

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



August 30, 2018

Surface Commingling Order PLC-517

OXY USA LIMITED PARTNERSHIP
Attention: Ms. Sandra Musallam

Pursuant to your application received on August 9, 2018, OXY USA WTP Limited Partnership (OGRID 192463) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

TURKEY TRACK; BONE SPRING	(60660)
TURKEY TRACK; ATOKA (GAS)	(86445)
TURKEY TRACK; MORROW (GAS)	(86480)

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 state leases and state communitization agreements located in Township 19 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, for the applicable. 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 gas production from the Atoka and Morrow gas wells shall be measured separately before commingling with the other wells.

The commingled oil production from the wells detailed above shall be measured and sold at the Turkey Tract Central Tank Battery (CTB), located in B of Section 8, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

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.

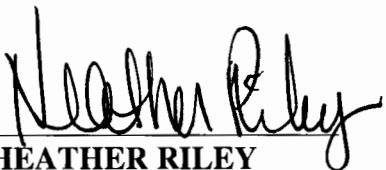
OXY USA WTP Limited Partnership shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a dedicated separator is removed.

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 New Mexico State Land Office before commencing commingling operations.

This administrative order supersedes Administrative Order CTB-834, issued on October 20, 2017. This administrative order adds the wells and pools associated with the Atoka and Morrow formations.

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

Attachment A: Oxy USA WTP LP Central Tank Battery						
Well Name	API	Location	Project Area/Spacing Unit	Hearing Order	Range	Pool
Turkey Track 9-10 State 21H	30-015-44117	H-8-19S-29E	N/2 N/2 Sec 9, N/2 N/2 Sec 10	R-14374	2	Turkey Track ;Bone Spring
Turkey Track 9-10 State 22H	30-015-44122	H-8-19S-29E	S/2 N/2 Sec 9, S/2 N/2 Sec 10	R-14375	2	Turkey Track ;Bone Spring
Turkey Track 9-10 State 23H	30-015-44154	P-8-19S-29E	N/2 S/2 Sec 9, N/2 S/2 Sec 10	R-14471	2	Turkey Track ;Bone Spring
Turkey Track 9-10 State 24H	30-015-44156	P-8-19S-29E	S/2 S/2 Sec 9, S/2 S/2 Sec 10	R-14472	2	Turkey Track ;Bone Spring
Turkey Track 9-10 State 31H	30-015-44193	A-8-19S-29E	N/2 N/2 Sec 9, N/2 N/2 Sec 10	Infill to R-14374	N/A	Turkey Track ;Bone Spring
Turkey Track 9-10 State 32H	30-015-44109	H-8-19S-29E	S/2 N/2 Sec 9, S/2 N/2 Sec 10	Infill to R-14375	2	Turkey Track ;Bone Spring
Turkey Track 9-10 State 33H	30-015-44194	P-8-19S-29E	N/2 S/2 Sec 9, N/2 S/2 Sec 10	Infill to R-14471	1	Turkey Track ;Bone Spring
Turkey Track 9-10 State 34H	30-015-44195	P-8-19S-29E	S/2 S/2 Sec 9, S/2 S/2 Sec 10	Infill to R-14472	1	Turkey Track ;Bone Spring
Turkey Track 8-7 State 21H	30-015-44141	D-9-19S-29E	N/2 N/2 Sec 7, N/2 N/2 Sec 8	R-14467	N/A	Turkey Track ;Bone Spring
Turkey Track 8-7 State 22H	30-015-44142	D-9-19S-29E	S/2 N2 Sec 7, S/2 N/2 Sec 8	R-14468	2	Turkey Track ;Bone Spring
Turkey Track 8-7 State 23H	30-015-44143	M-9-19S-29E	N/2 S/2 Sec 7, N/2 S/2 Sec 8	R-14469	2	Turkey Track ;Bone Spring
Turkey Track 8-7 State 24H	30-015-44145	M-9-19S-29E	S/2 S/2 Sec 7, S/2 S/2 Sec 8	R-14470	2	Turkey Track ;Bone Spring
Turkey Track 8-7 State 31H	30-015-44266	D-9-19S-29E	N/2 N/2 Sec 7, N/2 N/2 Sec 8	Infill to R-14467	N/A	Turkey Track ;Bone Spring
Turkey Track 8-7 State 32H	30-015-44267	D-9-19S-29E	S/2 N/2 Sec 7, S/2 N/2 Sec 8	Infill to R-14468	N/A	Turkey Track ;Bone Spring
Turkey Track 8-7 State 33H	30-015-44159	L-9-19S-29E	N/2 S/2 Sec 7, N/2 S/2 Sec 8	Infill to R-14469	N/A	Turkey Track ;Bone Spring
Turkey Track 8-7 State 34H	30-015-44160	L-9-19S-29E	S/2 S/2 Sec 7, S/2 S/2 Sec 8	Infill to R-14470	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 21H	30-015-44334	4-4-19S-29E	N/2 N/2 Sec 3, N/2 N/2 Sec 4	R-14466	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 22H	30-015-44386	4-4-19S-29E	S/2 N/2 Sec 3, S/2 N/2 Sec 4	R-14481	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 23H	30-015-44411	L-4-19S-29E	N/2 S/2 Sec 3, N/2 S/2 Sec 4	R-14479	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 24H	30-015-44432	L-4-19S-29E	S/2 S/2 Sec 3, S/2 S/2 Sec 4	R-14480	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 31H	30-015-44396	4-4-19S-29E	N/2 N/2 Sec 3, N/2 N/2 Sec 4	Infill to R-14466	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 32H	30-015-Pending	4-4-19S-29E	S/2 N/2 Sec 3, S/2 N/2 Sec 4	Infill R-14481	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 33H	30-015-Pending	L-4-19S-29E	N/2 S/2 Sec 3, N/2 S/2 Sec 4	Infill to R-14479	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 34H	30-015-Pending	L-4-19S-29E	S/2 S/2 Sec 3, S/2 S/2 Sec 4	Infill to R-14480	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 23H	30-015-44517	L-4-19S-29E	N/2 S/2 Sec 3, N/2 S/2 Sec 4	Infill to R-14480	N/A	Turkey Track ;Bone Spring
Turkey Track 4-3 State 24H	30-015-44518	L-4-19S-29E	S/2 S/2 Sec 3, S/2 S/2 Sec 4	Infill to R-14480	N/A	Turkey Track ;Bone Spring
OXY Sparkplug State	30-015-29465	L-8-19S-29E	S/2 Section 9	N/A	N/A	Turkey Track;Atoka (Gas) &Turkey Track;Morrow (Gas)
OXY Champion State 2	30-015-36215	D-9-19S-29E	S/2 Section 9	N/A	N/A	Turkey Track;Morrow (Gas)
OXY Auto State 1	30-015-29464	H-8-19S-29E	E/2 Section 8	N/A	N/A	Turkey Track;Morrow (Gas)
Checker 3	30-015-36218	C-8-19S-29E	W/2 Section 8	N/A	N/A	Turkey Track;Morrow (Gas)
Jole State 1	30-015-34698	A-7-19S-29E	N/2 Section 7	N/A	N/A	Turkey Track;Morrow (Gas)
Conoco 7 State 10	30-015-23933	F-7-19S-29E	N/2 Section 7	N/A	N/A	Turkey Track;Morrow (Gas)
Conoco 7 State 1	30-015-23174	N-7-19S-29E	S/2 Section 7	N/A	N/A	Turkey Track;Morrow (Gas)
Flag TD State Com1	30-015-23681	F-18-19S-29E	W/2 Section 18	N/A	N/A	Turkey Track;Morrow (Gas)
For the Range, the Morrow and Atoka wells do not have hyperbolic decline. Bone Spring wells which are N/A have not been drilled						