From:	<u>Musallam, Sandra C</u>
To:	McClure, Dean, EMNRD
Cc:	<u>Schenkel, Beth V</u>
Subject:	[EXTERNAL] RE: FW: Covington 9 Oil Commingle Question
Date:	Monday, June 20, 2022 10:39:48 AM
Attachments:	COVINGTON A FED 25 CTB PH2.pdf
	COVINGTON A FEDERAL 9 CTB PH2.pdf

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

The plan at Covington 25 CTB is to leave separators and continue to conduct well testing and separation there. The oil, water and gas streams will individually be sent to Covington 9 CTB for sales.

Here are the updated diagrams. Sorry for not including that initially. Thank you!

Sandra Musallam Regulatory Engineer – Compliance Lead 713-366-5106 (office) 713-504-8577 (cell)

From: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>
Sent: Friday, June 17, 2022 1:51 PM
To: Musallam, Sandra C <<u>Sandra_Musallam@oxy.com</u>>
Cc: Schenkel, Beth V <<u>Beth_Schenkel@oxy.com</u>>
Subject: RE: [EXTERNAL] FW: Covington 9 Oil Commingle Question

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Hello Sandra,

What you have submitted should be sufficient.

However, I do have a question. Is it Oxy's intent to continue to conduct any measurement at the Covington A Federal 25 Battery including non-stipulated measurement of allocation within the lease?

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211 Sent: Wednesday, June 15, 2022 9:52 AM
To: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>
Cc: Schenkel, Beth V <<u>Beth_Schenkel@oxy.com</u>>
Subject: [EXTERNAL] FW: Covington 9 Oil Commingle Question

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean – just checking back on this question. Thank you!!

Sandra Musallam Regulatory Engineer – Compliance Lead 713-366-5106 (office) 713-504-8577 (cell)

From: Musallam, Sandra C
Sent: Friday, June 10, 2022 2:20 PM
To: McClure, Dean, EMNRD <<u>Dean.McClure@state.nm.us</u>>
Cc: Schenkel, Beth V <<u>Beth_Schenkel@oxy.com</u>>
Subject: Covington 9 Oil Commingle Question

Hi Dean,

I wanted to clarify the oil production requirements associated with this gas commingle amendment to send wells from Covington 25 CTB to Covington 9 CTB (Action ID 87381). All wells at each battery are in the same lease and same pool, with on-lease measurement. From our previous discussions, you said that only a sundry was needed on the gas side.

On the oil side, it seems that a sundry is not needed since oil production from Covington 25 CTB and Covington 9 CTB never had any kind of OLM or commingle permit that was needed, with all wells on same lease, same pool, and on-lease measurement. With all wells going to Covington 9 CTB, those parameters will not change. The gas commingle handles the map and updated facility diagram.

I just wanted to confirm with you that we don't need to file any kind of sundry for oil production when combining the Covington 25 CTB wells into the Covington 9 CTB. Some equipment at Covington 25 CTB will be removed.

Thanks!

Sandra Musallam Regulatory Engineer – Compliance Lead 713-366-5106 (office) 713-504-8577 (cell)