

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

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Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



June 15, 2018

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-405-B

OXY USA, Inc.
Attention: Ms. Sandra Mussallam

Pursuant to your application received on May 25, 2018, 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 and range of decline 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 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 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.

Cedar Canyon 16-1 Battery

The commingled oil and gas 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.

Harroun 15-15 Battery

The commingled oil and 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 and gas 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.

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.

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 these subject pools within these project areas or spacing units approved by this order to this commingling authority by submitting a Sundry Notice to the Engineering Bureau of the Division in Santa Fe.

This Order supersedes Administrative Order PLC-405-A, issued on November 1, 2017. This Order removes one of the batteries. Next, each battery is a Facility Measurement Point. Next, 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. Lastly, future wells that produce from the subject pools within the project areas and spacing units approved by this order by supplying Sundry notice to the Engineering Bureau.

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
New Mexico State Land Office – Oil, Gas, and Minerals

Attachment A

Attachment A: Harroun Wells

CEDAR CANYON 16-1 BATTERY

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

HARROUN 9-1 BATTERY

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

HARROUN 15-15 BATTERY

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