

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



September 27, 2018

Surface Commingling Order PLC-417-B

OCCIDENTAL PERMIAN LTD
Attention: Ms. Elizabeth Velasco

Pursuant to your application received on September 6, 2018, Occidental Permian LTD (OGRID 157984) is hereby authorized to surface commingle oil and gas production and off lease-measure from the following pools located in Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico;

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|--------------------------------|---------|
| HAY HOLLOW; BONE SPRING, NORTH | (30216) |
| WILLOW LAKE; BONE SPRING | (64450) |
| SALT DRAW; MORROW, WEST (G) | (96819) |

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

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|--------------|--------------------------------------------------------------------------|------------------|
| Lease: | Devon 8 Fee Well No. 1H lease | |
| Description: | Entire Section 8 | |
| Well: | Devon 8 Fee Well No. 1H | API 30-015-39407 |
| | Devon 8 Fee Well No. 2H | API 30-015-40347 |
| | Devon 8 Fee Well No. 3H | API 30-015-41886 |
| | Devon 8 Fee Well No. 4H | API 30-015-42642 |
| Pool: | Hay Hollow; Bone Spring, North | |
| Lease: | Devon 6 Fee Well No. 2H lease | |
| Description: | Lot 5/ Unit E, S/2 NE/2, and SE/4 NW/4 (S/2 N/2 equivalent) of Section 6 | |
| Well: | Devon 6 Fee Well No. 2H | API 30-015-42931 |
| Pool: | Willow Lake; Bone Spring | |
| Lease: | Oxy Benelli lease | |
| Description: | N/2 of Section 8 | |
| Well: | Oxy Benelli Well No. 1 | API 30-015-34881 |
| Pool: | Salt Draw; Morrow, West (G) | |

Production from the subject wells shall be determined as follows:

The commingled oil and gas production shall be measured and sold at the Oxy Benelli Central Tank Battery (CTB) located in Unit D, Section 8, Township 25 South, Range 28 East, Eddy County, New Mexico.

Oil and gas production from the Devon 8 Fee Well No. 1H, Devon 8 Fee Well No. 2H, Devon 8 Fee Well No. 3H, Devon 8 Fee Well No. 4H, Devon 6 Fee Well No. 2H, and the Oxy Benelli Well No. 1 shall be measured with a combination of well testing and metering.

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 or spacing unit 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 Order supersedes Administrative Order PLC-417-A, issued on August 19, 2016. The amended order allows for a combination of metering and well testing for all wells and leases subject to this administrative application.

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.


HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Artesia