

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 S. St Francis Drive
Santa Fe, New Mexico 87505

Form C-107-B
Revised August 1, 2011

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA INC

OPERATOR ADDRESS: PO BOX 4294 HOUSTON, TX 77210

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No.

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify):

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code. PURPLE SAGE;WOLFCAMP GAS 98220

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(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.

(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:  TITLE: REGULATORY ENGINEER DATE: 05/12/2023

TYPE OR PRINT NAME: SANDRA MUSALLAM TELEPHONE NO.: 713-366-5106

E-MAIL ADDRESS: SANDRA_MUSALLAM@OXY.COM

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: NIMITZ MDP1 13_1 FED COM 175H & 313H **API:** 30-015-53777 & 30-015-53778
Pool: PURPLE SAGE;WOLFCAMP (GAS) **Pool Code:** 98220

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.

SANDRA MUSALLAM

Print or Type Name

Signature

05/12/2023

Date

713-366-5106

Phone Number

SANDRA_MUSALLAM@OXY.COM

e-mail Address

APPLICATION FOR LEASE COMMINGLE & OFF-LEASE STORAGE, MEASUREMENT AND SALES

Commingling Proposal for Oil Production at the Sand Dunes South Corridor Facility Train 4

OXY USA INC respectfully requests approval of a lease commingle and off-lease storage, measurement and sales at the Sand Dunes South Corridor Facility Train 4 (B 18 T24S R31E). *This request also includes future wells within the same pool and leases/CAs of the wells listed below.*

91.7% BLM ROYALTY (12.5%) & 8.3% FEE FOR BLM INTEREST ALLOCATION OF 11.46%

POOL: PURPLE SAGE;WOLFCAMP GAS (98220) - COM AGREEMENT PENDING

LEASE NUMBER	WELL NAME	API	SURFACE LOCATION	DATE ONLINE	EST OIL (BPD)	EST GRAVITY API	EST GAS (MSCFD)	EST BTU/CF	EST WATER (BPD)
CA PENDING 33.3% NMNM97133 50.0% NMNM82896 8.3% NMNM136214 8.3% FEE	NIMITZ MDP1 13_1 FEDERAL COM 175H	30-015-53777	P-13-24S-30E	EST JUN-2023	1200	47.0	2797	1313	2492
CA PENDING 33.3% NMNM97133 50.0% NMNM82896 8.3% NMNM136214 8.3% FEE	NIMITZ MDP1 13_1 FEDERAL COM 313H	30-015-53778	P-13-24S-30E	EST JUN-2023	1200	47.0	2797	1313	2492

Process Description:

Each well flows through a 6' X 20' individual three-phase production separator. The vessels will be equipped with an oil Coriolis meter, gas orifice meter and water turbine meter. The oil Coriolis meter will serve as the FMP for BLM royalty payment and also point of custody transfer.

The gas orifice meter will serve as the gas FMP for the purpose of BLM royalty payment. The gas is then sent to sales. Gas production commingling is handled through PLC 749D.

All water generated at the facility is sent to the Sand Dunes SWD Integration 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 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.

**OCCIDENTAL**

SAND DUNES SOUTH CORRIDOR CTB

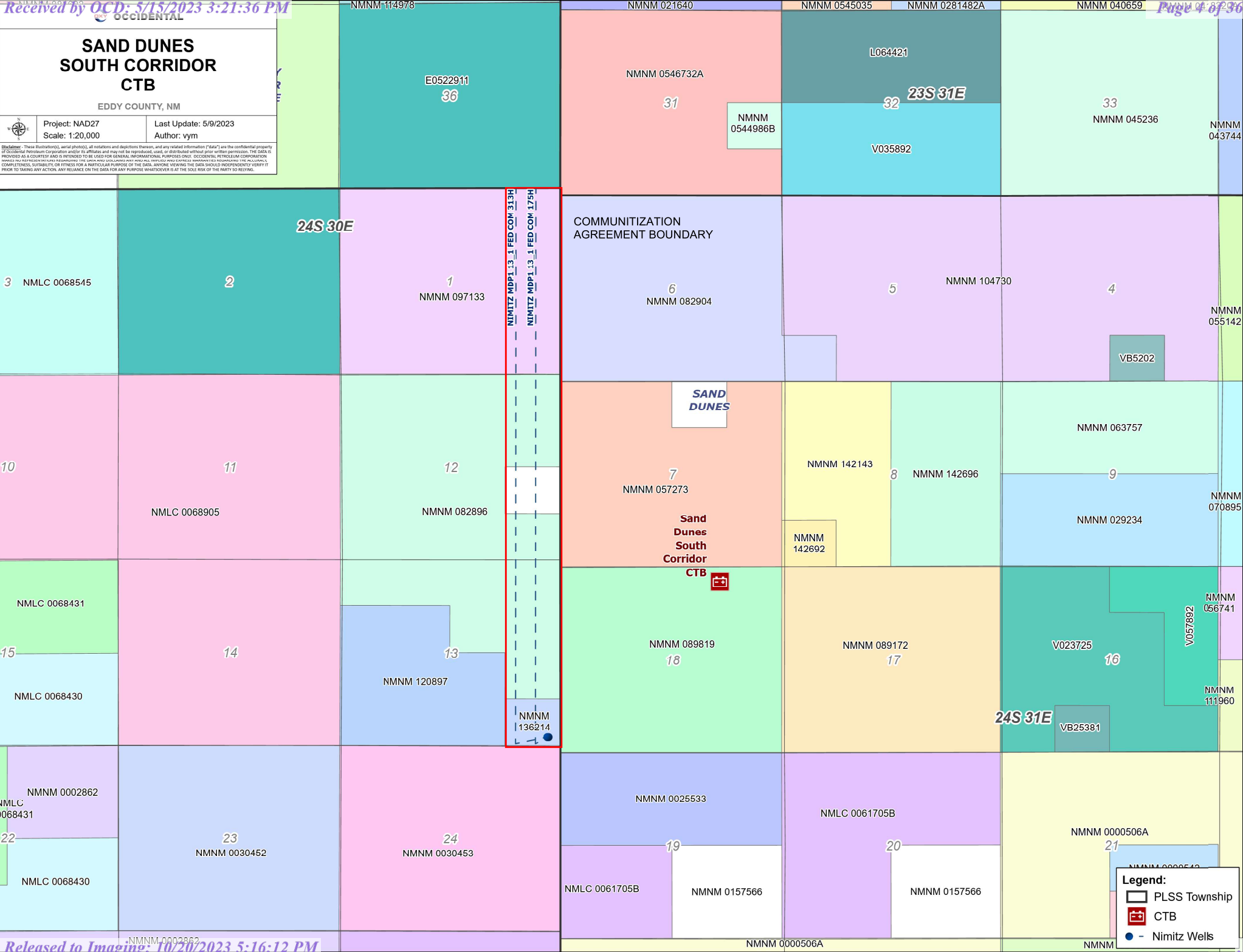
EDDY COUNTY, NM

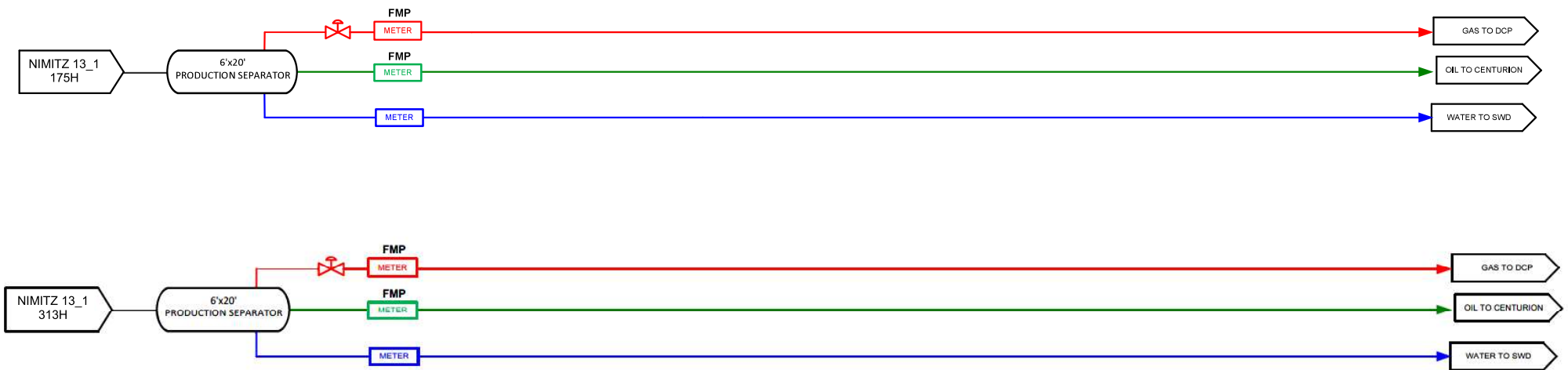


Project: NAD27
Scale: 1:20,000

Last Update: 5/9/2023
Author: vym

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LEGEND

— PRODUCTION MIX
— OIL
— GAS

— WATER
— EQUIPMENT

REVISION BLOCK

NO.	DATE	DESCRIPTION	BY	CHK	APP
0		Issued for Construction			

ENGINEERING RECORD	
BY	DATE
DRN: SCM	5/12/23
DES:	
CHK:	
APP:	



BLOCK FLOW DIAGRAM
SAND DUNES
SOUTH CORRIDOR FACILITY
TRAIN 4

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-53777	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code	⁵ Property Name NIMITZ MDP1 13_1 FED COM	⁶ Well Number 175H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.	⁹ Elevation 3490'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	24S	30E		230	SOUTH	280	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L 1	1	24S	30E		20	NORTH	600	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
480			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 695668.14' / Y: 440718.56' B - X: 695656.40' / Y: 446000.73' C - X: 695627.86' / Y: 451236.02' D - X: 695608.68' / Y: 456560.35' E - X: 696281.08' / Y: 456591.11' F - X: 698301.53' / Y: 451297.41' G - X: 698323.22' / Y: 446012.07' H - X: 698344.79' / Y: 440727.41'</p> <p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 654483.92' / Y: 440659.75' B - X: 654472.36' / Y: 445941.80' C - X: 654444.00' / Y: 451176.98' D - X: 654424.99' / Y: 456501.18' E - X: 657097.39' / Y: 456521.94' F - X: 657117.67' / Y: 451238.37' G - X: 657139.18' / Y: 445953.14' H - X: 657160.56' / Y: 440668.60'</p> <p>BOTTOM HOLE LOCATION 20' FNL 600' FEL, SECTION 1 NAD 83, SPCS NM EAST X: 697681.17' / Y: 456556.45' LAT: 32.25413667N / LON: 103.82758238W NAD 27, SPCS NM EAST X: 656497.48' / Y: 456497.28' LAT: 32.25401369N / LON: 103.82709639W</p> <p>LAST TAKE POINT 100' FNL 600' FEL, SECTION 1 NAD 83, SPCS NM EAST X: 697681.48' / Y: 456476.45' LAT: 32.25391676N / LON: 103.82758259W NAD 27, SPCS NM EAST X: 656497.79' / Y: 456417.28' LAT: 32.25379379N / LON: 103.82709661W</p> <p>FIRST TAKE POINT 100' FSL 600' FEL, SECTION 13 NAD 83, SPCS NM EAST X: 697744.36' / Y: 440825.43' LAT: 32.21089449N / LON: 103.82761752W NAD 27, SPCS NM EAST X: 656560.15' / Y: 440766.62' LAT: 32.21077111N / LON: 103.82713345W</p> <p>KICK OFF POINT 50' FSL 600' FEL, SECTION 13 NAD 83, SPCS NM EAST X: 697744.58' / Y: 440775.43' LAT: 32.21075705N / LON: 103.82761759W NAD 27, SPCS NM EAST X: 656560.36' / Y: 440716.62' LAT: 32.21063366N / LON: 103.82713354W</p> <p>SURFACE HOLE LOCATION 230' FSL 280' FEL, SECTION 13 NAD 83, SPCS NM EAST X: 698063.87' / Y: 440956.43' LAT: 32.21125031N / LON: 103.82658248W NAD 27, SPCS NM EAST X: 656879.66' / Y: 440897.56' LAT: 32.2112093N / LON: 103.82609043W</p> <p>SHEET 1 OF 3 JOB No. R4073_003_4194 REV 0 JCS 6/11/2020</p>	<p>SECTION 25 SECTION 36 SECTION 30 SECTION 31 SECTION 35 SECTION 2 SECTION 1 SECTION 6 SECTION 7 SECTION 18 SECTION 19 SECTION 10 SECTION 11 SECTION 12 SECTION 13 SECTION 14 SECTION 15 SECTION 22 SECTION 23 SECTION 24</p> <p>T23S R30E T23S R31E T24S R30E T24S R31E</p> <p>BHL LAST TAKE FIRST TAKE KOP SHL</p> <p>NAD 83 N: 451283.65 E: 697702.35</p> <p>NAD 83 N: 446009.52 E: 697723.54</p> <p>100' 20' 600' 600' 280' 600' 600'</p>	<p>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.</p> <p><i>Roni Mathew</i> 5/11/23 Signature Date</p> <p>RONI MATHEW Printed Name</p> <p>roni_mathew@oxy.com E-mail Address</p> <p>¹⁸ 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 belief.</p> <p>JUNE 11, 2020 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>DAVID W. MYERS 11403 PROFESSIONAL SURVEYOR</p> <p>Certificate Number DAVID W. MYERS 11403</p>
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Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977392 Convergence Angle: 00°15'56.81002"

Released to Imaging: 10/20/2023 5:16:12 PM

District I

1625 N. French Dr., Hobbs, NM 88240
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Revised August 1, 2011

Submit one copy to appropriate

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☒ AMENDED REPORT

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¹ API Number 30-015-53778	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code	⁵ Property Name NIMITZ MDP1 13_1 FED COM	⁶ Well Number 313H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.	⁹ Elevation 3489'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	24S	30E		230	SOUTH	315	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L 1	1	24S	30E		20	NORTH	1080	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
480			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>CORNER COORDINATES NAD 83, SPCS NM EAST A - X: 695668.14' / Y: 440718.56' B - X: 695656.40' / Y: 446000.73' C - X: 695627.86' / Y: 451236.02' D - X: 695608.68' / Y: 456560.35' E - X: 696281.08' / Y: 456581.11' F - X: 698301.53' / Y: 451297.41' G - X: 698323.22' / Y: 446012.07' H - X: 698344.79' / Y: 440727.41'</p> <p>BOTTOM HOLE LOCATION 20' FNL 1080' FEL, SECTION 1 NAD 83, SPCS NM EAST X: 697201.18' / Y: 456552.72' LAT: 32.25413262N / LON: 103.82913508W</p> <p>LAST TAKE POINT 100' FNL 1080' FEL, SECTION 1 NAD 83, SPCS NM EAST X: 697201.49' / Y: 456472.72' LAT: 32.25391272N / LON: 103.82913529W</p> <p>FIRST TAKE POINT 100' FSL 1080' FEL, SECTION 13 NAD 83, SPCS NM EAST X: 697264.37' / Y: 440823.84' LAT: 32.21089632N / LON: 103.82916948W</p> <p>KICK OFF POINT 50' FSL 1080' FEL, SECTION 13 NAD 83, SPCS NM EAST X: 697264.58' / Y: 440773.84' LAT: 32.21075888N / LON: 103.82916956W</p> <p>SURFACE HOLE LOCATION 230' FSL 315' FEL, SECTION 13 NAD 83, SPCS NM EAST X: 698028.75' / Y: 440956.43' LAT: 32.21125090N / LON: 103.82669603W</p> <p>SHEET 1 OF 3 JOB No. R4073_003_4189 REV 0 JCS 6/11/2020</p>	<p>CORNER COORDINATES NAD 27, SPCS NM EAST A - X: 654483.92' / Y: 440659.75' B - X: 654472.36' / Y: 445941.80' C - X: 654444.00' / Y: 451176.98' D - X: 654424.99' / Y: 456501.18' E - X: 657097.39' / Y: 456521.94' F - X: 657117.67' / Y: 451238.37' G - X: 657139.18' / Y: 445953.14' H - X: 657160.56' / Y: 440668.60'</p> <p>SECTION 25 SECTION 36 SECTION 35 SECTION 30 N SECTION 31 SECTION 6 SECTION 7 SECTION 18 SECTION 19 SECTION 11 SECTION 12 SECTION 13 SECTION 14 SECTION 23 SECTION 24 SECTION 3 SECTION 10 SECTION 15 SECTION 22</p> <p>BHL LAST TAKE FIRST TAKE KOP SHL</p> <p>T23S R30E T24S R30E T24S R31E T24S R30E T24S R31E</p> <p>100' 20' 1080' 1080' 315' 1080' 1080'</p> <p>NAD 83 N: 451272.63 E: 697222.39</p> <p>NAD 83 N: 446007.48 E: 697243.54</p>	<p>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.</p> <p><i>Roni Mathew</i> 5/12/23 Signature Date</p> <p>RONI MATHEW Printed Name</p> <p>roni_mathew@oxy.com E-mail Address</p> <p>¹⁸ 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 belief.</p> <p>JUNE 11, 2020 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>DAVID W. MYERS PROFESSIONAL SURVEYOR 11403</p> <p>Certificate Number DAVID W. MYERS 11403</p>
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Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977392 Convergence Angle: 00°15'56.81002"

= HSU

MAILED 5/16/2023

To Company Name	To Name	To Address Line 1	To City	To State	To ZIP	Tracking Number
	BUTKIN INVESTMENT CO LLC	P O BOX 2090	DUNCAN	OK	73534	_9414811898765424178209
	C MARK WHEELER	PO BOX 248	ROUND ROCK	TX	78680	_9414811898765424178292
	CHISOS MINERALS LLC	PO BOX 731112	DALLAS	TX	75373	_9414811898765424178285
ATTN REGULATORY DEPT	COG PRODUCTION LLC	600 W ILLINOIS AVE	MIDLAND	TX	79701	_9414811898765424178230
JOHN KYLE THOMA - TRUSTEE	CORNERSTONE FAMILY TRUST	P O BOX 558	PEYTON	CO	80831	_9414811898765424178810
	CROWNROCK MINERALS LP	P O BOX 51933	MIDLAND	TX	79710	_9414811898765424178858
	EOG RESOURCES INC	P O BOX 2267	MIDLAND	TX	79702	_9414811898765424178865
	JAREED PARTNERS LTD	P O BOX 51451	MIDLAND	TX	79710	_9414811898765424178827
	KIMBELL ROYALTY HOLDINGS LLC	777 TAYLOR STREET STE 810	FORT WORTH	TX	76102	_9414811898765424178803
	KRINGEN OIL LLC	8540 E MCDOWELL RD UNIT 59	MESA	AZ	85207	_9414811898765424178896
	LJA CHARITABLE INVESTMENTS LLC	1717 WEST LOOP SOUTH STE 1800	HOUSTON	TX	77027	_9414811898765424178841
	MALAGA EF7 LLC	1717 WEST LOOP SOUTH STE 1800	HOUSTON	TX	77027	_9414811898765424178889
	MALAGA ROYALTY LLC	PO BOX 2064	MIDLAND	TX	79702	_9414811898765424178834
	PAUL R BARWIS	P O BOX 230	MIDLAND	TX	79702	_9414811898765424178759
	ROBIN OIL & GAS CORPORATION	P O BOX 720420	OKLAHO MA CITY	OK	73172	_9414811898765424178728
PRESTON MARSHALL	RUSK CAPITAL MANAGEMENT LLC	7600 W TIDWELL RD STE 800	HOUSTON	TX	77040	_9414811898765424178797
	SANTA ELENA MINERALS IV LP	PO BOX 470788	FORT WORTH	TX	76147	_9414811898765424178780
	SANTA ELENA MINERALS V LP	PO BOX 732885	DALLAS	TX	75373	_9414811898765424178735
	SNYDER RANCH INC	PO BOX 2158	HOBBS	NM	88241	_9414811898765424178919



**OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTAL PERMIAN LTD**
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.366.5106
Sandra_Musallam@oxy.com

May 16, 2023

Re: Request for Lease Surface Commingling, Off-lease Measurement, Sales, & Storage for Oil
Production at the Sand Dunes South Corridor Battery Train 4

Dear Interest Owner:

This is to advise you that OXY USA INC is filing an application with NMOCD for a surface commingle permit for oil production at the Sand Dunes South Corridor Battery Train 4. A copy of the application is attached. This request is for *existing and future wells in the Lease / Communitization Agreements and Pools in the attached application.*

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

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.

For questions regarding this application, please contact Sandra Musallam at (713) 366-5106.

Respectfully,

A handwritten signature in black ink, appearing to read "S Musallam", with a long horizontal flourish extending to the right.

OXY USA INC
Sandra Musallam
Regulatory Engineer
Sandra_Musallam@oxy.com

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Musallam, Sandra C](#); [Fortier, Eric](#)
Cc: [McClure, Dean, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-1110
Date: Friday, October 20, 2023 5:13:10 PM
Attachments: [CTB1110 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1110 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
30-015-53777	Nimitz MDP1 13 1 Federal Com #175H	E/2 E/2	1-24S-30E	98220
		E/2 E/2	12-24S-30E	
		E/2 E/2	13-24S-30E	
30-015-53778	Nimitz MDP1 13 1 Federal Com #313H	E/2 E/2	1-24S-30E	98220
		E/2 E/2	12-24S-30E	
		E/2 E/2	13-24S-30E	

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

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: SANDRA MUSALLAM

Signed on: SEP 19, 2023 03:58 PM

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

Field

Representative Name:

Street Address:

City: **State:** **Zip:**

Phone:

Email address:

Nimitz 13-1 Fed Com 175H and 313H

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of June 2023, 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 24 South, Range 30 East, N.M.P.M.

Section 1: Lot 1, SE/4NE/4, E/2SE/4

Section 12: E/2E/2

Section 13: E/2E/2

Containing 479.99 acres, and this agreement shall include only the Wolfcamp Formation underlying said lands and the crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

Nimitz 13-1 Fed Com 175H and 313H

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, Suite 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.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the

Nimitz 13-1 Fed Com 175H and 313H

Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal lease.

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 June 1, 2023, 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 2-year 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.

Nimitz 13-1 Fed Com 175H and 313H

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. Nondiscrimination. 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 (30 C.F.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.

Date

By: _____
James Laning
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS §
 § ss.
COUNTY OF HARRIS §

This instrument was acknowledged before me on _____, 20____, by JAMES LANING, Attorney-in-fact of OXY USA INC., a Delaware corporation, on behalf of said corporation.

(SEAL)

Notary Public in and for the State of Texas

Nimitz 13-1 Fed Com 175H and 313H

LESSEE OF RECORD NMNM-097133

DEVON ENERGY PRODUCTION COMPANY, LP

DATE: _____

BY: _____

NAME: _____

TITLE: _____

ACKNOWLEDGMENT

STATE OF OKLAHOMA)

)

COUNTY OF _____)

This instrument was acknowledged before me on this _____ day of _____,

20____, by _____, as _____ of DEVON ENERGY

PRODUCTION COMPANY, LP, a _____, for and on behalf of said _____

.

Notary Public in and for the State of Oklahoma

Nimitz 13-1 Fed Com 175H and 313H

OPERATING RIGHTS OF RECORD NMNM – 097133

OXY USA INC.

DATE: _____

BY: _____

James Laning
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 2023, by
JAMES LANING, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.

Notary Public in and for the State of Texas

Nimitz 13-1 Fed Com 175H and 313H

LESSEE & OPERATING RIGHTS OF RECORD NMNM-082896

EOG RESOURCES, INC

Date

By: _____
Title: _____

ACKNOWLEDGEMENT

STATE OF _____)
_____) ss.
COUNTY OF _____)

On this ____ day of _____, 20__, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the _____ of EOG RESOURCES, INC, a _____ corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

Nimitz 13-1 Fed Com 175H and 313H

OPERATING RIGHTS OF RECORD NMNM – 082896

OXY USA INC.

DATE: _____

BY: _____

James Laning
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 2023, by
JAMES LANING, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.

Notary Public in and for the State of Texas

Nimitz 13-1 Fed Com 175H and 313H

OPERATING RIGHTS OF RECORD NMNM – 136214

OXY USA INC.

DATE: _____

BY: _____

James Laning
Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

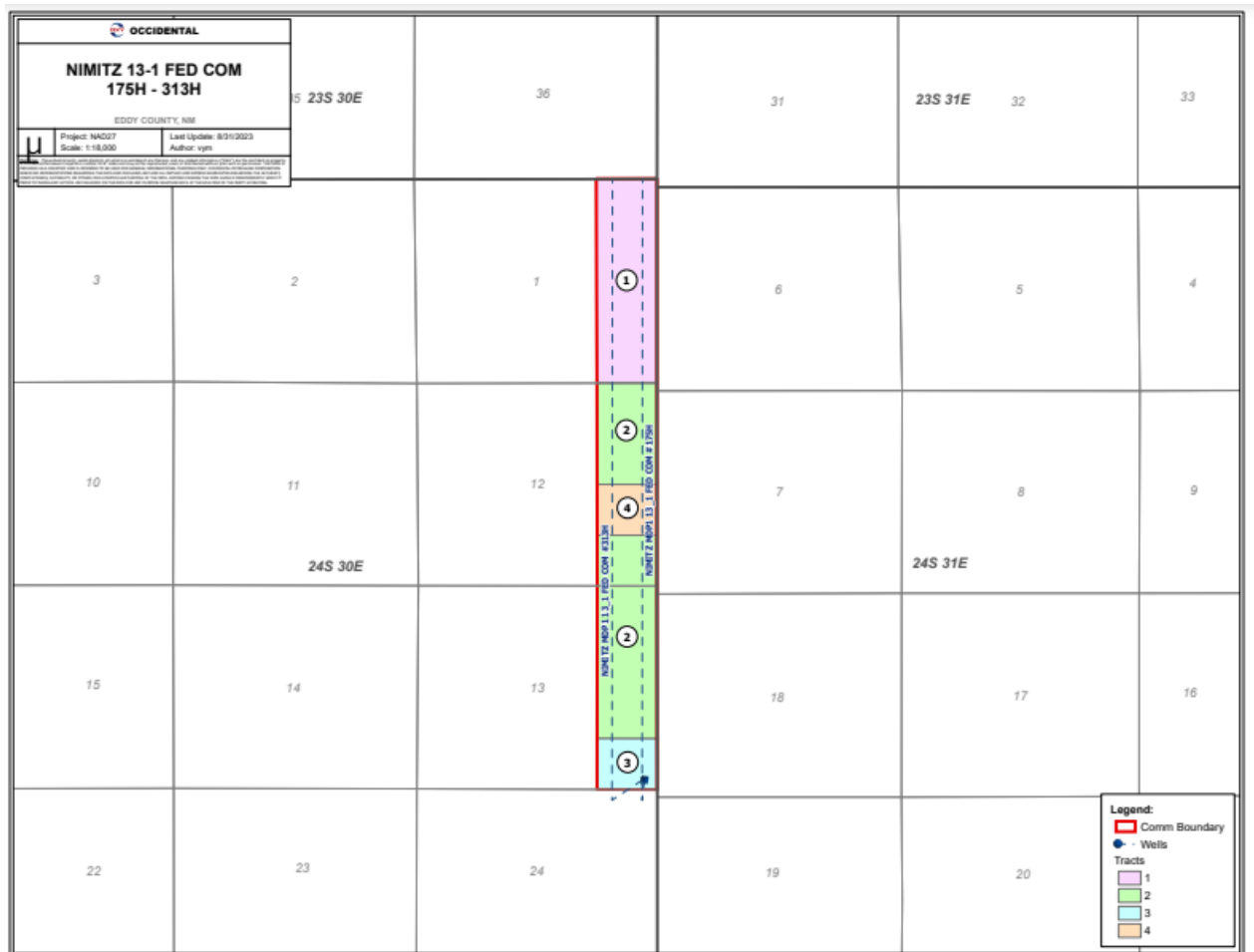
This instrument was acknowledged before me on _____, 2023, by
JAMES LANING, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on
behalf of said corporation.

Notary Public in and for the State of Texas

Nimitz 13-1 Fed Com 175H and 313H

EXHIBIT "A"Attached to and made a part of that Communitization Agreement dated June 1st, 2023.

Plat of communitized area covering **479.99** acres in Lot 1, SE/4NE/4, E/2SE/4 of Section 1 and E/2NE/4, SE/4SE/4 of Section 12 and E/2NE/4, NE/4SE/4 of Section 13, Township 24 South, Range 30 East, Eddy County New Mexico.

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EXHIBIT “B”

To Communitization Agreement Dated June 1, 2023 embracing the following described land in Lot 1, SE/4NE/4, E/2SE/4 of Section 1 and E/2NE/4, SE/4SE/4 of Section 12 and E/2NE/4, NE/4SE/4 of Section 13, Township 24 South, Range 30 East, Eddy County New Mexico.

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED**Tract No. 1**

Lease Serial Number: NMNM 097133

Description of Land Committed: Township 24 South, Range 30 East,
Section 1: Lot 1, SE/4NE/4, E/2SE/4

Number of Gross Acres: 159.99 acres

Lessee of Record: Devon Energy CO LP. – 100.00%

Name of Working Interest Owners: OXY USA Inc. – 100.00%

ORRI:

- Paul R. Barwis – 0.5000000.%
- Jareed Partners, Ltd – 0.5000000%
- John Lawrence Thoma, –0.300000 %
- Sandra Mary Thoma – 0.300000%
- Chisos Minerals LLC – 0.150000%
- Butkin Investment Company, LLC – 0.101250%
- C. Mark Wheeler – 0.062500%
- Kimbell Royalty Holdings, LLC - 0.035578%
- Rusk Capital Management, LLC – 0.026922%
- Todd M. Kringen and Karla R. Kringen –
0.0125000%
- Robin Oil and Gas Corporation – 0.011250%

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Tract No. 2

Lease Serial Number: NMNM 082896

Description of Land Committed: Township 24 South, Range 30 East,
Section 12: E/2NE/4, SE/4SE/4
Section 13: E/2NE/4, NE/4SE/4

Number of Gross Acres: 240.00 acres

Lessee of Record: EOG Resources Inc – 100.00%

Name of Working Interest Owners: OXY USA Inc. – 100.00%

ORRI: Jerry W. Carroll and Judith A. Carroll, Trustees of
the Carroll Family Trust – 1.0000%
Jim Baxter Taylor and Gregory S. Taylor, Trustees
of the Taylor Mineral Trust – 1.0000%
Stephen C. Baxter and Doris June Baxter – 1.0000%
Michael G. Hanagan and Danette R. Hanagan –
1.0000%

Tract No. 3

Lease Serial Number: NMNM 136214

Description of Land Committed: Township 24 South, Range 30 East,
Section 13: SE/4SE/4

Number of Gross Acres: 40.00 acres

Lessee of Record: OXY USA Inc. – 100.00%

Name of Working Interest Owners: OXY USA Inc. – 100.00%

Nimitz 13-1 Fed Com 175H and 313H

Tract No. 4

Lease Serial No.:	Fee
Description of Land Committed:	Township 24 South, Range 30 East, NMPM, Section 12: NE/4SE/4
Number of Acres:	40
Authority for Pooling:	Leases contain pooling clause
Lease Owner:	See Below
Name and Percent of WI Owners:	OXY USA Inc. – 100.00%

Lease No. 1

Lessor:	Snyder Ranches, Inc.
Original Lessee:	Yates Petroleum Corporation
Date of Lease:	August 12, 1992
Authority for Pooling:	Leases contain pooling clause

Nimitz 13-1 Fed Com 175H and 313H

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	159.99	33.33%
2	240.00	50.00%
3	40.00	8.33%
4	40.00	8.33%
Total	479.99	100.00%



**OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTAL PERMIAN LTD**
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.366.5106
Sandra_Musallam@oxy.com

September 27, 2023

Re: Off-lease Measurement Application for Oil Production of Nimitz MDP1 13_1 Wells at the Sand Dunes South Corridor Battery in Eddy County, New Mexico

Nimitz MDP1 13_1 Fed Com 175H : 30-015-53777

Nimitz MDP1 13_1 Fed Com 313H : 30-015-53778

Dear Mr. McClure:

OXY USA INC., as Operator, has filed an application with the New Mexico Oil Conservation Division for approval of the above mentioned off-lease measurement project. This letter serves to notice you that title transfer of the oil takes place at the oil FMP meter located at the Sand Dunes South Corridor Battery.

Respectfully,

A handwritten signature in black ink, appearing to read "SMusallam".

OXY USA INC
Sandra Musallam
Regulatory Engineer
Sandra_Musallam@oxy.com

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005697942

This is not an invoice

OXY USA INC

5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

05/11/2023



Legal Clerk

Subscribed and sworn before me this May 11, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

Notice of Application for Surface Commingling
OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit for oil production at the Sand Dunes South Corridor Battery. The battery is located in Eddy County in Section 18 in T24S R31E. Wells going to the battery will be located in Sections 1, 12 and 13 in T24S R30E. Production will be from the Purple Sage; Wolfcamp Gas.

Pursuant to NMAC 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.

For questions pertaining to the application, please contact Sandra Musallam at (713) 366-5106.

#5697942, Current Argus,
May 11, 2023

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005697942

PO #:

of Affidavits 1

This is not an invoice

**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-1110

ORDER

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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
6. 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.
7. 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

8. 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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
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 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 or gas title transfer meter 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 or gas title transfer meter 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 oil production for each well identified in Exhibit A shall be separated and metered prior to commingling it with production from another well.
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 and 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**



**DYLAN M. FUGE
DIRECTOR**

DATE: 10/20/2023

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **CTB-1110**

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

Central Tank Battery: **Sand Dunes South Corridor Facility Train 4**

Central Tank Battery Location: **UL B, Section 18, Township 24 South, Range 31 East**

Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 105507759 (097133)	E/2 E/2	1-24S-30E
NMNM 105365475 (082896)	A H P	12-24S-30E
	A H I	13-24S-30E
Fee	I	12-24S-30E
NMNM 105304775 (136214)	P	13-24S-30E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-53777	Nimitz MDP1 13 1 Federal Com #175H	E/2 E/2	1-24S-30E	98220
		E/2 E/2	12-24S-30E	
		E/2 E/2	13-24S-30E	
30-015-53778	Nimitz MDP1 13 1 Federal Com #313H	E/2 E/2	1-24S-30E	98220
		E/2 E/2	12-24S-30E	
		E/2 E/2	13-24S-30E	

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Exhibit B

Order: **CTB-1110**
Operator: **Oxy USA, Inc. (16696)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Wolfcamp BLM	E/2 E/2	1-24S-30E	479.99	A
	E/2 E/2	12-24S-30E		
	E/2 E/2	13-24S-30E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 105507759 (097133)	E/2 E/2	1-24S-30E	159.99	A
NMNM 105365475 (082896)	A H P	12-24S-30E	240	A
	A H I	13-24S-30E		
Fee	I	12-24S-30E	40	A
NMNM 105304775 (136214)	P	13-24S-30E	40	A

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 217043

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 217043
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

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.	10/20/2023