State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Tony Delfin **Acting Cabinet Secretary**

David R. Catanach, Division Director Oil Conservation Division



August 24, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-454 Administrative Application Reference No. pMAM1621659405

OXY USA INC.

Attn: Ms. Taylor Stillman

Pursuant to your application received on August 3, 2016, OXY USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 24 South, Range 30 East, and Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico;

POKER LAKE; DELAWARE, NORTHWEST (96046)(98202)WC-015 G-08 S243118A; WOLFCAMP

and from the following diversely owned wells on federal leases in said Section, Township and Range in Eddy County, New Mexico.

Lease:

Federal Lease NMLC 082896

Description:

W/2 E/2 and W/2 of Section 12, Township 24 South, Range 30 East

Well:

Gila 12 Federal Well No. 2H Nimitz 12 Federal Well No. 3H Nimitz 12 Federal Well No. 4H Nimitz 12 Federal Well No. 5H

Pool:

Poker Lake; Delaware, Northwest

Lease:

Federal Lease NMLC 082896

Description: E/2 E/2 of Section 18, Township 24 South, Range 31 East

Well:

Patton MDP1 18 Federal Well No. 6H

Pool:

WC-015 G-08 S243118A; Wolfcamp

The combined project area for these wells include W/2 E/2 and W/2 of Section 12, Township 24 South, Range 30 East, and E/2 E/2 of Section 18, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production shall be measured and sold at the Gila 12-2 Central Tank Battery (CTB) located in Unit O, Section 12, Township 24 South, Range 30 East, Eddy County, New Mexico.

Production from the subject wells/leases shall be determined as follows:

Oil and gas production from the Patton MDP1 18 Federal Well No. 2H shall be metered separately. Oil and gas production from the Gila 12 Federal Well No. 2H, Nimitz 12 Federal Well No. 3H, Nimitz 12 Federal Well No. 4H, and Nimitz 12 Federal Well No. 5H, which have identical ownership shall be measured with a combination of well testing and metering.

Subsequently drilled wells that produce from the subject pool within the project areas or spacing unit 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) NMAC

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

DONE at Santa Fe, New Mexico, on August 24, 2016.

DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division - Artesia

Bureau of Land Management - Carlsbad