

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

May 30, 2018

Surface Commingling Order PLC-508

OXY USA, Inc.  
Attention: Ms. Taylor Stillman

Pursuant to your application received on May 7, 2018, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

PIERCE CROSSING; BONE SPRING, EAST      (96473)  
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 proposed federal communitization agreements 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 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 Corral Fly 35-26 Central Tank Battery (CTB), located in Unit G, Section 2, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

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.

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.

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

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 District Office – Artesia  
Bureau of Land Management – Carlsbad

Attachment A

ATTACHMENT A: CORRALL FLY WELLS

Corral Canyon 36-25 Well List

Lease Number	Well Name	API	Surface Location	Project Area	Pool	POOL CODE	EST DATE ONLINE
Pending Corral Fly 35-26 Fed Com #21H Communitization Agreement; Case Number 16058	Corral Fly 35-26 Fed Com #21H	30-015-44702	D-02-25S-29E	W/2 W/2 of Section 26, and W/2 W/2 of Section 35	PIERCE CROSSING;BONE SPRING, EAST	96473	7/14/2018
Pending Corral Fly 35-26 Fed Com #22H Communitization Agreement; Case No. 16059	Corral Fly 35-26 Fed Com #22H	30-015-44703	D-02-25S-29E	E/2 W/2 of Section 26, and E/2 W/2 of Section 35	PIERCE CROSSING;BONE SPRING, EAST	96473	7/14/2018
Pending Corral Fly 35-26 Fed Com #22H Communitization Agreement; Case No. 16059	Corral Fly 35-26 Fed Com #23H	30-015-44704	D-02-25S-29E	E/2 W/2 of Section 26, and E/2 W/2 of Section 35	PIERCE CROSSING;BONE SPRING, EAST	96473	7/14/2018
Pending Corral Fly 35-26 Fed Com #24H Communitization Agreement	Corral Fly 35-26 Fed Com #24H	30-015-44705	A-02-25S-29E	W/2 E/2 of Section 26, and W/2 E/2 of Section 35	PIERCE CROSSING;BONE SPRING, EAST	96473	7/12/2018
Pending Corral Fly 35-26 Fed Com #25H Communitization Agreement	Corral Fly 35-26 Fed Com #25H	30-015-44683	A-02-25S-29E	E/2 E/2 of Section 26, and E/2 E/2 of Section 35	PIERCE CROSSING;BONE SPRING, EAST	96473	7/12/2018
Pending Corral Fly 35-26 Fed Com #25H Communitization Agreement	Corral Fly 35-26 Fed Com #26H	30-015-44684	A-02-25S-29E	E/2 E/2 of Section 26, and E/2 E/2 of Section 35	PIERCE CROSSING;BONE SPRING, EAST	96473	7/12/2018
Pending Corral Fly 35-26 Fed Com #31H Communitization Agreement	Corral Fly 35-26 Fed Com #31H	30-015-44726	D-02-25S-29E	E/2 W/2, SW/4 NW/4, and W/2 SW/4 of Section 26;W/2 Section 35	PURPLE SAGE;WOLFCAMP (GAS)	98220	4/23/2019
Pending Corral Fly 35-26 Fed Com #31H Communitization Agreement	Corral Fly 35-26 Fed Com #32H	30-015-44727	D-02-25S-29E	E/2 W/2, SW/4 NW/4, and W/2 SW/4 of Section 26;W/2 Section 35	PURPLE SAGE;WOLFCAMP (GAS)	98220	5/17/2019
Pending Corral Fly 35-26 Fed Com #33H Communitization Agreement	Corral Fly 35-26 Fed Com #33H	30-015-44728	D-02-25S-29E	W/2 Section 26; and W/2 Section 35	PURPLE SAGE;WOLFCAMP (GAS)	98220	6/10/2019
Pending Corral Fly 35-26 Fed Com #35H Communitization Agreement	Corral Fly 35-26 Fed Com #35H	30-015-44730	A-02-25S-29E	E/2 Section 26; and E/2 Section 35	PURPLE SAGE;WOLFCAMP (GAS)	98220	5/21/2019
Pending Corral Fly 35-26 Fed Com #35H Communitization Agreement	Corral Fly 35-26 Fed Com #36H	30-015-44731	1-02-25S-29E	E/2 Section 26; and E/2 Section 35	PURPLE SAGE;WOLFCAMP (GAS)	98220	6/14/2019
Pending Corral Fly 35-26 Fed Com #35H Communitization Agreement	Corral Fly 35-26 Fed Com #34H	30-015-44729	A-02-25S-29E	E/2 Section 26; and E/2 Section 35	PURPLE SAGE;WOLFCAMP (GAS)	98220	5/1/2019

Assume all project areas are located in Township 24 South, Range 29 East  
communitization agreements are based on the pools and dedicated acreage within the project area and Hearing Case numbers