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District I	State	of New Mexico			Form C-107-E
1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210	Energy, Minerals and	l Natural Resources De	epartment	Revised	August 1, 201
District III	OIL CONSEI	RVATION DIVIS	SION	Submit	the original
1000 Rio Brazos Road, Aztec, NM 87410 District IV		. St Francis Drive		application to t	the Santa Fe
1220 S. St Francis Dr, Santa Fe, NM 87505	Santa Fe, 1	New Mexico 87505		office with one appropriate Dis	
	FOR SURFACE (COMMINGLING	G (DIVERSE		
	JSA INC.			,	
OPERATOR ADDRESS: PO BO	X 4294, HOUSTON, TX	К, 77210			
APPLICATION TYPE:					
Pool Commingling Lease Comming	ling Pool and Lease Cor	nmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
	State Keder				
Is this an Amendment to existing Ord Have the Bureau of Land Managemen ⊠Yes □No					ingling
		L COMMINGLIN s with the following in			
	Gravities / BTU of	Calculated Gravities /	1	Calculated Value of	
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes
(2) Are any wells producing at top allow(3) Has all interest owners been notified		and comminating?			
(3) Has all interest owners been notified(4) Measurement type: Metering		posed comminging?	\Box Yes \Box No.		
(5) Will commingling decrease the valu		□No If "yes", descri	be why commingli	ng should be approved	
					-
		SE COMMINGLIN			
(1) Deal Name and Cade DUDDI E SAV		s with the following in	nformation		
 Pool Name and Code. PURPLE SAG Is all production from same source of 					
(3) Has all interest owners been notified			⊠Yes □N	0	
(4) Measurement type:	Other (Specify) WELL	TEST			
		LEASE COMMIN			
(1) Complete Sections A 1E	Please attach sheets	s with the following in	nformation		
(1) Complete Sections A and E.					
	(D) OFF-LEASE ST				
(1) Is all production from same source of		e ts with the following o	111101 111211011		
(1) Is an production nom same source (2)(2) Include proof of notice to all interest					
(E) A	ADDITIONAL INFO	RMATION (for all	application ty	/pes)	

(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.

Please attach sheets with the following information

(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:

Mush

TYPE OR PRINT NAME SANDRA MUSALLAM

TITLE: REGULATORY ENGINEER _____ DATE: __03/07/2022 ___

______ TELEPHONE NO.:___713-366-5106__

E-MAIL ADDRESS: ___SANDRA_MUSALLAM@OXY.COM_

RECEIVED:	REVIEWER:	TYPE:	APP NO:
	- Geologic	above this table for ocd division O OIL CONSERVAT Cal & Engineering B ancis Drive, Santa F	ION DIVISION Bureau –
THIS	CHECKLIST IS MANDATORY FOR AL	ATIVE APPLICATION LADMINISTRATIVE APPLICATIC QUIRE PROCESSING AT THE DIV	DNS FOR EXCEPTIONS TO DIVISION RULES AND
pplicant: <u>OXY US</u> /ell Name: <u>CORR</u> ool: <u>PURPLE SAGE;</u>	AL GORGE 12 13 FEDERAL COM	A #035H & MULTIPLE	OGRID Number: 16696 API: 30-015-47205 & MULTIPLE Pool Code: 98220
SUBMIT ACCUR	ATE AND COMPLETE INF	ORMATION REQUIRE	D TO PROCESS THE TYPE OF APPLICATIO
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A. Offset B. Royal C. Appli D. Notifie E. Notifie F. Surfac G. For al	N REQUIRED TO: Check to toperators or lease hold ity, overriding royalty ov cation requires publishes cation and/or concurre cation and/or concurre cation and/or concurre ce owner l of the above, proof of ptice required	ders wners, revenue owne ed notice ent approval by SLO ent approval by BLM	Notice Comple
	N: I hereby certify that t		nitted with this application for 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.

SANDRA MUSALLAM

Print or Type Name

03/07/2022 Date

713-366-5106

Phone Number

SANDRA_MUSALLAM@OXY.COM e-mail Address

Sillish

Signature

APPLICATION FOR LEASE COMMINGLE AND OFF-LEASE STORAGE, MEASUREMENT AND SALES Commingling Proposal for Oil Production at the Corral Gorge 12-13 Battery

OXY USA INC requests to commingle oil production at the Corral Gorge 12-13 Battery (G 02 T25S R29E). This commingle request includes the current and future wells in the pools and leases/CAs listed below.

COM AGREEMENT PENDING

50% NMNM015303 (BLM 12.5% NRI) & 50% SLO VB-1105-0001 POOL: PURPLE SAGE;WOLFCAMP GAS (98220)

WELLNAME	ΑΡΙ	SURFACE LOCATION	DATE ONLINE	EST. OIL (BOPD)	EST. GRAVITY API	EST. GAS (MSCFD)	EST. BTU/CF	EST. WATER (BWPD)
CORRAL GORGE 12 13 FEDERAL COM #035H	30-015-47205	O-01-25S-29E	EST JUL 2022	1391	45	3730	1293	4526
CORRAL GORGE 12 13 FEDERAL COM #036H	30-015-47206	O-01-25S-29E	EST JUL 2022	1391	45	3730	1293	4526
CORRAL GORGE 12 13 FEDERAL COM #037H	30-015-47207	A-12-25S-29E	EST JUL 2022	1391	45	3730	1293	4526
CORRAL GORGE 12 13 FEDERAL COM #038H	30-015-47208	A-12-25S-29E	EST JUL 2022	1391	45	3730	1293	4526

COM AGREEMENT PENDING

50% NMNM015303 (BLM 12.5% NRI) & 25% SLO VC-0601 & 25% SLO V0-3633-0004 POOL: PURPLE SAGE;WOLFCAMP GAS (98220)

WELLNAME	ΑΡΙ	SURFACE LOCATION	DATE ONLINE	EST. OIL (BOPD)	EST. GRAVITY API	EST. GAS (MSCFD)	EST. BTU/CF	EST. WATER (BWPD)
CORRAL GORGE 12 13 FEDERAL COM #031H	30-015-47212	D-12-25S-29E	EST JUL 2022	1391	45	3730	1293	4526
CORRAL GORGE 12 13 FEDERAL COM #032H	30-015-47214	D-12-25S-29E	EST JUL 2022	1391	45	3730	1293	4526
CORRAL GORGE 12 13 FEDERAL COM #034H	30-015-47201	N-01-25S-29E	EST JUL 2022	1391	45	3730	1293	4526
CORRAL GORGE 12 13 FEDERAL COM #311H	30-015-47215	D-12-25S-29E	EST JUL 2022	1391	45	3730	1293	4526

Production estimates are average of first 6-month volumes.

Process Description:

Production will be sent through a 10' X 40' three-phase production separator. After separation, the oil stream will flow through a line-heater, to two heater-treaters, to vertical vapor recovery towers, then to LACT units. The aforementioned LACT units will serve as the point of royalty payment. The existing tanks will remain onsite and will be incorporated into the design as emergency backup storage in the event of system upsets and power outages.

Oil production will be allocated back to each well based on well test. For testing purposes, the facility is equipped with four permanent 6' x 20' three-phase test separators. Each test vessel is equipped with oil turbine meters, gas orifice meters and water turbine meters. In addition, the facility is equipped to add up to four portable 6' X 20' three-phase test separators. Any portable test separator will be equipped with an oil turbine meter, gas orifice meter and water turbine meter.

All wells 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 production and test separators. It will then flow through a gas scrubber then measured through an orifice meter, which will serve as the gas FMP for the purpose of BLM royalty payment. Gas production will then be sent to sales. Gas production will be allocated back to each well based on the aforementioned well tests. Gas commingling will be handled through PLC 784B.

All water from the Corral Gorge 12-13 Battery will be sent to the Corral Fly Water Disposal 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, NMOCD and BLM specifications.

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 will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

The surface commingle application will be submitted separately for approval per NMOCD, SLO and BLM regulations.

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.





DISTRICT II 8011 S. FIRST ST., ARTESIA, NM Phone: (575) 748-1283 Fax: (576) 74 DISTRICT III 1000 RIO BRAZOS RD., AZTEC, N Phone: (505) 334-6178 Fax: (505) DISTRICT IV
1220 8. ST. FRANCIS DR., SANTA FE. Phone: (505) 478-3460 Pax: (505) API Number 30-015-47205
Property Code 328295 OGRID No.
16696
UL or lot No. Section
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Dedicated Acres Joint o
$\begin{array}{c} LAT_{*}=52.152503^{\circ}\text{ N}\\ LONG_{*}=103.937499^{\circ}\text{ W}\\ \hline & KOP MO22\\ 50^{\circ}\text{ FRL} & 2605^{\circ}\text{ FEL}\\ & Y^{=419147.5 \text{ N}}\\ & x=622544.6 \text{ c}\\ LAT_{*}=32.151734^{\circ}\text{ N}\\ LONG_{*}=103.937369^{\circ}\text{ W}\\ \hline & ETP MO22\\ 100^{\circ}\text{ FNL} & 2605^{\circ}\text{ FEL}\\ & Y^{=419097.5 \text{ N}}\\ & x=622544.9 \text{ c}\\ LAT_{*}=32.151596^{\circ}\text{ N}\\ \hline & x=6196834.5 \text{ c}\\ 2 \text{ Y}=419168.2 \text{ N}\\ \hline & x=6198634.5 \text{ c}\\ 2 \text{ Y}=4191682.5 \text{ N}\\ \hline & x=6198634.0 \text{ c}\\ 3 \text{ Y}=411200.5 \text{ N}\\ \hline & x=6198681.0 \text{ c}\\ 4 \text{ Y}=408547.0 \text{ N}\\ \hline & x=6198681.0 \text{ c}\\ 5 \text{ Y}=408570.7 \text{ N}\\ \hline & x=622546.4 \text{ c}\\ 6 \text{ Y}=408594.1 \text{ N}\\ \hline & x=622540.0 \text{ c}\\ 7 \text{ Y}=413916.0 \text{ N}\\ \hline & x=622540.0 \text{ c}\\ 8 \text{ Y}=419223.5 \text{ N}\\ \hline & x=622549.2 \text{ c}\\ \hline \end{array}$

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API Number	WELL LOCATIO	N AND ACREA	GE DEDICATIO	ON PLAT Pool Name	Z AMEND	ED REPORT
30-015-47214	98220	PUR	PLE SAGE V		P (GAS)	
Property Code		Property Nam	lê		Well Num	1ber
328295	CORRAL G		FEDERAL CO	M	321	
OGRID No. 16696		Operator Nam OXY USA I			Elevation 3075	
		Surface Loca				
UL or lot No. Section Townsh	hip Range Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D 12 25-		162	NORTH	285	WEST	EDDY
			rent From Surf			
UL or lot No. Section Townsh		Feet from the	North/South line	Feet from the	East/West line	County
M 13 25-		20	SOUTH	800	WEST	EDDY
Dedicated Acres Joint or Infill 1280		Drder No.	50011	000	<u></u>	
SURFACE LOCATION NAD 83 1 Y=419067.7 N X X=661305.2 E X LAT.=32.151502* N LONG=103.945688* W LONG=103.945688* W X Y=419185.3 N NAD 27 Y=419185.3 N HOR	A NON-STANDARD U 8 75.1 285' 162'		DURFACE LOCATION NAD 27 Y=419003.3 N X=620120.6 E LAT.=32.151378" N LONG.=103.945203" W KOP NAD 27 STATUSTON LONG.=103.945203" W KOP NAD 27 SOF FNL & 800" FWL Y=419126.9 N X=620634.9 E LAT.=32.1515696" N LONG.=103.943540" W FIP. NAD 22 100" FNL & 800" FWL Y=419176.9 N X=620635.1 E LAT.=32.151559" N LONG.=103.943540" W LONG.=103.943540" W FIP. NAD 22 100" FNL & 800" FWL Y=419076.9 N X=620635.1 E LAT.=32.151559" N LONG.=103.943540" W AD 27 POINT LEGEND Y=419164.8 N X=617212.2 E 2 A Y=408543.0 N X=617230.9 E Y=408543.0 N X=617230.9 E Y=408547.0 N X=617230.9 E Y=408547.0 N X=6122519.0 E Y=4138880.6 N X=622519.0 E Y=41085251.0 D X=622519.0 D Y=419197.0 N X=622492.0 E 3 Y=419168.2 N Y=419166.2 N Y=419168.5 E Y=419168.5 E <	OPERATO I herein is true a my knowledge a organisation eiti or unleased min laciuding the p or has a right location purrue owner of such 1 or to a volutain compulsory pool by the division. Signature LESLIE RE Printed Name LESLIE RE Printed Name LESLIE RE B-mail Address SURVEYOI I hereby c shown on this p notes of actins DUI Da Signature & Se	EEVES@OXY.	ormation bast of this interest interest interest interest, at or a e entered 28/2021 te COM I location m field te or same is belief.

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DISTRICT I 1625 N. PEENCH DR., HOBBS, NM 66240 Pages: (878) 353-6101 Far: (878) 553-6720 DISTRICT II 011 S. FIRST ST., ARTESIA, NM 882 Phone: (578) 748-1283 Far: (576) 748-97 DISTRICT III 1000 R10 BR4205 RD., AZTEC, NM 8 Phone: (505) 334-8178 Far: (505) 334- DISTRICT IV 1220 S. 57. FRANCIS DR., SANTA FR. NM Phone: (505) 476-3460 Far: (505) 476-	OIL C 210 OIL C 210 1 210 2 210 2	erals & Natur ONSERVA 220 SOUTH S Santa Fe, New	New Mexico al Resources De TION DIVIS F. FRANCIS DR. Mexico 87505	SION	Revised Au Submit one copy to Distri	orm C-102 agust 1, 2011 o appropriate ct Office ED REPORT
API Number		Pool Code	CREAGE DEDICATI	Pool Name		
30-015-47201	98220		PURPLE SAGE	WOLFCAM		
Property Code 328295	COR	•	^{y Name} _13 FEDERAL CO	М	Well Num 34	
OGRID No.			r Name		Elevatio	n
16696			Location		3110).6
UL or lot No. Section Te	ownship Range	Lot Idn Feet from		Feet from the	East/West line	County
	25-S 29-E	230		2635	WEST	EDDY
	Bottom	Hole Location If	Different From Sur	face		
	ownship Range	Lot Idn Feet from	,	Feet from the	East/West line	County
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$\begin{array}{c} \frac{SURFACE \ LOCATION \ NAD22}{Y=419426.7 \ N} \\ X=622469.0 \ E \\ LAT=32.152502' \ N \\ LONG=103.937610' \ W \\ \hline NOG = 103.937610' \ W \\ \hline NOG = 103.937610' \ W \\ \hline NOG = 103.937610' \ W \\ \hline X=622059.8 \ E \\ LAT=32.15124' \ N \\ LONG=103.93935' \ W \\ \hline DOT FM. & 2225' \ FM. \\ Y=419023.3 \ N \\ X=622050.0 \ E \\ LAT=32.151587' \ N \\ LONG=103.93935' \ W \\ \hline NAD \ 27 \ POINT \ LEGEND \\ 1 \ Y=419164.6 \ N \\ 1 \ X=617183.2 \ E \\ 2 \ Y=419164.6 \ N \\ 1 \ X=617230.9 \ E \\ 3 \ Y=408547.0 \ N \\ X=619869.2 \ E \\ 5 \ Y=408547.0 \ N \\ X=612630.9 \ E \\ 5 \ Y=408547.0 \ N \\ X=612648.6 \ N \\ X=622519.0 \ E \\ 7 \ Y=419166.2 \ N \\ X=622646.4 \ E \\ 6 \ Y=413866.6 \ N \\ X=622519.0 \ E \\ 7 \ Y=419166.2 \ N \\ X=619834.6 \ E \\ 9 \ Y=413652.5 \ N \\ X=619873.0 \ E \\ \hline N=622115.7 \ E \\ LONG=103.938865' \ W \\ PROPOSED \ BOTTOM \\ HOLE \ LOCATION \ MAD27 \\ Y=402566.8 \ N \\ X=622114.1 \ E \\ LONG=103.938865' \ W \\ \end{array}$	GRU AZ. NAD ST HORZ. DIST GRU AZ. NADZ HORZ. DIST HORZ.	- 498.4 7 - 23512100 - 498.4 7 - 23512100 - 498.4 7 - 23512100 - 498.4 7 - 23512100 - 498.4 - 498.4 - 52230 - 5.2.30 - 5.2.5	SLIFFACE LOCATION MADES Y=419485.1 N X=66353.7 E LAT.=32.152626' N LONG.=103.938095' W KOP MADES SO'FM. & 2225' FML Y=419200.7 N X=663244.4 E LAT.=32.151846' N LONG.=103.93421' W FTP-MADES 100'FM. & 2225' FML Y=419150.7 N X=663244.7 E LAT.=32.15171' N LONG.=103.939421' W NAD 83 POINT LEGENDD 1 Y=419223.2 N 1 X=658397.0 E 2 Y=413911.6 N X=665397.0 E 3 Y=406801.1 N X=665397.0 E 3 Y=406805.2 N X=663703.3 E 6 Y=413944.9 N X=663703.3 E 6 Y=413944.9 N X=663703.8 E 7 Y=419225.4 N X=663703.8 E 9 Y=413910.8 N X=661019.2 E 9 Y=413910.8 N X=661297.8 E 1 D Y=40865.0 N X=663298.0 N X=661019.2 E 9 Y=413910.8 N X=661297.8 E 2 Y=40865.0 N X=663298.0 N X=663298.0 N X=66129.7 E 1 D Y=40865.0 N X=663299.0 E LAT.=32.122831' N LONG.=103.939369' W	I hereby is true my knowledge a organisation eff or unleased mil- including the p or bas a right location pursue owner of such or to a volume computany pool by the division. Signature LESLIE RE Printed Name LESLIE_RI E-mail Address SURVEYO I hereby shown on this notes of actual under my super true and correc JU D Signature & Se	EEVES@OXY. R CERTIFICAT cortify that the well for the point of the well plat was plotted from surveys made by m rision, and that the to the best of murvey control of Burvey control of Burvey co	vrmation best of this interest interest interest, at or e e entered 16/2021 te COM VION i location m field te same is belief.

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DISTRICT IV 1220 S. ST. FRANCIS D Phone: (505) 476-344	R., SANTA FE, 10 Fax: (505)	NM 67506 476-3462						AMEND	ED REPOR
^{арі} 30-015-47	Number 215			CATION Pool Code		AGE DEDICATION	Pool Name	P (GAS)	
Property (Code		1		Property Nar	ne	· · ·	Well Nun	
328295),		CUR	KAL GU	Operator Nar	FEDERAL CO	M	31 Bievatio	
16696					OXY USA 1	INC.		3076	5.1'
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U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
CORRAL GORGE	34H	300154720100X1		-	OXY USA
CORRAL GORGE	36H	300154720600X1	-	-	OXY USA
CORRAL GORGE	311H	300154721500X1		-	OXY USA
CORRAL GORGE	38H	300154720800X1	-	-	OXY USA
CORRAL GORGE	37H	300154720700X1		-	OXY USA
CORRAL GORGE	31H	300154721200X1	-	-	OXY USA
CORRAL GORGE	32H	300154721400X1		-	OXY USA
CORRAL GORGE	35H	300154720500X1	-	-	OXY USA

Notice of Intent

Sundry ID: 2660796 Type of Submission: Notice of Intent Date Sundry Submitted: 03/08/2022 Date proposed operation will begin: 06/15/2022

Type of Action: Commingling (Surface) and Off-Lease Measurement Time Sundry Submitted: 11:43

Sundry Print Repor

04/01/2022

Procedure Description: OXY requests approval according to 43 CFR 3173.14 (a)(1)(iii) to commingle production at the Corral Gorge 12-13 Battery. Commingling will not reduce the individual wells' production value or otherwise negatively affect the royalty revenue of the Federal Government. It is the most effective means of producing the reserves. Justification, lease map and other pertinent information are attached.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

CORRAL_GORGE_BLM_SUBMITTAL_20220308114335.pdf

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: SANDRA MUSALLAM

Signed on: MAR 08, 2022 11:43 AM

Name: OXY USA INCORPORATED
Title: Regulatory Engineer

Street Address: 5 GREENWAY PLAZA, SUITE 110

City: HOUSTON State: TX

Phone: (713) 366-5106

Email address: SANDRA_MUSALLAM@OXY.COM

State:

Field Representative

Representative Name:

Street Address:

City:

Phone:

Email address:

Zip:

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FAQs >

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Musallam, Sandra C			
From: AFMSS <blm-afmss-notifications@blm.gov> Sent: Tuesday, March 8, 2022 12:44 PM To: Musallam, Sandra C Subject: [EXTERNAL] Well Name: Batch Sundry, Sundry Id: 2660796, Notification of Batch Sundry Received</blm-afmss-notifications@blm.gov>			
WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and a	ttachments.		
The Bureau of Land Management		CORRAL GORGE Oi	I Commingle BLM Notification
Notice Of Intent Receipt			
 Operator Name: OXY USA INCORPORATED Well Name: Batch Sundry Well Number: Batch Sundry US Well Number: Batch Sundry Sundry ID: 2660796 The BLM received your Notice Of Intent, Commingling (Surface) and Off-Lease Measurement sundry on 03/08/2022. This is to notify you t your sundry. You may contact the field office if you have any questions. If we need more information we will contact you. Thank you. This notification is automatically generated. Please do not reply to this message as this account is not monitored.	that we are processing		
	USPS Trac	king [®]	Tracking
	Track Another F	Package + Track Package Anytime,	Ckages Get the free Informed Delivery [®] feature to receive automated notifications on your packages
CORRAL GORGE Oil Commingle SLO Notification	Tracki	ng Number: 70190140000038877487	
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		m was picked up at a postal facility at 12:08 pm on 14, 2022 in SANTA FE, NM 87501.	♂ Delivered, Individual Picked Up at Postal Facility

USPS Tracking Plus[®] Available 🧡

March 14, 2022 at 12:08 pm SANTA FE, NM 87501

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Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of November, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 29 East, N.M.P.M. Section 11: E/2 Section 12: W/2 Section 13: W/2 Section 14: E/2 Eddy County, New Mexico

Containing **1280.00** acres, and this agreement shall include only the <u>Wolfcamp</u> <u>Formation</u> underlying said lands and the natural gas and associated liquid

hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based

on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is November 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative. with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

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- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC

NAME:

TITLE:

OPERATOR:

•	Title and	Working	Interest
Owner)			
	1	-	
		L	

Attorney-in

Laning

DATE: 1-21-2022

Page 4	of 11
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ACKNOWLEDGMENT

STATE OF <u>TEXAS</u>	§
	Ş
COUNTY OF <u>HARRIS</u>	§

The foregoing instrument was acknowledged before me on this the ______ day of James 2027, by _______, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of _______ My commission expires 218-22



WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

EOG RESOURCES, INC. (Record Title Only)

DATE: 12/2/2/

BY: СŁ NAME: Matthew W M 1-in Fact tornes TITLE: A

ACKNOWLEDGMENT

lexas STATE OF) ss. COUNTY OF Midland

The foregoing instrument was acknowledged before me on this the L day of December 2021, by Matthe n of EOG RESOURCES, INC a , on behalf of said Comoration TRACY JORDAN Notary Public, State of Texas Notary Public in exa s r the State of nd fo Comm. Expires 10-17-2023 My commission expires 3 Notary ID 132215654

Page 24 of 51

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

> XTO HOLDINGS, LLC (Record Title & Working Interest Owner)

DATE: /-/7-2022

BY:

NAME: Angie Repka – Land Manager – Permian Delaware Basin TITLE: Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)) ss. COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me on this the ______day of December, 2022 2021, by Angie Repka, as Attorney-in-Fact of XTO Holdings, LLC, a Delaware limited liability company, on behalf of said company.

MARITZA WHITE Notary Public, State of Texas Comm. Expires 04-28-2024 Notary ID 582470-8

lotary Public, State of Texas

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EXHIBIT "A"

Attached to and made a part of that Communitization Agreement dated November 1, 2021.

Plat of communitized area covering 1280.00 acres in Township 25 South, Range 29 East, E/2 of Sections 11 & 14 and W/2 of Sections 12 & 13, N.M.P.M., Eddy County, New Mexico



Corral Gorge 12-13 Federal Com

Received by OCD: 3/8/2022 3:24:47 PM

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Received by OCD: 3/8/2022 3:24:47 PM

Number of Acres:

EXHIBIT "B"

To Communitization Agreement Dated November 1, 2021 embracing the following described land in Township 25 South, Range 29 East, E/2 of Sections 11 & 14 and W/2 of Sections 12 & 13, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Trac	<u>t No. 1</u>
Lease Serial No.:	VO-3633-0004
Description of Land Committed:	Township 25 South, Range 29 East, N.M.P.M., Section 11: E/2
Number of Acres:	320.00
Lease Owner:	XTO HOLDINGS, LLC
Name and Percent of WI Owners:	XTO HOLDINGS, LLC80.000000% OXY USA INC <u>20.000000%</u> 100.000000%
Trac	<u>t No. 2</u>
Lease Serial Number:	VC-0601-0000
Description of Land Committed:	Township 25 South, Range 29 East, N.M.P.M., Section 12: W/2
Number of Acres:	320.00
Current Lessee of Record:	OXY USA INC.
Name and Percent of WI Owners:	OXY USA INC <u>100.000000%</u> 100.000000%
Trac	<u>t No. 3</u>
Lease Serial Number:	NMNM-015303
Description of Land Committed:	Township 25 South, Range 29 East, N.M.P.M., Section 13: W/2 and Section 14: E/2

640.00

Current Lessee of Record:

Name and Percent of WI Owners:

EOG RESOURCES, INC.

XTO HOLDINGS, LLC......80.000000% OXY USA INC......<u>20.000000%</u> 100.000000%

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	25.000%
2	320.00	25.000%
3	<u>640.00</u>	<u>50.000%</u>
Total	1280.00	100.0000%

Received by OCD: 3/8/2022 3:24:47 PM

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Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1st day of November, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 25 South, Range 29 East, N.M.P.M. Section 12: E/2 Section 13: E/2 Eddy County, New Mexico

Containing **640.00** acres, and this agreement shall include only the <u>Wolfcamp</u> <u>Formation</u> underlying said lands and the natural gas and associated liquid hydrocarbons hereafter hereafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

- Page 32 of 51
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- 10. The date of this agreement is November 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and

hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination.</u> In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

OXY USA INC. (Record Title and Working Interest Owner)

1-20-2022 DATE:

BY: James Laning NAME:

TITLE: Attorney-In-Fact

ACKNOWLEDGMENT

STATE OF <u>TEXAS</u>	§
	§
COUNTY OF <u>HARRIS</u>	§

USA INC., a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas My commission expires 02/18/2022

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WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

EOG RESOURCES, INC. (Record Title Only)

DATE: 2/2/21

BY: NAME: Ma O val Attorney - in - Fact TITLE: Acca

ACKNOWLEDGMENT

STATE OF EXAS) ss. COUNTY OF

The foregoing instrument was acknowledged before me on this the day of Secember, 2021, by Matthew W Attomer-in-Fac Mrd of EOG RESOURCES, INC., a 0 on behalf of said



Notary Public in an the Va State o d for

My commission expires 0-17-2023

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WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

> OXY USA WTP LIMITED PARTNERSHIP (Working Interest Owner)

DATE: 1-20-2022

BY: James Laning NAME: Attorney-In-Fact TITLE:

ACKNOWLEDGMENT

STATE OF <u>TEXAS</u> § COUNTY OF <u>HARRIS</u>

day of December 2021, by _______JAMES LANING ______, Attorney-in-fact of OXY USA

WTP LIMITED PARTNERSHIP, a Delaware limited partnership.

DELEENA D. LANG lotary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978

Notary Public in and for the State of Texas My commission expires 02/18/2022
WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

> OXY Y-1 COMPANY (Working Interest Owner)

DATE: 1-20-2072

BY: NAME: James Laning Attorney-In-Fact TITLE:

ACKNOWLEDGMENT

STATE OF <u>TEXAS</u> § COUNTY OF <u>HARRIS</u>

the foregoing instrument was acknowledged before me on this the _______ day of December, 2021, by __JAMES LANING _____, Attorney-in-fact of OXY Y-1

COMPANY, a New Mexico corporation, on behalf of said corporation.

DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2022 Notary ID 128179978

Texas

Notary Public in and for the State of Texa My commission expires 02/18/2022

Received by OCD: 3/8/2022 3:24:47 PM

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

> XTO HOLDINGS, LLC (Working Interest Owner)

DATE: 1-17-2022

BY:

NAME: Angie Repka – Land Manager – Permian Delaware Basin TITLE: Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF TEXAS)) ss. COUNTY OF HARRIS)

The foregoing instrument was acknowledged before me on this the <u>day</u> of January, 2022, by Angie Repka, as Attorney-in-Fact of XTO Holdings, LLC, a Delaware limited liability company, on behalf of said company.

MARITZA WHITE Notary Public, State of Texas Comm. Expires 04-28-2024 Notary ID 582470-8

Public, State of Texas lotary

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Released to Imaging: 5/9/2022 4:46:59 PM

Attached to and made a part of that Communitization Agreement dated November 1, 2021.

Plat of communitized area covering **640.00** acres in Township 25 South, Range 29 East, E/2 of Sections 12 & 13, N.M.P.M., Eddy County, New Mexico

2	1	6				
11	Tract 1 State lease VB-1105-0001 320 00 Acres	7				
14	25S 29E Tract 2 Fed lease MNIM-015303 320.00 Acres IB EDDY/COUNT	18 255 30E				
23	24	19				
	0 1.250 2.500	30 5.000 Feet				

Corral Gorge 12-13 Federal Com



Received by OCD: 3/8/2022 3:24:47 PM

EXHIBIT "B"

To Communitization Agreement Dated November 1, 2021 embracing the following described land in Township 25 South, Range 29 East, E/2 of Sections 12 & 13, N.M.P.M., Eddy County, New Mexico

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Trac	<u>t No. 1</u>
Lease Serial No.:	VB-1105-0001
Description of Land Committed:	Township 25 South, Range 29 East, N.M.P.M., Section 12: E/2
Number of Acres:	320.00
Lease Owner:	OXY USA INC.
Name and Percent of WI Owners:	OXY Y-1 COMPANY66.179258% OXY USA INC32.3115042% OXY USA WTP LP <u>1.5092378%</u> 100.000000%
Trac	<u>t No. 2</u>
Lease Serial Number:	NMNM-015303
Description of Land Committed:	Township 25 South, Range 29 East, N.M.P.M., Section 13: E/2

Number of Acres:

Current Lessee of Record:

Name and Percent of WI Owners:

320.00

EOG RESOURCES, INC.

RECAPITULATION

<u>Tract No.</u>	No. of Acres Committed	Percentage of Interest in Communitized Area
1	320.00	50.000%
2	<u>320.00</u>	<u>50.000%</u>
Total	640.00	100.0000%

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Received by OCD: 3/8/2022 3:24:47 PM

From:	Engineer, OCD, EMNRD
To:	Musallam, Sandra C; Schenkel, Beth V
Cc:	McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher; Dawson, Scott
Subject:	Approved Administrative Order CTB-1038
Date:	Monday, May 9, 2022 4:24:37 PM
Attachments:	CTB1038 Order.pdf

NMOCD has issued Administrative Order CTB-1038 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47205	Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	98220
30-013-4/203	#35H	E/2	13-25S-29E	98220
20.015.4720(Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	98220
30-015-47206	#36H	E/2	13-25S-29E	98220
20.015.47207	Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	09220
30-015-47207	#37H	E/2	13-25S-29E	98220
20.015.47200	Corral Gorge 12 13 Federal Com	E/2	12-25S-29E	00000
30-015-47208	#38H	E/2	13-25S-29E	98220
		E/2	11-25S-29E	
20 015 45212	Corral Gorge 12 13 Federal Com	W /2	12-25S-29E	00220
30-015-47212	#31H	W /2	13-25S-29E	98220
		E/2	14-25S-29E	
		E/2	11-25S-29E	
20.015.45014	Corral Gorge 12 13 Federal Com	W /2	12-25S-29E	00000
30-015-47214	#32H	W /2	13-25S-29E	98220
		E/2	14-25S-29E	
		E/2	11-25S-29E	
20.015.45201	Corral Gorge 12 13 Federal Com	W /2	12-25S-29E	00000
30-015-47201	#34H	W /2	13-25S-29E	98220
		E/2	14-25S-29E	
	Corral Gorge 12 13 Federal Com #311H	E/2	11-25S-29E	
		W/2	12-25S-29E	00000
30-015-47215		W /2	13-25S-29E	98220
		E/2	14-25S-29E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From:	<u>Musallam, Sandra C</u>
То:	McClure, Dean, EMNRD
Subject:	[EXTERNAL] RE: surface commingling application CTB-1038
Date:	Thursday, April 28, 2022 12:51:57 PM
Attachments:	BLM & SLO Notification.pdf

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

Hello Mr. McClure,

The only other owners in the Corral Gorge wells are BLM and SLO. Attached is confirmation of USPS delivery of the oil commingle permit.

Thank you,

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

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Thursday, April 28, 2022 12:36 PM
To: Musallam, Sandra C <Sandra_Musallam@oxy.com>
Subject: [EXTERNAL] surface commingling application CTB-1038

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

Ms. Musallam,

I am reviewing surface commingling application CTB-1038 which involves a commingling project that includes the Corral Gorge 12 13 Battery and is operated by Oxy USA, Inc. (16696).

Please provide a list of persons noticed of this application including the certified tracking numbers.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY OXY USA, INC.

ORDER NO. CTB-1038

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Oxy USA, Inc. ("Applicant") submitted a complete application to surface commingle the oil production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
- 4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 5. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 6. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
- 8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) ("Proposed Agreement(s)") to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area ("Pooled Area"), as described in Exhibit B.

CONCLUSIONS OF LAW

- 9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
- 11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 13. Commingling of oil production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

1. Applicant is authorized to surface commingle oil production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or

NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

- 3. The allocation of oil production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 4. The allocation of oil production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per

month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION



DATE: <u>5/09/2022</u>

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State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-1038 Operator: Oxy USA, Inc. (16696) Central Tank Battery: Corral Gorge 12 13 Battery Central Tank Battery Location: UL G, Section 2, Township 25 South, Range 29 East Gas Title Transfer Meter Location:

	Pools Poo PURPLE SAGE; WO	l Name LFCAMP (GAS)	Pool Code 98220		
	Leases as defined in 19.15.1	2.7(C) NMAC			
	Lease	UL or Q/Q	S-T-R		
	VB 11050002	E/2	12-25S-29E		
	VC 06010001	W/2	12-25S-29E		
	VO 36330004	E/2	11-25S-29E		
	NMNM 015303	All	13-25S-29E		
		E/2	14-25S-29E		
	Wells				
Well API	Well Name	UL or Q/Q	S-T-R	Pool	
20.015.47205	Connel Conner 12 12 Followel Conne #2511	E/2	12-25S-29E	00220	
30-015-47205	Corral Gorge 12 13 Federal Com #35H	E/2	13-25S-29E	98220	
20.015.4720(Connel Conner 12 12 Followel Conne #2(II	E/2	12-25S-29E	00000	
30-015-47206	Corral Gorge 12 13 Federal Com #36H	E/2	13-25S-29E	98220	
20.015.45205		E/2	12-25S-29E	00000	
30-015-47207	Corral Gorge 12 13 Federal Com #37H	E/2	13-25S-29E	98220	
20.015.45200		E/2	12-25S-29E	00000	
30-015-47208	Corral Gorge 12 13 Federal Com #38H	E/2	13-25S-29E	98220	
		E/2	11-25S-29E		
20.015.45212		W /2	12-25S-29E	00000	
30-015-47212	Corral Gorge 12 13 Federal Com #31H	W /2	13-25S-29E	98220	
		E/2	14-25S-29E		
		E/2	11-25S-29E		
20.01E.4E214		W /2	12-25S-29E	00000	
30-015-47214	Corral Gorge 12 13 Federal Com #32H	W /2	13-25S-29E	98220	
		E/2	14-25S-29E		
		E/2	11-25S-29E		
		W/2	12-25S-29E		
30-015-47201	-015-47201 Corral Gorge 12 13 Federal Com #34H	W/2	13-25S-29E	98220	
		E/2	14-25S-29E		
		E/2 E/2	11-25S-29E		
		W/2	12-25S-29E		
30-015-47215	-015-47215 Corral Gorge 12 13 Federal Com #311H		12-25S-29E	98220	
		W/2 E/2	13-25S-29E		

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit B

Order: CTB-1038

Operator: Oxy USA, Inc. (16696)

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp NMNM 144359	E/2	12-25S-29E	640	•
CA woncamp INVINVI 144559	E/2	13-25S-29E	040	Α
	E/2	11-25S-29E		
CA Wolfcamp NMNM 144358	W /2	12-25S-29E	1280	В
CA woncamp Invinivi 144556	W /2	13-25S-29E	1200	D
	E/2	14-25S-29E		

Leases Comprising Pooled Areas Pooled Lease UL or Q/Q S-T-R Acres Area ID **VB 11050002** E/2 12-25S-29E 320 A NMNM 015303 E/2 13-25S-29E 320 Α VO 36330004 E/2 11-25S-29E 320 В VC 06010001 W/2 12-25S-29E 320 B W/2 13-25S-29E

E/2

14-25S-29E

640

B

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

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Action 88364

CONDITIONS

Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	88364
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

ſ	Created By		Condition Date
	dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/9/2022