

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-499

March 13, 2018

OXY USA Inc
Attention: Ms. Taylor Stillman

Pursuant to your application received on February 12, 2018, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools:

COTTON DRAW; BONE SPRING	(13367)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)

and from wells, and their associated leases and pools identified in Attachment No. A and made part of this order. These wells are located on federal leases located in Township 24 South, Range 30, and Township 24 South, Range 31 East, NMPM, Eddy County.

Production from the subject wells shall be determined as follows:

It is understood that the test separator and meters are designed to accurately measure production from the wells with the highest production rate. It is also assumed that all of the oil and gas production from the wells in this application will display a hyperbolic decline, and will fit the decline parameters described in Hearing Order R-14299. Wells that are in prior to Range 1 of decline shall be tested daily. Wells that are in Range 1 of decline shall be measured with a combination of metering and well testing, and shall be tested at least three times a month. Wells that are in Range 2 of decline shall be measured with a combination of metering and well testing, and shall be tested at least twice a month. Wells in Range 3 of decline shall be measured with a combination of metering and well testing, and shall be tested at least once a month.

The oil and gas production from these wells listed as part of this application shall be measured and sold from the Sand Dunes South Corridor Central Tank Battery (CTB), located in Unit B, Section 18, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

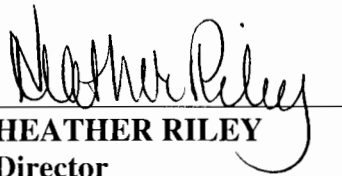
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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

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

This administrative order supersedes CTB-840-A, issued on December 27, 2017. The amended order adds new project areas, and adds the Purple Sage; Wolfcamp (Gas) Pool.

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


HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Artesia district office
Bureau of Land Management - Carlsbad

Exhibit A; Administrative Order PLC-499 Wells
All wells are dedicated to the Cotton Draw; Bone Spring Pool (pool code 13367), unless otherwise noted
Project Area is assumed to be Township 24 South, Range 31 East, unless otherwise noted

Fed Lease	Well Name	API	Project Area	Range	Comments
Hearing Case 16009; Pending Federal Communitization Agreement	Nimitz MDP1 12 Federal 1H*	30-015-44526	W/2 W/2 Section 1 W/2 W/2 Section 12; T24 S R30E	Not drilled	
Hearing Case 16009; Pending Federal Communitization Agreement	Nimitz MDP1 12 Federal 2H*	30-015-44580	W/2 W/2 Section 1 and W/2 W/2 Section 12; T24 S R30E	Not drilled	
Hearing Case 16011; Pending Federal Communitization Agreement	Nimitz MDP1 12 Federal 8H*	30-015-44527	W/2 E/2 Section 1 and W/2 E/2 Section 12; T24 S R30E	Not drilled	
Hearing Case 16012; Pending Federal Communitization Agreement	Nimitz MDP1 12 Federal 9H*	30-015-44581	E/2 W/2 Section 1 and E/2 W/2 Section 12; T24 S R30E	Not drilled	
Hearing Case 16010; Pending Federal Communitization Agreement	Nimitz MDP1 12 Federal Com 6H*	30-015-44528	E/2 E/2 Section 1 and W/2 W/2 Section 12; T24 S R30E	Not drilled	
Hearing Case 16010; Pending Federal Communitization Agreement	Nimitz MDP1 12 Federal Com 7H*	30-015-44529	E/2 E/2 Section 12; T24 S R30E	Not drilled	
Hearing Case 16013; Pending Federal Communitization Agreement	Nimitz MDP1 13 Federal Com 1H*	30-015-44524	W/2 E/2 Section 13; T24 S R30E	Not drilled	
Hearing Case 16014; Pending Federal Communitization Agreement	Nimitz MDP1 13 Federal Com 2H*	30-015-44498	E/2 E/2 Section 13; T24 S R30E	Not drilled	
Federal Communitization Agreement NMNM 82896	Nimitz MDP1 13 Federal Com 3H*	30-015-44525	E/2 E/2 Section 13; T24 S R30E	Not drilled	
Federal Communitization Agreement NMNM 572573	Palladium MDP1 7-6 Federal Com 1H*	30-015-44298	W/2 W/2 Section 6 and W/2 W/2 Section 7	Not drilled	
Federal Communitization Agreement NMNM 572573	Palladium MDP1 7-6 Federal Com 2H*	30-015-44299	W/2 W/2 Section 6 and W/2 W/2 Section 7 T24 SR31E	Not drilled	

Federal Communitization Agreement NMNM 89819	Palladium MDP1 7-6 Federal Com 3Y*	30-015-44457	SE/4 NW/4 and E/2 SW/4 Section 6; E/2 W/2 Section 7; and NE/4 NW/4 Section 18	Not drilled	
Federal Communitization Agreement NMNM 89819	Palladium MDP1 7-6 Federal Com 4H*	30-015-44295	W/2 E/2 Section 6; W/2 E/2 Section 7	Not drilled	
Federal Communitization Agreement NMNM 572573	Palladium MDP1 7-6 Federal Com 5H	30-015-44294	E/2 E/2 Section 6; E/2 E/2 Section 7	1	
Federal Communitization Agreement NMNM 572573	Palladium MDP1 7-6 Federal Com 6H	30-015-44293	E/2 E/2 Section 6; E/2 E/2 Section 7	1	
NMNM 089172	Patton MDP1 17 Federal 1H*	30-015-44459	W/2 W/2 Section 17	Not drilled	
NMNM 089172	Patton MDP1 17 Federal 2H*	30-015-44460	W/2 W/2 Section 17	Not drilled	
NMNM 089172	Patton MDP1 17 Federal 3H*	30-015-44496	E/2 W/2 Section 17	Not drilled	
NMNM 089172	Patton MDP1 17 Federal 4H*	30-015-44497	W/2 E/2 Section 17	Not drilled	
NMNM 089172	Patton MDP1 17 Federal 5H*	30-015-44444	E/2 E/2 Section 17	Not drilled	
NMNM 089172	Patton MDP1 17 Federal 6H*	30-015-44445	E/2 E/2 Section 17	Not drilled	
NMNM 089819	Patton MDP1 18 Fed 23H*	30-015-44316	W/2 E/2 Section 18	Active	
NMNM 089819	Patton MDP1 18 Fed 33H*	30-015-44338	W/2 E/2 Section 18	Not drilled	
NMNM 089819	Patton MDP1 18 Fed 73H*	30-015-44318	W/2 E/2 Section 18	Active	
NMNM 089819	Patton MDP1 18 Federal 1H*	30-015-44317	W/2 W/2 Section 18	Not drilled	
NMNM 089819	Patton MDP1 18 Federal 2H*	30-015-44337	E/2 W/2 Section 18	Active	
NMNM 089819	Patton MDP1 18 Federal 3H*	30-015-44333	E/2 W/2 Section 18	Active	
NMNM 089819	Patton MDP1 18 Federal 5H*	30-015-44272	E/2 E/2 Section 18	Active	
NMNM 089819	Patton MDP1 18 Federal 7H*	30-015-44273	E/2 E/2 Section 18	Active	
NMNM 089819	Patton MDP1 18 Federal 6H	30-015-43854	E/2 E/2 Section 18	3	Purple Sage; Wolfcamp Pool
Federal Communitization Agreement NMNM 63757	Sunrise MDP1 8-5 Federal Com 1H*	30-015-44369	W/2 W/2 Section 5 W/2 W/2 Section 8	Not drilled	
Federal Communitization Agreement NMNM 63757	Sunrise MDP1 8-5 Federal Com 2H*	30-015-44395	W/2 W/2 Section 5 W/2 W/2 Section 8	Not drilled	
Federal Communitization Agreement NMNM 29234	Sunrise MDP1 8-5 Federal Com 3H*	30-015-44474	E/2 W/2 Section 5 E/2 W/2 Section 8	Not drilled	
Federal Communitization Agreement NMNM 29234	Sunrise MDP1 8-5 Federal Com 4H*	30-015-44475	W/2 E/2 Section 5 W/2 E/2 Section 8 T24S R31E	Not drilled	

Federal Communitization Agreement NMNM 031963	Sunrise MDP1 8-5 Federal Com 5H*	30-015-44476	E/2 E/2 Section 5 E/2 E/2 Section 8	Not drilled	
Federal Communitization Agreement NMNM 031963	Sunrise MDP1 8-5 Federal Com 6H*	30-015-44473	E/2 E/2 Section 5 E/2 E/2 Section 8	Not drilled	