

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA INC. **OGRID Number:** 16696
Well Name: COVINGTON A FEDERAL #008 **API:** 30-025-32023
Pool: RED TANK; DELWARE, WEST & RED TANK; BONE SPRING **Pool Code:** 51689 & 51683

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☒ No notice required

FOR OCD ONLY

- ☐ Notice Complete
- ☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the 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.

LESLIE T. REEVES

Print or Type Name

Leslie T. Reeves

Signature

11/15/2022

Date

(713) 497-2492

Phone Number

LESLIE_REEVES@OXY.COM

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised August 1, 2011

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

OXY USA INC.

5 GREENWAY PLAZA, SUITE 110, HOUSTON, TX

Operator

Address

COVINGTON A FEDERAL

#008

M-25-22S-32E

LEA

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 16696

Property Code 304796

API No. 30-025-32023

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED TANK; DELWARE, WEST		RED TANK; BONE SPRING
Pool Code	51689		51683
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4952'-4970';6194'-6324';6922'-6930';8000'-8010;8570'-8600'		9760' - 9853'
Method of Production (Flowing or Artificial Lift)	LIFT		LIFT
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)			
Producing, Shut-In or New Zone	PRODUCING		NEW ZONE ADDED (PREVIOUS PLUGGED OFF)
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: See Attached Rates:	Date: Rates:	Date: See Attached Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 4 % Gas 4 %	Oil % Gas %	Oil 96 % Gas 96 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?

Yes ☐ No ☒

NMOCD Reference Case No. applicable to this well:

- Attachments:
- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
 - Production curve for each zone for at least one year. (If not available, attach explanation.)
 - For zones with no production history, estimated production rates and supporting data.
 - Data to support allocation method or formula.
 - Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
 - Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Leslie T. Reeves*

TITLE REGULATORY MANAGER

DATE 11/15/2022

TYPE OR PRINT NAME LESLIE REEVES

TELEPHONE NO. (713) 497-2492

E-MAIL ADDRESS LESLIE_REEVES@OXY.COM

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator OXY USA INC.			Lease COVINGTON "A" FEDERAL		Well No. 8
Unit Letter M	Section 25	Township 22 SOUTH	Range 32 EAST	County NMPM	LEA
Actual Footage Location of Well: 330 feet from the SOUTH line and 660 feet from the WEST line					
Ground Level Elev. 3749.3'	Producing Formation Delaware	Pool RED TANK; DELAWARE, WEST (51689)		Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

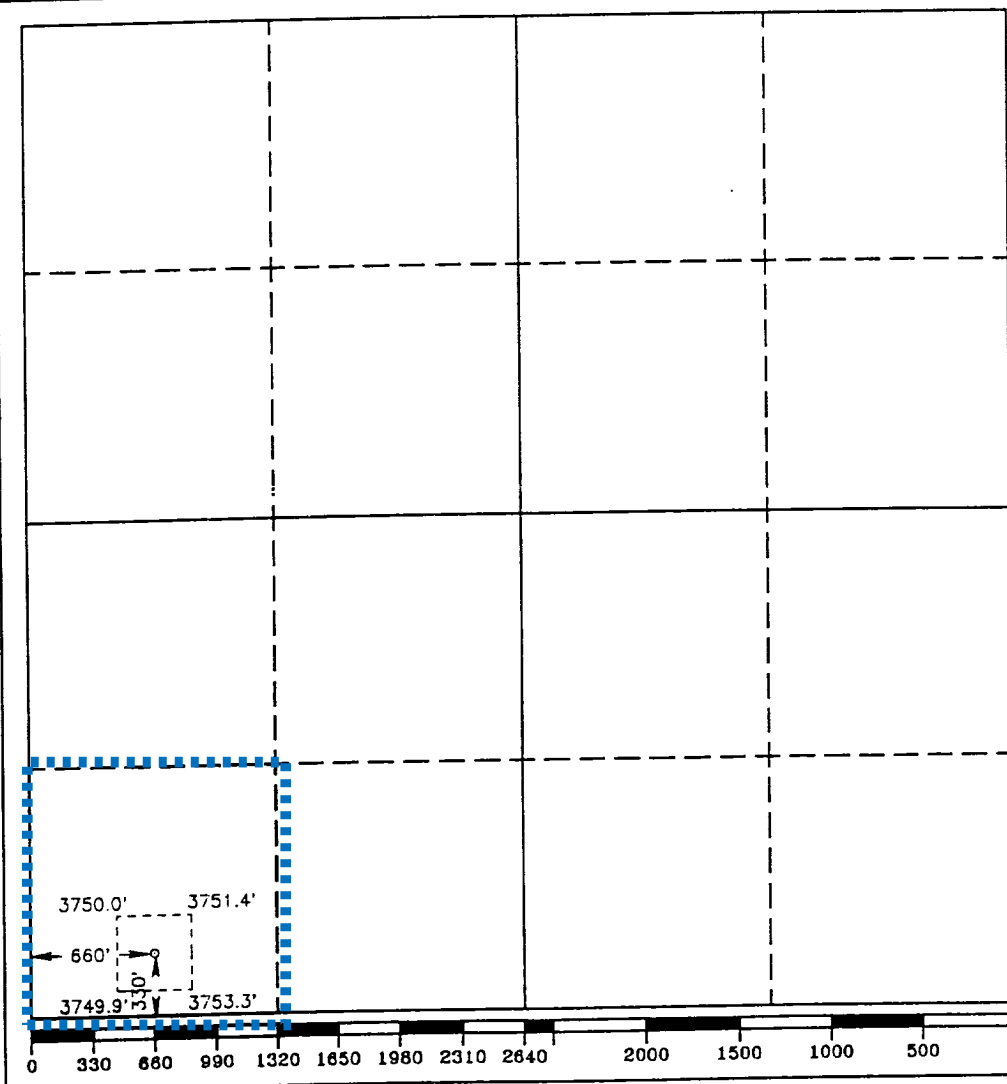
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Leslie T. Reeves 11/15/2022
Signature Date

LESLIE REEVES
Printed Name

LESLIE_REEVES@OXY.COM
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
SEPTEMBER 22, 1992

Signature & Seal of
Professional Surveyor

Gary L. Jones

Certificate No.	7 JOHN W. WEST	676
	RONALD J. EASON	3239
	GARY L. JONES	7977

92-11-1404

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

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DISTRICT II

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1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

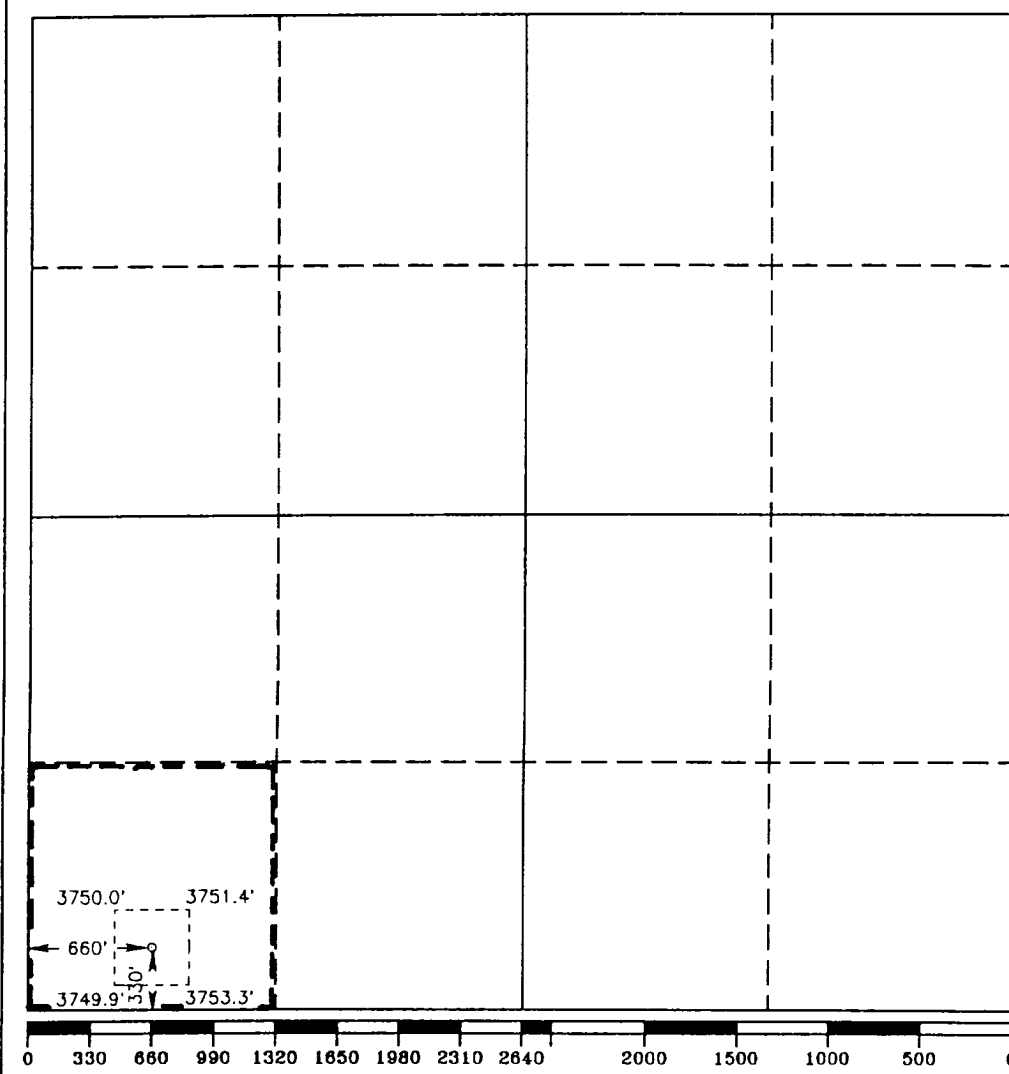
Operator OXY USA INC.			Lease COVINGTON "A" FEDERAL		Well No. 8
Unit Letter M	Section 25	Township 22 SOUTH	Range 32 EAST NMPM	County LEA	
Actual Footage Location of Well: 330 feet from the SOUTH line and 660 feet from the WEST line					
Ground Level Elev. 3749.3'	Producing Formation BONE SPRINGS		Pool RED TANK; BONE SPRING (51683)		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.) _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Leslie T. Reeves 11/15/2022

Signature Date

LESLIE REEVES

Printed Name

LESLIE_REEVES@OXY.COM

E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
SEPTEMBER 22, 1992

Signature & Seal of
Professional Surveyor

Certificate No. 75-7 JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY K. JONES 7977

92-11-1404



OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046

November 15, 2022

Dean McClure
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: *Application for Downhole Commingling – Identical Ownership Statement*
OXY USA Inc.
Covinton A Fedearl #008
30-025-32023
M-25-22S-32E 330 FSL 660 FWL

Dear Mr. McClure:

OXY USA Inc. respectfully seeks approval to downhole commingle the subject well; Red Tank; Delaware, West pool (51689) and the Red Tank; Bone Spring pool (51683). The working, royalty and overriding royalty interests are identical across both pools.

Sincerely,

A handwritten signature in blue ink that reads "Amber Delach". The signature is fluid and cursive, with the first name "Amber" and last name "Delach" clearly distinguishable.

Amber Delach, CPL
Advisor Land Negotiator – Land ORCM NM TX Delaware

Day	Convinton Oil DCA	GOR	1500 SCF/BO	
Time Track	Oil Forecast	WOR	4	
Monthly	qo	Oil Vol	Np	
DATE	stb/d	stb	Mstb	
Jul-1994	69.89045723	1188.137773	1.781105515	Actual well production from NMOCD
Aug-1994	52.80423121	1636.931168	3.418036682	
Sep-1994	40.0090985	1200.272955	4.618309638	
Oct-1994	32.2378063	999.3719954	5.617681633	
Nov-2022	26.9905298	809.7158941	6.427397527	Production Forecast.
Dec-2022	23.22051686	719.8360226	7.14723355	
Jan-2023	20.33273031	630.3146396	7.777548189	
Feb-2023	18.17824375	508.9908251	8.286539014	
Mar-2023	16.44257198	509.7197314	8.796258746	
Apr-2023	14.96239204	448.8717612	9.245130507	
May-2023	13.72795443	425.5665875	9.670697094	
Jun-2023	12.68089826	380.4269478	10.05112404	
Jul-2023	11.78300382	365.2731185	10.41639716	
Aug-2023	10.99167843	340.7420314	10.75713919	
Sep-2023	10.31023336	309.3070008	11.06644619	
Oct-2023	9.708756952	300.9714655	11.36741766	
Nov-2023	9.17328363	275.1985089	11.64261617	
Dec-2023	8.694076262	269.5163641	11.91213253	
Jan-2024	8.255616176	255.9241015	12.16805663	
Feb-2024	7.871266898	228.26674	12.39632337	
Mar-2024	7.521464926	233.1654127	12.62948879	
Apr-2024	7.196097896	215.8829369	12.84537172	
May-2024	6.897852512	213.8334279	13.05920515	
Jun-2024	6.623228729	198.6968619	13.25790201	
Jul-2024	6.369743547	197.4620499	13.45536406	
Aug-2024	6.131193278	190.0669916	13.64543105	
Sep-2024	5.913269647	177.3980894	13.82282914	
Oct-2024	5.710383411	177.0218857	13.99985103	
Nov-2024	5.520890038	165.6267011	14.16547773	
Dec-2024	5.343632327	165.6526021	14.33113033	
Jan-2025	5.1747352	160.4167912	14.49154712	
Feb-2025	5.023563488	140.6597777	14.6322069	
Mar-2025	4.881111243	151.3144485	14.78352135	
Apr-2025	4.74199525	142.2598575	14.92578121	
May-2025	4.610629659	142.9295194	15.06871073	
Jun-2025	4.486310005	134.5893002	15.20330003	
Jul-2025	4.368552737	135.4251349	15.33872516	
Aug-2025	4.255019133	131.9055931	15.47063075	
Sep-2025	4.148918543	124.4675563	15.59509831	
Oct-2025	4.048007635	125.4882367	15.72058655	
Nov-2025	3.951864194	118.5559258	15.83914247	
Dec-2025	3.860205214	119.6663616	15.95880884	
Jan-2026	3.771289174	116.9099644	16.0757188	

Feb-2026	3.690368998	103.3303319	16.17904913
Mar-2026	3.612903764	112.0000167	16.29104915
Apr-2026	3.536123454	106.0837036	16.39713285
May-2026	3.462555506	107.3392207	16.50447207
Jun-2026	3.391970666	101.75912	16.60623119
Jul-2026	3.324220993	103.0508508	16.70928204
Aug-2026	3.258071674	101.0002219	16.81028226
Sep-2026	3.195502871	95.86508612	16.90614735
Oct-2026	3.135304427	97.19443725	17.00334179
Nov-2026	3.077320486	92.31961459	17.0956614
Dec-2026	3.021453444	93.66505676	17.18932646
Jan-2027	2.966706136	91.9678902	17.28129435
Feb-2027	2.916404823	81.65933503	17.36295368
Mar-2027	2.867808323	88.902058	17.45185574
Apr-2027	2.819220365	84.57661096	17.53643235
May-2027	2.772259974	85.94005921	17.62237241
Jun-2027	2.726830309	81.80490928	17.70417732

Received by OCD: 11/15/2022 3:15:04 PM

Page 9 of 19

Well Name: COVINGTON A FEDERAL	Well Location: T22S / R32E / SEC 25 / SWSW / 32.356367 / -103.634789	County or Parish/State: LEA / NM
Well Number: 08	Type of Well: OIL WELL	Allottee or Tribe Name:
Lease Number: NMNM2379	Unit or CA Name:	Unit or CA Number:
US Well Number: 300253202300S2	Well Status: Producing Oil Well	Operator: OXY USA INCORPORATED

Conditions of Approval

Specialist Review

Workover_or_Vertical_Deepen_COA_20220630143426.pdf

Operator

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

Operator Electronic Signature: LESLIE REEVES

Signed on: MAY 16, 2022 02:58 PM

Name: OXY USA INCORPORATED

Title: Advisor Regulatory

Street Address: 5 GREENWAY PLAZA, SUITE 110

City: HOUSTONState: TX

Phone: (713) 497-2492

Email address: LESLIE_REEVES@OXY.COM

Field

Representative Name:

Street Address:

City:State:Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: Jonathon W Shepard

BLM POC Title: Petroleum Engineer

BLM POC Phone: 5752345972

BLM POC Email Address: jshepard@blm.gov

Disposition: Approved

Disposition Date: 06/30/2022

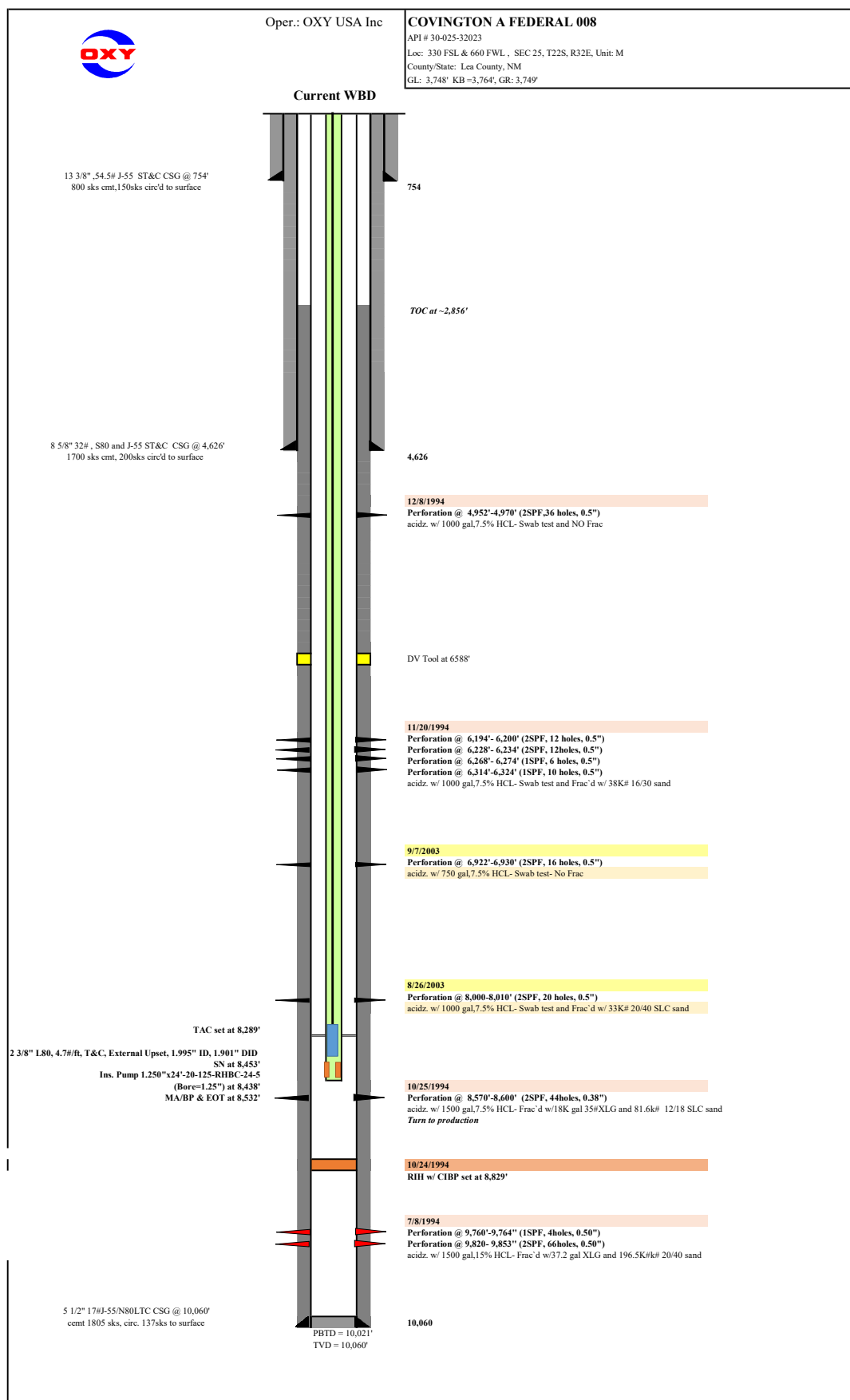
Signature: Jonathon Shepard

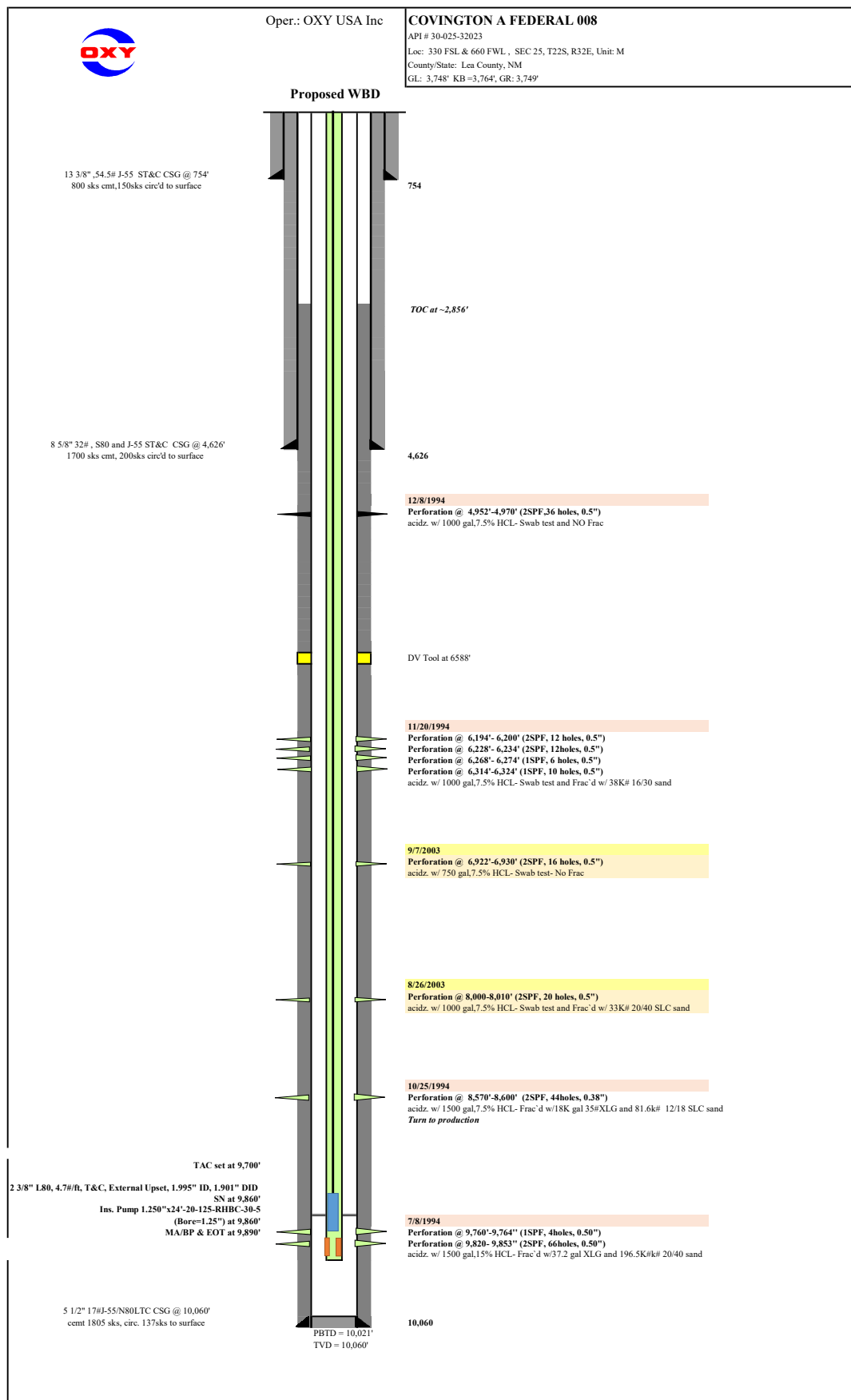
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Conditions of Approval for Workover/Deepening of a Well

1. Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-689-5981
2. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,100 feet, a 3M system for a well not deeper than 13,600 feet, or a 5M system for a well not deeper than 22,700 feet (all depths are for measured well depth).
3. Cement: Notify BLM if cement fails to circulate.
4. Subsequent Reporting: Within 30 days after work is completed, file a Subsequent Report (Form 3160-5) to BLM. The report should give in detail the manner in which the work was carried out. Show date work was completed. If producing a new zone, submit a Completion Report (Form 3160-4) with the Subsequent Report.
5. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.
6. If well location is within the Timing Limitation Stipulation Area for Lesser Prairie-Chicken: From March 1st through June 15th annually, activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted.





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

Action 122077

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 122077
	Action Type: [C-103] NOI Workover (C-103G)

CONDITIONS

Created By	Condition	Condition Date
kfortner	Like approval from BLM	8/8/2022

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Reeves, Leslie T](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order DHC-5237
Date: Wednesday, November 23, 2022 2:40:09 PM
Attachments: [DHC5237 Order.pdf](#)

NMOCD has issued Administrative Order DHC-5237 which authorizes Oxy USA, Inc. (16696) to downhole commingle production within the following well:

Well Name: **Covington A Federal #8**

Well API: **30-025-32023**

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

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

**APPLICATION FOR DOWNHOLE COMMINGLING
SUBMITTED BY OXY USA, INC.**

ORDER NO. DHC-5237

ORDER

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

FINDINGS OF FACT

1. Oxy USA, Inc. (“Applicant”) submitted a complete application (“Application”) to downhole commingle the pools described in Exhibit A (“the Pools”) within the well bore of the well identified in Exhibit A (“the Well”).
2. Applicant proposed a method to allocate the oil and gas production from the Well to each of the Pools that is satisfactory to the OCD and protective of correlative rights.
3. Applicant has certified that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool’s fracture parting pressure.
4. Applicant has certified that all produced fluids from all the Pools are compatible with each other.
5. Applicant has certified that downhole commingling the Pools will not decrease the value of the oil and gas production.
6. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that ownership in the Pools is identical as defined by 19.15.12.7(B) NMAC.
7. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools, provided evidence a copy of the Application was given to each person, and those persons either submitted a written waiver or did not file an objection to the Application.
8. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-6, 70-2-11, 70-2-12, 70-2-16, 70-2-17, and 19.15.12 NMAC.
10. The downhole commingling of the Pools is common, or Applicant has provided evidence that the fluids are compatible and will not damage the Pools in accordance with 19.15.12.11(A)(1) NMAC.

11. The bottom perforation of the lower zone is within one hundred fifty percent (150%) of the depth of the top perforation in the upper zone or Applicant has provided evidence that the proposed commingling of the Pools shall not result in shut-in or flowing well bore pressure in excess of the commingled pool's fracture parting pressure in accordance with 19.15.12.11(A)(3) NMAC.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.11(A)(8) NMAC.
13. To the extent that ownership is diverse, Applicant identified all owners of interest in the Pools and provided evidence the application was given to those persons in accordance with 19.15.12.11(C)(1)(b) NMAC.
14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to downhole commingle the Pools described in Exhibit A within the well bore of the well identified in Exhibit A.
2. Applicant shall allocate a fixed percentage of the oil and gas production from the Well to each of the Pools as described in Exhibit A.
3. If an alteration is made to the Well or a condition within the Well changes which may cause the allocation of production to the Pools as approved within this Order to become inaccurate, then no later than sixty (60) days after that event, Applicant shall submit Form C-103 to the OCD Engineering Bureau describing the event and include a revised allocation plan. If OCD denies the revised allocation plan, this Order shall terminate on the date of such action.
4. If any of the pools being commingled is prorated, or the Well's production has been restricted by an OCD order in any manner, the allocated production from each producing pool in the commingled well bore shall not exceed the top oil or gas allowable rate for a well in that pool or rate restriction applicable to the well.
5. If the Well is deepened, then no later than forty-five (45) days after the Well is deepened, Applicant shall conduct and provide logs to OCD that are sufficient for OCD to determine which pool(s) each new completed interval of the Well will produce from.
6. If the downhole commingling of the Pools reduces the value of the oil and gas 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 downhole commingling application to OCD to amend this Order to remove the pool that 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.
7. If a completed interval of the Well is altered from what is submitted within the Application as identified in Exhibit A, then no later than sixty (60) days after the alteration, Applicant

shall submit Form C-103 to the OCD Engineering Bureau detailing the alteration and completed interval.

8. 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).
9. 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**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 11/23/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **DHC-5237**

Operator: **Oxy USA, Inc. (16696)**

Well Name: **Covington A Federal #8**

Well API: **30-025-32023**

Pool Name: **RED TANK;DELAWARE, WEST**

Upper Zone

Pool ID: **51689**

Current: **X**

New:

Allocation: **Fixed Percent**

Oil: **4%**

Gas: **4%**

Interval: **Perforations**

Top: **4,952**

Bottom: **4,970**

Top: **6,194**

Bottom: **6,324**

Top: **6,922**

Bottom: **6,930**

Top: **8,000**

Bottom: **8,010**

Top: **8,570**

Bottom: **8,600**

Pool Name:

Intermediate Zone

Pool ID:

Current:

New:

Allocation:

Oil:

Gas:

Interval:

Top:

Bottom:

Bottom of Interval within 150% of Upper Zone's Top of Interval:

Pool Name: **RED TANK;BONE SPRING**

Lower Zone

Pool ID: **51683**

Current:

New: **X**

Allocation: **Fixed Percent**

Oil: **96%**

Gas: **96%**

Interval: **Perforations**

Top: **9,760**

Bottom: **9,853**

Bottom of Interval within 150% of Upper Zone's Top of Interval: **NO**

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

Action 159065

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 159065
	Action Type: [C-107] Down Hole Commingle (C-107A)

CONDITIONS

Created By	Condition	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.	11/23/2022