

State of New Mexico
Energy, Minerals and Natural Resources Department

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Gabriel Wade, Acting Director
Oil Conservation Division



March 26, 2019

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-557
AMENDS ADMINISTRATIVE ORDER PLC-385-A

OXY USA, Inc.
Attention: Ms. Sandra Musallam

Pursuant to your application received on March 5, 2019, OXY USA, Inc. (OGRID 16698) is hereby authorized to surface commingle oil and gas production from the following pools:

CEDAR CANYON; BONE SPRING	(11520)
LAGUNA SALADO; BONE SPRING, SOUTH	(96857)
HARROUN RANCH; DELAWARE, NE	(96878)
NASH DRAW; DELAWARE, SW	(97148)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)

and from wells, and their associated leases and pools identified in Attachment No. A and made part of this order. These wells are located on federal leases in Township 23 South Range 29 East, NMPM, Eddy County, New Mexico. Further, the oil and gas production from each of the wells shall be measured and sold from their respective surface facilities listed in Attachment A.

The commingled oil and gas production from the wells in Attachment A for the Goodnight 27-4 Battery shall be measured and sold at the Goodnight 27-4 central tank battery (Goodnight 27-4 CTB) in Unit N of Section 27, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil gas production from the wells in Attachment A for the Cypress 33-1 Battery shall be measured and sold at the Cypress 33-1 Satellite Facility central tank battery (Cypress 33-1 CTB) in Unit P of Section 33, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil gas production from the wells Attachment A for the Cypress 34-1 Battery shall be measured and sold at the Cypress 34-1 Satellite Facility central tank battery (Cypress 34-1 CTB) in Unit P of Section 34, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

It is understood that the test separator and meters are designed to accurately measure production from the well with the highest production rate. In addition, the hyperbolic behavior of the oil production from the wells, listed in Attachment A dedicated to this CTB have stabilized into the Range 3 portion of the decline as described in Hearing Order R-14299, with a decline rate of less than 5 percent. Therefore, these wells shall be tested monthly.

For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

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.

OXY USA, Inc. shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a dedicated separator is removed.

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

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This approval is subject to like approval from Bureau of Land Management a before commencing commingling operations.

This Order supersedes Administrative Order PLC-385-A, issued on July 6, 2017. This Order removes the Goodnight 27-4 Central Tank Battery, and updates the range of decline for the wells subject to this order.

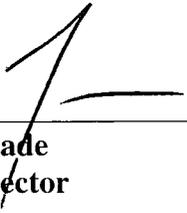
The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

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Gabriel Wade
Acting Director

GW/mam

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

Attachment A,

Attachment A; Cypress Wells

Well Name	API	Horizontal Spacing Unit	Battery Name	Pool	Pool Code	Lease
Goodnight 27 Federal #001H	30-015-22157	SE/4 SW/4 of Section 27	Goodnight 27-4	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 105557
Goodnight 27 Federal #002H	30-015-36137	N/2 SE/4 and NE/4 NW/4 Section 27	Goodnight 27-4	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 105557
Goodnight 27 Federal #003H	30-015-39220	W/2 W/2 Section 27	Goodnight 27-4	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 105557
Goodnight 26 Federal #001H	30-015-40007	Entire Section 26	Goodnight 27-4	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 1030603
Goodnight 27 Federal #004H	30-015-39142	E/2 W/2 Section 27	Goodnight 27-4	HARROUN RANCH;DELAWARE, NE	96878	NMNM 105557
Goodnight 27 Federal #005H	30-015-39431	W/2 W/2 Section 27	Goodnight 27-4	HARROUN RANCH;DELAWARE, NE	96878	NMNM 105557
Cypress 34 Federal #010H	30-015-43076	W/2 W/2 Section 34	Goodnight 27-4	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 34 Federal #011H	30-015-42920	E/2 W/2 Section 34	Goodnight 27-4	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 33 Federal Com #008H	30-015-43075	W/2 W/2 Section 33	Goodnight 27-4	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 33 Federal Com #009H	30-015-43751	E/2 W/2 Section 33	Goodnight 27-4	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 34 Federal #012H	30-015-43849	W/2 E/2 Section 34	Goodnight 27-4	Purple Sage; Wolfcamp (Gas)	98214	NMNM 86024
Cypress 28 Federal #001H	30-015-37249	SW/4 SE/4 and S/2 SW/4 of Section 28	Cypress 33-1	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 86024
Cypress 28 Federal #002H	30-015-37331	NW/4 SE/4 and N/2 SW/4 of Section 28	Cypress 33-1	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 86024
Cypress 28 Federal #003H	30-015-38287	NW/4 NE/4 and N/2 SW/4 of Section 28	Cypress 33-1	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 86024
Cypress 28 Federal #004H	30-015-39330	SW/4 NE/4 and S/2 NW/4 of Section 28	Cypress 33-1	LAGUNA SALADO; BONE SPRING,SOUTH	96857	NMNM 86024
Cypress 28 Federal #006H	30-015-41138	E/2 W/2 Section 28	Cypress 33-1	[96878] HARROUN RANCH;DELAWARE, NE	96878	NMNM 86024
Cypress 33 Federal #001H	30-015-36321	S/2 S/2 of Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	NMNM 19848
Cypress 33 Federal #002H	30-015-37308	N/2 N/2 of Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 33 Federal #003H	30-015-36987	N/2 S/2 of Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	NMNM 19848
Cypress 33 Federal #004H	30-015-37368	S/2 N/2 of Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	NMNM 19848
Cypress 33 Federal #005H	30-015-40768	E/2 E/2 Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 33 Federal #006H	30-015-41557	W/2 E/2 Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 33 Federal Com #007H	30-015-42616	E/2 W/2 Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 33 Federal Com #010H	30-015-44096	W/2 W/2Section 33	Cypress 33-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 34 Federal #001H	30-015-35053	S/2 S/2 Section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 135945
Cypress 34 Federal #002H	30-015-35413	S/2 NE/4 and SE/4 NW/4 of Section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 34 Federal #003H	30-015-35692	N/2 SE/4 and NE/4 SW/4 of Section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 34 Federal #004H	30-015-35742	W/2 NW/4 and NW/4 SW/4 of Section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 34 Federal #005H	30-015-35693	N/2 NE/4 and NE/4 NW/4 of Section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 34 Federal #008H	30-015-39430	W/2 E/2 of section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Cypress 34 Federal #009H	30-015-42088	E/2 E/2 Section 34	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	NMNM 86024
Goodnight 35 Federal #002H	30-015-36373	W/2 W/2 of Section 35	Cypress 34-1	CEDAR CANYON;BONE SPRING	11520	Fed Communitization Agreement 124616
Cypress 34 Federal #006H	30-015-38366	W/2 W/2 of Section 34	Cypress 34-1	NASH DRAW; DELAWARE, SW	97148	NMNM 86024
Cypress 34 Federal #007H	30-015-39219	E/2 W/2 of Section 34	Cypress 34-1	NASH DRAW; DELAWARE, SW	97148	NMNM 86024

All wells are within Range 3 decline as specified in
Hearing Order R-14299