

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

Adrienne Sandoval, Director
Oil Conservation Division



Administrative Order DHC-4986
Order Date: May 14, 2019

OXY USA Inc.
PO Box 50250
Midland, TX 79710

Attention: Mr. David Stewart

Loving Federal Com Well No. 1
API No: 30-015-24333
Unit F, Section 4, Township 23 South, Range 28 East, NMPM
Eddy County, New Mexico

Pool	LOVING; STRAWN, NORTH (GAS)	Gas (80710)
Names:	LOVING; MORROW, NORTH (GAS)	Gas (80695)

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the expected production rates from the Loving; Strawn, North (Gas) Pool, and the Loving; Morrow, North (Gas) Pool based on historical data of surrounding wells.

Assignment of allowable and allocation of production from the well shall be as follows:

LOVING; STRAWN, NORTH (GAS) POOL	Pct Oil: 52	Pct Gas: 52
LOVING; MORROW, NORTH (GAS) POOL	Pct Oil: 48	Pct Gas: 48

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12 A (6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District II office upon implementation of commingling operations.

This Order is subject to like approval from the Bureau of Land Management.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



Adrienne Sandoval
Director

AS/mam

cc: New Mexico Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad
Well File - 30-015-24333