

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



June 23, 2018

Surface Commingling Order PLC-217-A

OXY USA INC
Attention: Mr. Robert Wilson

Pursuant to your application received on May 23, 2018, OXY USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil production and off-lease measure from the following pools located in Section 24, Township 22 South, Range 32 East, Lea County, New Mexico;

RED TANK; DELAWARE, WEST (51689)
RED TANK; BONE SPRING (51683)

and from the following diversely owned federal wells and leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease: Federal lease NMNM 081633
Description: SE/4 SW/4 of Section 24
Well: Red Tank Federal Well No. 1 API 30-025-32326
Pools: Red Tank; Delaware, West
 Red Tank; Bone Spring

Lease: Federal lease NMNM 081633
Description: NE/4 SW/4 of Section 24
Well: Red Tank Federal Well No. 2 API 30-025-32320
Pools: Red Tank; Delaware, West
 Red Tank; Bone Spring

Commingled oil production from the wells shall be measured and sold at the Red Tank 24 Federal 1&2 Central Tank Battery (CTB), located in Unit N of Section 24, Township 22 South, Range 32 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

Oil production from each of the wells shall be measured separately at the CTB before commingling with the other wells.

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

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

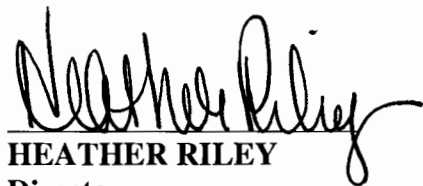
This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

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.

OXY may add future wells that produce from this subject pool within these project areas approved by this order to this commingling authority by submitting a Sundry Notice to the Engineering Bureau of the Division in Santa Fe.

This administrative order supersedes Administrative Order PLC-217, issued on October 24, 2002 for oil production only. The commingling of gas production shall remain subject to Administrative Order PLC-217. This administrative order permits commingling of oil production for the two wells and leases subject to this order. Lastly, the addition 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.



HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division District Office – Hobbs
Bureau of Land Management - Carlsbad