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

APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY OXY USA, INC **ORDER NO. PLC-912-B**

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 and gas production from the pools and leases described in Exhibit A ("Application").
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant intends to utilize multi-phase flow meters ("MPFM") for allocation. MPFM measures the flow of oil, water, and gas without separating each phase.
5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools and leases in accordance with 19.15.12.10(C)(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
8. Applicant provided notice of the Application to all persons owning an interest in the oil and gas 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.
9. 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

10. 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.

11. 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.

12. 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.

13. 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.

14. Applicant has received approval to utilize MPFM as an alternative allocation method under 19.15.12.10(B)(1)(e) NMAC and 19.15.12.10(C)(1) NMAC.

15. Commingling of oil and gas 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.

16. 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.

17. 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 and gas production from the pools and leases as described in Exhibit A.

   Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A provided that they produce from a pool and lease described in Exhibit A.

   Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

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

   Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order PLC-912-A, PLC-913, CTB-1103 and CTB-1104.

3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described 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 and gas 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 and gas 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.

      For wells whose production is measured using MPFM: During the initial production period, the oil and gas production for each well identified in Exhibit B shall be allocated using a production curve calculated from a minimum of fifteen (15) 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 and gas 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.

      For wells whose production is measured using test vessels: During the initial production period, the oil and gas production for each well identified in Exhibit C 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 and gas 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.

   b. The plateau period shall be measured from the end of the initial production period to the peak decline rate.

      For wells whose production is measured using MPFM: During the plateau period, the oil and gas production for each well identified in Exhibit B shall be allocated using a minimum of four (4) well tests per month.

      For wells whose production is measured using test vessels: During the plateau period, the oil and gas production for each well identified in Exhibit C shall be allocated using a minimum of three (3) well tests per month.

c. The decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

For wells whose production is measured using MPFM: During the decline period, the oil and gas production for each well identified in Exhibit B shall be allocated as follows:

i. a minimum of four (4) well tests per month when the decline rate is greater than twenty-one percent (21%) per month;

ii. a minimum of three (3) well tests per month when the decline rate is between twenty-one percent (21%) and thirteen percent (13%) per month;

iii. a minimum of two (2) well tests per month when the decline rate is between thirteen percent (13%) and six percent (6%) per month; and

iv. a minimum of one (1) well test per month when the decline rate is less than six percent (6%) per month.

For wells whose production is measured using test vessels: During the decline period, the oil and gas production for each well identified in Exhibit C shall be allocated as follows:

i. a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month;

ii. 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

iii. 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 and gas 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.

ii. The total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

iii. A vessel shall be allowed to reach equilibrium and a sufficient liquid retention time for accurate measurement achieved prior to beginning the well test.

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. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.

6. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.

7. 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.

8. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.

9. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.

10. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.

11. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled 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 surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas 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.

12. 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.

13. If a well is not included in Exhibit A but produces from a pool and lease as described 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 and gas production to it, and the location(s) that commingling of its production will occur.

14. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.

15. 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).

16. 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

Albert Chang

ALBERT C. S. CHANG
DIRECTOR

DATE: 5-18-26

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-912-A
Operator: Oxy USA, Inc. (16696)
Central Tank Battery: Falcon Ridge Central Processing Facility Train 1
Central Tank Battery Location: UL H, Section 1, Township 24 South, Range 34 East
Gas Title Transfer Meter Location: UL N, Section 36, Township 23 South, Range 34 East

Pools

Pool Name	Pool Code
ANTELOPE RIDGE; BONE SPRING	2200
ANTELOPE RIDGE; WOLFCAMP	2220
RED HILLS; BONE SPRING, NORTH	96434

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 105367930 (014164)	W2	06-24S-35E
	W2	07-24S-35E
NMNM 105371321 (077090)	E2	01-24S-34E
	E2	12-24S-34E
CA Wolfcamp NMNM 106359469	ALL	05-24S-34E
	ALL	08-23S-34E
CA Bone Spring NMNM 106698214	E2	06-23S-34E
	E2	07-23S-34E
CA Wolfcamp NMNM 106359473	E2	06-23S-34E
	E2	07-23S-34E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48932	SAKER 6 7 FEDERAL #031H	W2	06-24S-35E	2220
		W2	07-24S-35E	
30-025-48936	SAKER 6 7 FEDERAL #035H	W2	06-24S-35E	2220
		W2	07-24S-35E	
30-025-48937	SAKER 6 7 FEDERAL #036H	W2	06-24S-35E	2220
		W2	07-24S-35E	
30-025-49454	SAKER 6 7 FEDERAL #001H	W2	06-24S-35E	2200
		W2	07-24S-35E	
30-025-49456	SAKER 6 7 FEDERAL #003H	W2	06-24S-35E	2200
		W2	07-24S-35E	
30-025-49460	SAKER 6 7 FEDERAL #012H	W2	06-24S-35E	2200
		W2	07-24S-35E	
30-025-49459	SAKER 6 7 FEDERAL #011H	W2	06-24S-35E	2200
		W2	07-24S-35E	
30-025-49463	SAKER 6 7 FEDERAL #023H	W2	06-24S-35E	2200
		W2	07-24S-35E	

30-025-49464	SAKER 6 7 FEDERAL #024H	W2 W2	06-24S-35E 07-24S-35E	2200
30-025-48970	KESTREL 1 12 FEDERAL #031H	E2 E2	01-24S-34E 12-24S-34E	2220
30-025-48971	KESTREL 1 12 FEDERAL #032H	E2 E2	01-24S-34E 12-24S-34E	2220
30-025-48972	KESTREL 1 12 FEDERAL #033H	E2 E2	01-24S-34E 12-24S-34E	2220
30-025-50092	KESTREL 1 12 FEDERAL COM #002H	E2 E2	01-24S-34E 12-24S-34E	96434
30-025-50094	KESTREL 1 12 FEDERAL COM #011H	E2 E2	01-24S-34E 12-24S-34E	96434
30-025-50095	KESTREL 1 12 FEDERAL COM #012H	E2 E2	01-24S-34E 12-24S-34E	96434
30-025-50096	KESTREL 1 12 FEDERAL COM #021H	E2 E2	01-24S-34E 12-24S-34E	96434
30-025-50097	KESTREL 1 12 FEDERAL COM #022H	E2 E2	01-24S-34E 12-24S-34E	96434
30-025-50277	KESTREL 1 12 FEDERAL COM #001H	E2 E2	01-24S-34E 12-24S-34E	96434
30-025-48974	MALTESE 5 8 FEDERAL COM #031H	ALL ALL	05-24S-34E 08-23S-34E	2220
30-025-48976	MALTESE 5 8 FEDERAL COM #033H	ALL ALL	05-24S-34E 08-23S-34E	2220
30-025-48978	MALTESE 5 8 FEDERAL COM #035H	ALL ALL	05-24S-34E 08-23S-34E	2220
30-025-48979	MALTESE 5 8 FEDERAL COM #036H	ALL ALL	05-24S-34E 08-23S-34E	2220
30-025-48980	MALTESE 5 8 FEDERAL COM #037H	ALL ALL	05-24S-34E 08-23S-34E	2220
30-025-48981	MALTESE 5 8 FEDERAL COM #038H	ALL ALL	05-24S-34E 08-23S-34E	2220
30-025-50472	SAKER 6 7 FEDERAL COM #004H	E2 E2	06-23S-34E 07-23S-34E	2200
30-025-49457	SAKER 6 7 FEDERAL COM #005H	E2 E2	06-23S-34E 07-23S-34E	2200
30-025-49458	SAKER 6 7 FEDERAL COM #006H	E2 E2	06-23S-34E 07-23S-34E	2200
30-025-49461	SAKER 6 7 FEDERAL COM #013H	E2 E2	06-23S-34E 07-23S-34E	2200
30-025-49462	SAKER 6 7 FEDERAL COM #014H	E2 E2	06-23S-34E 07-23S-34E	2200
30-025-49465	SAKER 6 7 FEDERAL COM #026H	E2 E2	06-23S-34E 07-23S-34E	2200
30-025-50510	SAKER 6 7 FEDERAL COM #025H	E2 E2	06-23S-34E 07-23S-34E	2200

30-025-48934	SAKER 6 7 FEDERAL COM #033H	E2 E2	06-23S-34E 07-23S-34E	2220
30-025-48938	SAKER 6 7 FEDERAL COM #037H	E2 E2	06-23S-34E 07-23S-34E	2220
30-025-48939	SAKER 6 7 FEDERAL COM #038H	E2 E2	06-23S-34E 07-23S-34E	2220

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-912-A
Operator: Oxy USA, Inc. (16696)

Proposed Wells

Well Name	UL or Q/Q	S-T-R	Pool
KESTREL 1 12 FEDERAL COM #001H	E2	01-24S-34E	96434
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL COM #002H	E2	01-24S-34E	96434
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL COM #011H	E2	01-24S-34E	96434
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL COM #012H	E2	01-24S-34E	96434
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL COM #021H	E2	01-24S-34E	96434
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL COM #022H	E2	01-24S-34E	96434
	E2	12-24S-34E	
SAKER 6 7 FEDERAL #001H	W2	06-24S-35E	2200
	W2	07-24S-35E	
SAKER 6 7 FEDERAL COM #025H	E2	06-23S-34E	2200
	E2	07-23S-34E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit C

Order: PLC-912-A
Operator: Oxy USA, Inc. (16696)

Proposed Wells

Well Name	UL or Q/Q	S-T-R	Pool
KESTREL 1 12 FEDERAL #031H	E2	01-24S-34E	2220
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL #032H	E2	01-24S-34E	2220
	E2	12-24S-34E	
KESTREL 1 12 FEDERAL #033H	E2	01-24S-34E	2220
	E2	12-24S-34E	
SAKER 6 7 FEDERAL #003H	W2	06-24S-35E	2200
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #011H	W2	06-24S-35E	2200
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #012H	W2	06-24S-35E	2200
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #023H	W2	06-24S-35E	2200
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #024H	W2	06-24S-35E	2200
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #031H	W2	06-24S-35E	2220
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #035H	W2	06-24S-35E	2220
	W2	07-24S-35E	
SAKER 6 7 FEDERAL #036H	W2	06-24S-35E	2220
	W2	07-24S-35E	
SAKER 6 7 FEDERAL COM #004H	E2	06-23S-34E	2200
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #005H	E2	06-23S-34E	2200
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #006H	E2	06-23S-34E	2200
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #013H	E2	06-23S-34E	2200
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #014H	E2	06-23S-34E	2200
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #026H	E2	06-23S-34E	2200
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #033H	E2	06-23S-34E	2220
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #037H	E2	06-23S-34E	2220
	E2	07-23S-34E	
SAKER 6 7 FEDERAL COM #038H	E2	06-23S-34E	2220
	E2	07-23S-34E	

MALTESE 5 8 FEDERAL COM #031H	ALL ALL	05-24S-34E 08-23S-34E	2220
MALTESE 5 8 FEDERAL COM #033H	ALL ALL	05-24S-34E 08-23S-34E	2220
MALTESE 5 8 FEDERAL COM #035H	ALL ALL	05-24S-34E 08-23S-34E	2220
MALTESE 5 8 FEDERAL COM #036H	ALL ALL	05-24S-34E 08-23S-34E	2220
MALTESE 5 8 FEDERAL COM #037H	ALL ALL	05-24S-34E 08-23S-34E	2220
MALTESE 5 8 FEDERAL COM #038H	ALL ALL	05-24S-34E 08-23S-34E	2220

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

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

CONDITIONS

Action 586341

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 586341
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	None	5/19/2026