

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

**Heather Riley, Division Director**  
Oil Conservation Division



December 4, 2018

Surface Commingling Order PLC-539

OXY USA INC.  
Attention: Ms. Sandra Musallam

Pursuant to your application received on October 13, 2018, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

|                          |         |
|--------------------------|---------|
| INGLE WELLS; BONE SPRING | (33743) |
| WILDCAT; WOLFCAMP (OIL)  | (98236) |

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

|              |   |                  |
|--------------|---|------------------|
| Lease:       | Pending Iridium MDP1 28 21 Federal Com Well No. 11H Federal Communitization Agreement.  |                  |
| Description: | Entire Section 21, and the Entire Section 28, all in Township 23 South, Range 31 East   |                  |
| Wells:       | Iridium MDP1 28 21 Federal Com Well No. 11H   | API 30-015-45073 |
|              | Iridium MDP1 28 21 Federal Com Well No. 21H   | API 30-015-45074 |
|              | Iridium MDP1 28 21 Federal Com Well No. 41H   | API 30-015-45075 |
| Pool:        | Pierce Crossing; Bone Spring, East  |                  |
| Lease:       | Pending Iridium MDP1 28 21 Federal Com Well No. 171H Federal Communitization Agreement. |                  |
| Description: | Entire Section 21, and the Entire Section 28, all in Township 23 South, Range 31 East   |                  |
| Well:        | Iridium MDP 128 21 Federal Com Well No. 171H  | API 30-015-45076 |
| Pool:        | Wildcat; Wolfcamp (Oil)   |                  |

The commingled oil and gas production from the wells detailed above shall be measured and sold at any of the following facilities: Iridium MDP1 28 21 11H and 171H Temporary Central Tank Battery (Iridium 11H CTB), and Iridium MDP1 28 21 21H and 41H (Iridium 21H CTB) Temporary Central Tank Battery both located in Unit M of Section 28, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The commingled oil and gas production may also be sold at the Iridium Central Tank Battery (Permanent Iridium CTB), located in Unit K of Section 29, Township 23 South, Range 31 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. However, all wells subject to this administrative application have no production.

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

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

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 the 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 – Artesia  
Bureau of Land Management – Carlsbad