

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 1, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-405-A
Administrative Application Reference No. pMAM1728434626

OXY USA, Inc.
Attention: Ms. Sandra Mussallam

Pursuant to your application received on October 11, 2017, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools:

PIERCE CROSSING; BONE SPRING, EAST	(96473)
CORRAL DRAW; BONE SPRING	(96238)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)
CEDAR CANYON; DELAWARE	(11540)

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 private, federal leases, and state leases in Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

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 range 1 of decline shall be measured separately. 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, unless otherwise specified.

The Harroun 15 OGS, located in in Unit E of Section 15, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. is the Central Delivery Point for oil production. Each surface facility is the Central Delivery Point for gas production.

Harroun 15-15 Battery

The commingled oil gas production from the wells in Attachment A for the Harroun 15-15 Battery shall be measured and sold at the Harroun 15-15 Battery (Harroun 15-15 CTB) located in Unit E of Section 15, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All of the wells shall be measured with a combination of metering and well testing. All of the wells are in Range 3 decline as specified in Hearing Order R-14299, and will be tested as least once a month. The gas will be measured at the Harroun 15-15 CTB, which will be the Central Delivery Point for those wells. Lastly, after the oil production is measured, it will flow to the Harroun OGS where it will be sold.

Harroun 9-1 Battery

The commingled oil production from the wells in Attachment A for the Harroun 9-1 Battery shall be measured at the Harroun 9-1 Central Tank Battery (Harroun 9-1 CTB) located in Unit P of Section 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All of the wells shall be measured with a combination of metering and well testing. All of the wells are in Range 3 decline as specified in Hearing Order R-14299, and will be tested as least once a month. The gas will be measured at the Harroun 9-1 CTB, which will be the Central Delivery Point for those wells. Lastly, after the oil production is measured, it will flow to the Harroun OGS where it will be sold.

Cedar Canyon 16-1 Battery

The commingled oil production from the wells in Attachment A for the Cedar Canyon 16-1 Battery shall be measured at the Cedar Canyon 16-1 Central Tank Battery (Cedar Canyon 16-1 CTB) located in Unit D of Section 16, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All of the wells shall be measured with a combination of metering and well testing. Wells that in Range 2 decline as specified in Hearing Order R-14299 will be tested as least twice a month. Wells that are in Range 3 decline as specified in Hearing Order R-14299 will be tested as least once a month. The gas will be measured at the Cedar Canyon 16-1 CTB, which will be the Central Delivery Point for those wells. Lastly, after the oil production is measured, it will flow to the Harroun OGS where it will be sold.

Cedar Canyon 15-15 Battery

The oil and gas production from the Cedar Canyon 15 Federal Com Well No. 5H shall be measured at the Cedar Canyon 15 Federal Com Well No. 5H well pad, located in Unit D, Section 15, Township 24 South, Range 29 East, NMPM, Eddy County. The gas will be measured at the Cedar Canyon 15 Federal Com Well No. 5H, which will be the Central Delivery Point for this well. Lastly, after the oil production is measured, it will flow to the Harroun OGS where it will be sold.

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

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

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

This approval is subject to like approval from Bureau of Land Management and New Mexico State Land Office before commencing commingling operations.

This Order supersedes Administrative Order PLC-405, issued on October 3, 2014. This Order adds new wells, new pools, and approves measurement methods based on Hearing Order R-14299, issued on February 14, 2017. Lastly, this amended administrative order adds new central Delivery Points for gas production.

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



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Artesia
Bureau of Land Management – Carlsbad
New Mexico State Land Office – Oil, Gas, and Minerals

Attachment A

Attachment A: Harroun 15-15 Well list

CEDAR CANYON 16-1 BATTERY

Well	API	Lease Number	Project Area or Spacing Unit	Pool	Pool Code	Range
Cedar Canyon 16 State #11H	30-015-42062	State Lease VA-0836-0001	E/2 W/2 Section 16	CEDAR CANYON;DELAWARE	11540	3
Cedar Canyon 16 State #1H	30-015-39856	State Lease VA-0836-0001	W/2 W/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #2H	30-015-41024	State Lease VA-0836-0001	S/2 S/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #6H	30-015-41595	State Lease VA-0836-0001	N/2 S/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #7H	30-015-41251	State Lease VA-0836-0001	S/2 N/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #8H	30-015-41596	State Lease VA-0836-0001	N/2 N/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #9H	30-015-42061	State Lease VA-0836-0001	W/2 W/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #10H	30-015-42055	State Lease VA-0836-0001	E/2 W/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #12H	30-015-42683	State Lease VA-0836-0001	S/2 S/2 Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #33H	30-015-43844	State Lease VA-0836-0001	W/2 E/2 Section 16	PURPLE SAGE;WOLFCAMP (GAS)	98220	2
Cedar Canyon 16 State #34H	30-015-43843	State Lease VA-0836-0001	E/2 E/2 Section 16	PURPLE SAGE;WOLFCAMP (GAS)	98220	2

HARROUN 9-1 BATTERY

Well	API	Lease Number	Project Area or Spacing Unit	Pool	Pool Code	Range
Cedar Canyon 15 #4H	30-015-41291		S/2 N/2 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 9 #1	30-015-34997		S/2 SE/4 and SE/4 SW/4 Section 9	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 9 #3H	30-015-41488		S/2 S/2 Section 9	PIERCE CROSSING; BONE SPRING, EAST	96473	3

HARROUN 15-15 BATTERY

Well	API	Lease Number	Project Area or Spacing Unit	Pool	Pool Code	Range
Harroun 10 #1	30-015-30375		SE/4 SW/4 Section 10	CEDAR CANYON;DELAWARE	11540	3
Harroun 10 #2	30-015-31709		SW/4 SW/4 Section 10	CEDAR CANYON;DELAWARE	11540	3
Harroun 10 #3	30-015-32617		NW/4 SW/4 Section 10	CEDAR CANYON;DELAWARE	11540	3
Harroun 15 #7	30-015-29987		NE/4 NW/4 Section 15	CEDAR CANYON;DELAWARE	11540	3
Harroun 15 #8	30-015-30253		SE/4 NW/4 Section 15	CEDAR CANYON;DELAWARE	11540	3
Harroun 15 #14	30-015-32620		NW/4 NW/4 Section 15	CEDAR CANYON;DELAWARE	11540	3
Cedar Canyon 17 Fee #1H	30-015-42058		S/2 N/2 Section 17	CORRAL DRAW;BONE SPRING	96238	3
Harroun 15 #15	30-015-33317		SW/4 NW/4 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 15 #16A	30-015-33823		NW/4 SE/4 and N/2 SW/4 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 15 #17	30-015-33822		SW/4 SE/4 and S/2 SW/4 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 #2H	30-015-41032		S/2 S/2 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 #3H	30-015-41594		N/2 S/2 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 22 #2H	30-015-41327		N/2 N/2 Section 22	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 Fed Com 5H	30-015-42421	Fed CA 134544	N/2 N/2 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3

Cedar Canyon 15 Fed Com 5H BATTERY

Well	API	Lease Number	Project Area or Spacing Unit	Pool	Pool Code	Range
Cedar Canyon 15 Fed Com 5H	30-015-42421	Fed CA 134544	N/2 N/2 Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3