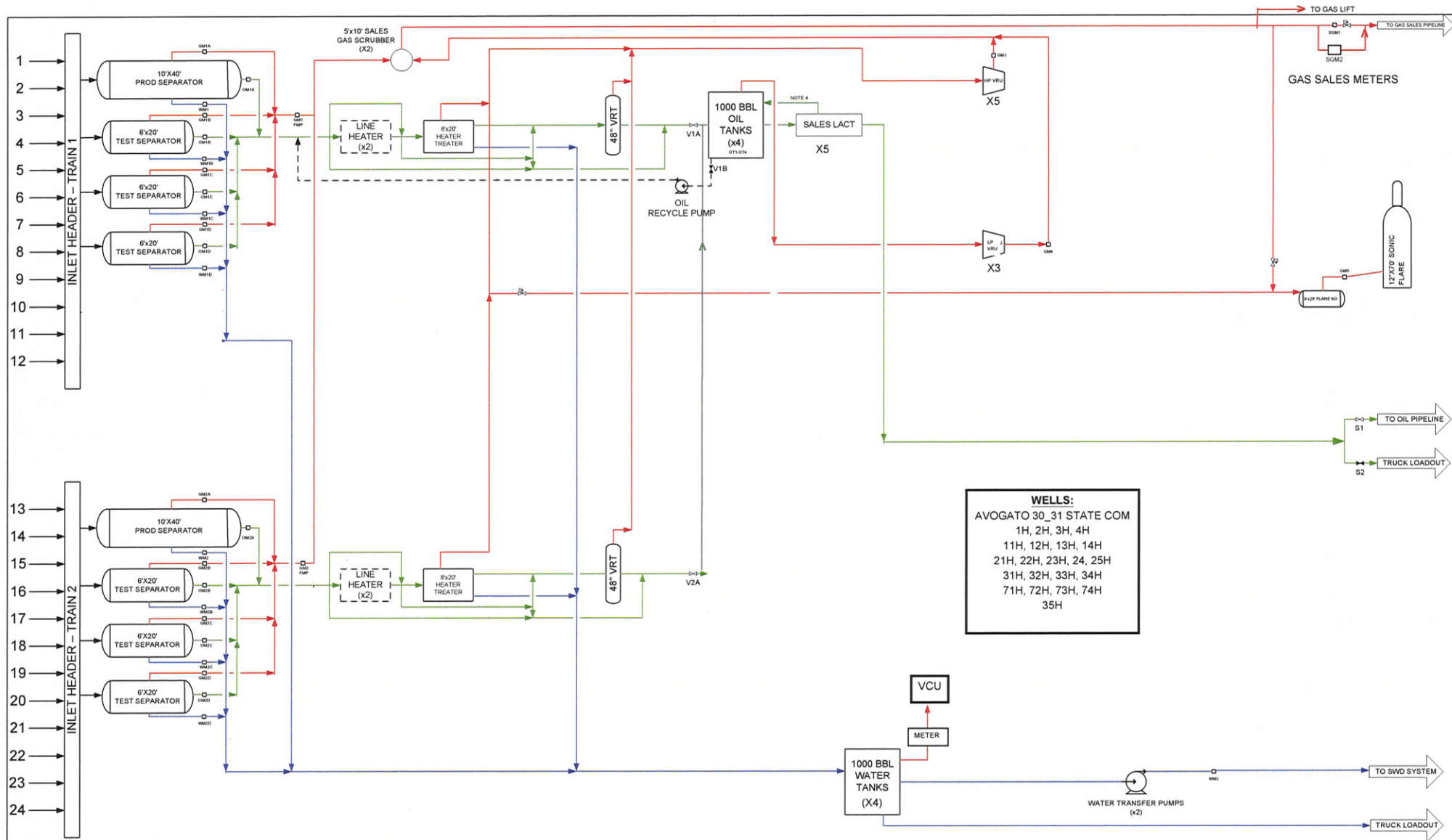
The oil and gas meters will be calibrated on a regular basis per API and NMOCD specifications.

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

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 this production is the most effective means of producing the reserves. 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. These applications will be submitted separately for approval per NMOCD and SLO regulations.





NOTES:

1. VTA= VENT TO ATMOSPHERE
2. LACT= LEASE AUTOMATED CUSTODY TRANSFER
3. VRT= VAPOR RECOVERY TOWER
4. BAD OIL DIVERT LINE BACK TO SAME ROYALTY OIL STORAGE TANKS
5. EQUIPMENT NOT INCLUDED ON BFD INCLUDES CONTAINMENT SUMP/PUMP AND INSTRUMENT AIR SYSTEM
6. ALL DOTTED EQUIPMENT INDICATE FUTURE EQUIPMENT
7. LOCATED IN SECTION 34, TOWNSHIP 23, EDDY COUNTY, LAT= 32.259600° LONG=-103.761750°

LEGEND

WATER: ———→

OIL: ———→

GAS: ———→

MIX: ———→

RECYCLE: - - - - -→

REV.	DESCRIPTION	DATE	BY
B	REVISION	06/21/18	MC
A	DRAFT	06/13/18	MC

AVOGATO 30-31 STATE CTB			
AREA:	NM - SOUTHEAST	TYPE:	CTB
ONEOXY:	TBD		
DWG TYPE:	BLOCK FLOW DIAGRAM		
DESCRIPTION:	PROCESS BLOCK FLOW DIAGRAM		

OXY USA INC.- Permian Resources (Operator)				
ASSET	FACILITY	ENG DISC	NUMBER	SHEET
PER	TBD	PRO	00001	001