

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-788
Administrative Application Reference No. pMAM1613857688

June 7, 2016

OXY USA, INC.
Attention: Ms. Taylor Stillman

Oxy USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from Cottonwood Draw; Bone Spring (O) Pool (pool code 97494) located in Section 19, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico;

Lease: Federal Lease NMNM 107368
Description: E/2 Section 19, Township 25 South, Range 27 East, NMPM
Well: Peaches 19 Federal Well No. 1H
Peaches 19 Federal Well No. 2H

Lease: Federal Lease NMNM 109756
Description: E/2 W/2 Section 19, Township 25 South, Range 27 East, NMPM
Well: Peaches 19 Federal Well No. 3H

Lease: Federal Lease NMNM 109756
Description: W/2 W/2 Section 19, Township 25 South, Range 27 East, NMPM
Peaches 19 Federal Well No. 4H

The combined project area for these wells include the entire Section 19, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

The commingled and gas production from the wells detailed above shall be measured and sold at the Peaches 19 Federal Well No. 1H Central Tank Battery (CTB), located in Unit B, Section 19, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the identically-owned leases shall be separately metered using a combination of well testing and metering.

Administrative Order CTB-788

Oxy USA, Inc.

June 7, 2016

Page 2 of 2

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2).

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on June 7, 2016.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad