

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



February 28, 2019

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-552

OXY USA, Inc.
Attention: Sandra Musallam

Pursuant to your application received on February 7, 2019, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

COTTON DRAW; BONE SPRING	(13367)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)

and from wells, their associated leases, pools, Trains (1,2 and 3), and noted range of production decline as identified in the application, Exhibit "A" made a part of this order. These wells are located on federal leases and federal communitization agreements located in Township 24 South, Range 30 East, and Township 24 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 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 commingled oil production from the wells detailed above shall be measured and sold at the Sand Dunes South Corridor Central Tank Battery (CTB), located in Unit B of Section 18, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico. Further, each well is routed to each train based on federal royalty rate.

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.

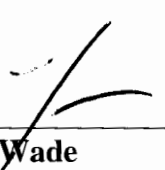
OXY USA, Inc. shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a dedicated separator is removed.

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 Bureau of Land Management before commencing commingling operations.

This administrative order supersedes Administrative Order PLC 499-A, issued on August 23, 2018. This order adds the Sunrise MDP1 8-5 Federal Well 171H, Sunrise MDP1 8-5 Federal Well 172H, Sunrise MDP1 8-5 Federal Well 173H, Sunrise MDP1 8-5 Federal Well 174H, Sunrise MDP1 8-5 Federal Well 175H, and Sunrise MDP1 8-5 Federal Well 176H Wells.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.



Gabriel Wade
Acting Director

GW/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad

Exhibit A

Attachment A: Wells Sand Dunes Wells

SAND DUNES SOUTH CORRIDOR CTB - TRAIN #1

Well Name	API	Horizontal Spacing Unit	Lease	Pool	POOL CODE	Range of Decline
NIMITZ MDP1 12 FEDERAL 1H	30-015-44526	W/2 W/2 Section 1 W/2 W/2 Section 12	CA NMNM 138992	COTTON DRAW;BONE SPRING	13367	2
NIMITZ MDP1 12 FEDERAL 2H	30-015-44580	W/2 W/2 Section 1 W/2 W/2 Section 12	CA NMNM 138992	COTTON DRAW;BONE SPRING	13367	2
NIMITZ MDP1 12 FEDERAL 6H	30-015-44527	W/2 E/2 Section 1 W/2 E/2 Section 12	CA Pending	COTTON DRAW;BONE SPRING	13367	N/A
NIMITZ MDP1 12 FEDERAL 9H	30-015-44581	E/2 W/2 Section 1 E/2 W/2 Section 12	CA NMNM 138995	COTTON DRAW;BONE SPRING	13367	2
NIMITZ MDP1 13 FEDERAL COM 1H	30-015-44524	W/2 E/2 Section 13	CA Pending	COTTON DRAW;BONE SPRING	13367	N/A
NIMITZ MDP1 13 FEDERAL COM 2H	30-015-44498	W/2 E/2 Section 13	CA NMNM 138996	COTTON DRAW;BONE SPRING	13367	2
NIMITZ MDP1 13 FEDERAL COM 3H	30-015-44525	E/2 E/2 Section 13	CA NMNM 138997	COTTON DRAW;BONE SPRING	13367	2
PALLADIUM MDP1 7-6 FEDERAL COM 1H	30-015-44298	E/2 E/2 Section 6 E/2 E/2 Section 7 T245-31E	CA NMNM 137968	COTTON DRAW;BONE SPRING	13367	2
PALLADIUM MDP1 7-6 FEDERAL COM 2H	30-015-44299	W/2 W/2 Section 6 W/2 W/2 Section 7 T245-31E	CA NMNM 137968	COTTON DRAW;BONE SPRING	13367	2
PALLADIUM MDP1 7-6 FEDERAL COM 3Y	30-015-44457	E/2 W/2 Section 6 E/2 W/2 Section 7 T245-31E	CA NMNM137685	COTTON DRAW;BONE SPRING	13367	3
PALLADIUM MDP1 7-6 FEDERAL COM 6H	30-015-44293	E/2 E/2 Section 6 E/2 E/2 Section 7 T245-31E	CA NMNM 137601	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 17 FEDERAL 1H	30-015-44459	W/2 W/2 Section 17 T245-31E	NMNM 89172	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 17 FEDERAL 2H	30-015-44460	W/2 W/2 Section 17 T245-31E	NMNM 89172	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 17 FEDERAL 3H	30-015-44496	E/2 W/2 Section 17 T245-31E	NMNM 89172	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 17 FEDERAL 4H	30-015-44497	W/2 E/2 of section 17 T245-31E	NMNM 89172	COTTON DRAW;BONE SPRING	13367	1
PATTON MDP1 17 FEDERAL 5H	30-015-44444	E/2 E/2 of section 17 T245-31E	NMNM 89172	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 17 FEDERAL 6H	30-015-44445	E/2 E/2 of section 17 T245-31E	NMNM 89172	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 18 FED 23H	30-015-44316	W/2 E/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 18 FED 33H	30-015-44338	W/2 E/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 18 FED 73H	30-015-44318	W/2 W/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 18 FEDERAL 1H	30-015-44317	W/2 E/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 18 FEDERAL 2H	30-015-44337	W/2 E/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 18 FEDERAL 3H	30-015-44333	E/2 W/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 18 FEDERAL 5H	30-015-44272	E/2 E/2 Section 18 T245 -31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
PATTON MDP1 18 FEDERAL 7H	30-015-44273	E/2 E/2 Section 18 T245-31E	NMNM 89819	COTTON DRAW;BONE SPRING	13367	3
SUNRISE MDP1 8-5 FEDERAL COM 1H	30-015-44369	W/2 W/2 Section 5 W/2 W/2 Section 8 T245-31E	CA NMNM 138291	COTTON DRAW;BONE SPRING	13367	2
SUNRISE MDP1 8-5 FEDERAL COM 2H	30-015-44395	W/2 W/2 Section 5 W/2 W/2 Section 8 T245-31E	CA NMNM 138291	COTTON DRAW;BONE SPRING	13367	2
SUNRISE MDP1 8-5 FEDERAL COM 3H	30-015-44474	E/2 W/2 Section 5 E/2 W/2 Section 8 T245-31E	CA NMNM 138294	COTTON DRAW;BONE SPRING	13367	2
SUNRISE MDP1 8-5 FEDERAL COM 4H	30-015-44475	W/2 E/2 Section 5 W/2 E/2 Section 8 T245-31E	CA NMNM 138295	COTTON DRAW;BONE SPRING	13367	2
SUNRISE MDP1 8-5 FEDERAL COM 5H	30-015-44476	E/2 E/2 Section 5 E/2 E/2 Section 8 T245-31E	CA NMNM 31963	COTTON DRAW;BONE SPRING	13367	2
SUNRISE MDP1 8-5 FEDERAL COM 6H	30-015-44473	E/2 E/2 Section 5 E/2 E/2 Section 8 T245-31E	CA NMNM 138296	COTTON DRAW;BONE SPRING	13367	2
PATTON MDP1 18 FEDERAL 6H	30-015-43854	E/2 E/2 Section 18 T245 31E	NMNM 89819	PURPLE SAGE;WOLFCAMP (GAS)	98220	3
PATTON MDP1 17 FEDERAL 171H	30-015-44589	W/2 Section 17 T245 31E	NMNM 89172	PURPLE SAGE;WOLFCAMP (GAS)	98220	2
PATTON MDP1 17 FEDERAL 172H	30-015-44990	W/2 Section 17 T245 31E	NMNM 89172	PURPLE SAGE;WOLFCAMP (GAS)	98220	2
PATTON MDP1 17 FEDERAL 173H	30-015-44991	W/2 Section 17 T245 31E	NMNM 89172	PURPLE SAGE;WOLFCAMP (GAS)	98220	2
PATTON MDP1 17 FEDERAL 174H	30-015-45077	E/2 Section 17 T245 31E	NMNM 89172	PURPLE SAGE;WOLFCAMP (GAS)	98220	2
PATTON MDP1 17 FEDERAL 175H	30-015-45078	E/2 Section 17 T245 31E	NMNM 89172	PURPLE SAGE;WOLFCAMP (GAS)	98220	2
PATTON MDP1 17 FEDERAL 176H	30-015-45079	E/2 Section 17 T245 31E	NMNM 89172	PURPLE SAGE;WOLFCAMP (GAS)	98220	1
Sunrise MDP1 8-5 Fed 171H	30-015-44930	W/2 Section 5 and W/2 Section 8 T245-31E	CA Pending	PURPLE SAGE;WOLFCAMP (GAS)	98220	N/A
Sunrise MDP1 8-5 Fed 172H	30-015-44977	W/2 Section 5 and W/2 Section 8 T245-31E	CA Pending	PURPLE SAGE;WOLFCAMP (GAS)	98220	N/A
Sunrise MDP1 8-5 Fed 173H	30-015-44931	W/2 Section 5 and W/2 Section 8 T245-31E	CA Pending	PURPLE SAGE;WOLFCAMP (GAS)	98220	N/A
Sunrise MDP1 8-5 Fed 174H	30-015-45112	E/2 Section 5 and E/2 Section 8 T245-31E	CA Pending	PURPLE SAGE;WOLFCAMP (GAS)	98220	N/A
Sunrise MDP1 8-5 Fed 175H	30-015-45152	E/2 Section 5 and E/2 Section 8 T245-31E	CA Pending	PURPLE SAGE;WOLFCAMP (GAS)	98220	N/A
Sunrise MDP1 8-5 Fed 176H	30-015-45153	E/2 Section 5 and E/2 Section 8 T245-31E	CA Pending	PURPLE SAGE;WOLFCAMP (GAS)	98220	N/A

SAND DUNES SOUTH CORRIDOR CTB - TRAIN #2

Well Name	API			Pool	POOL CODE	Range of Decline
NIMITZ MDP1 12 FEDERAL COM 6H	30-015-44528	E/2 E/2 Section 1 and E/2 E/2 Section 12	CA Pending	COTTON DRAW;BONE SPRING	13367	2
PALLADIUM MDP1 7-6 FEDERAL COM 4H	30-015-44295	W/2 E/2 Section 6 and W/2 E/2 Section 7 T245-31E	CA NM 137686	COTTON DRAW;BONE SPRING	13367	3

SAND DUNES SOUTH CORRIDOR CTB - TRAIN #3

Well Name	API			Pool	POOL CODE	Range of Decline
NIMITZ MDP1 12 FEDERAL COM 7H	30-015-44529	E/2 E/2 Section 12	CA Pending	COTTON DRAW;BONE SPRING	13367	2
PALLADIUM MDP1 7-6 FEDERAL COM 5H	30-015-44294	E/2 E/2 Section 6 and E/2 E/2 Section 7 T245-31E	CA NM 137687	COTTON DRAW;BONE SPRING	13367	3