

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-507

May 15, 2018

OXY USA Inc
Attention: Ms. Sandra Musallam

Pursuant to your application received on April 23, 2018, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

SAND DUNES; DELAWARE, SOUTH	(53818)
SAND DUNES; DELAWARE, WEST	(53815)
SAND DUNES; LOWER PENN, SOUTH	(84800)

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 31 East, NMPM, Eddy County.

The commingled oil production from the wells detailed above shall be measured and sold at the Sundance A Federal Central Tank Battery (CTB), located in Unit H of Section 4, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico

Production from the subject wells shall be determined as follows:

Production for the separately owned leases shall be measured with a combination of well testing and metering. Each well shall be tested monthly for oil and gas production through a three-phase test separator. Each well shall be tested for a minimum of 24 hours.

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

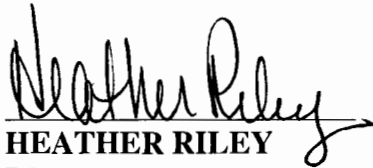
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

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.

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

Attachment A: Sundance wells

Well Name	API	Spacing Unit	Pool	Federal lease
SUNDANCE FEDERAL#2	30-01S-27491	Unit D/ Lot 4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#3	30-01S-27389	Unit A/ Lot 1 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#4	30-01S-27390	Unit B/ Lot 2 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#5	30-01S-27395	Unit C/ Lot 3 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#6	30-01S-27409	Unit D/ Lot 4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#7	30-01S-27576	SW/4 NW/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#9	30-01S-27492	SW/4 NE/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #10	30-01S-27577	NE/4 SE/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #11	30-01S-27578	NE/4 SE/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#12	30-01S-27579	NW/4 SE/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#15	30-01S-27595	SE/4 SW/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #21	30-01S-29120	NE/4 SE/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #22	30-01S-29074	NW/4 SE/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#23	30-01S-33384	SW/4 NW/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #24	30-01S-33385	SW/4 NE/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#25	30-01S-33396	SE/4 NE/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#26	30-01S-33724	Unit A/ Lot 1 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #27Q	30-01S-34787	NW/4 SW/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #29	30-01S-33709	SW/4 SW/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#30	30-01S-33673	SE/4 SW/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#31	30-01S-33674	SE/4 SE/4 Section 4	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #32	30-01S-33675	SW/4 SE/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL #33	30-01S-33676	SE/4 SE/4 Section 5	SAND DUNES;DELAWARE, WEST	NMNM 104730
SUNDANCE FEDERAL#13	30-01S-27580	NE/4 SW/4 Section 5	SAND DUNES;DELAWARE, SOUTH	NMNM 104730
SUNDANCE FEDERAL#1	30-01S-20538	N/2 Section 4	SAND DUNES;LOWER PENN, SOUTH (GAS)	NMNM 104730