

Approved Administrative Order

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



September 4, 2019

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-596

OXY USA Inc.
Attention: Elizabeth Velasco

Pursuant to your application received on August 8, 2019, OXY USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

RED TANK; BONE SPRING, EAST	(51683)
RED TANK; BONE SPRING, EAST	(51687)
WC-025 G-09 S223332A; UPR WOLFCAMP	(98177)

and from wells, their associated leases, pools, and range of decline identified in the application, Exhibit "A" made a part of this order. These wells are located on proposed state Communitization agreements located in Township 22 South, Range 33 East NMPM, Lea 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 Red Tank State 9 Central Tank Battery (CTB), located in Unit A of Section 30, Township 22 South, Range 33 East, NMPM, Lea 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.

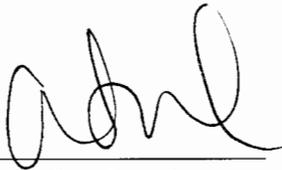
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

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

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.



Adrienne Sandoval
Director

AS/mam

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

Exhibit A

Exhibit A

WELL NAME	API	spacing Unit	Prod (Prod code)	License	DATE ONLINE	RANGE OF DEGREE
Avogato 30 31 State Com 1H	30-025-45954	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST 51687	Com 1H State Communitization Agreement	EST. SEPT 2020	Pre Range 1
Avogato 30 31 State Com 2H	30-025-46030	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. SEPT 2020	Pre Range 1
Avogato 30 31 State Com 3H	30-025-45955	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. SEPT 2020	Pre Range 1
Avogato 30 31 State Com 4H	30-025-45923	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. DEC 2019	Pre Range 1
Avogato 30 31 State Com 11H	30-025-45956	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. DEC 2019	Pre Range 1
Avogato 30 31 State Com 12H	30-025-45957	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. JAN 2020	Pre Range 1
Avogato 30 31 State Com 13H	30-025-45958	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. DEC 2019	Pre Range 1
Avogato 30 31 State Com 14H	30-025-45959	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. DEC 2019	Pre Range 1
Avogato 30 31 State Com 21H	30-025-45924	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. OCT 2019	Pre Range 1
Avogato 30 31 State Com 22H	30-025-45925	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. NOV 2019	Pre Range 1
Avogato 30 31 State Com 23H	30-025-45926	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. DEC 2019	Pre Range 1
Avogato 30 31 State Com 24H	30-025-45960	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. OCT 2019	Pre Range 1
Avogato 30 31 State Com 25H	30-025-45961	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. NOV 2019	Pre Range 1
Avogato 30 31 State Com 31H	30-025-45929	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. OCT 2019	Pre Range 1
Avogato 30 31 State Com 33H	30-025-45928	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. NOV 2019	Pre Range 1
Avogato 30 31 State Com 34H	30-025-45930	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. SEPT 2019	Pre Range 1
Avogato 30 31 State Com 71H	30-025-45962	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. SEPT 2020	Pre Range 1
Avogato 30 31 State Com 72H	30-025-46031	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 1H State Communitization Agreement	EST. SEPT 2020	Pre Range 1
Avogato 30 31 State Com 73H	30-025-45963	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. SEPT 2020	Pre Range 1
Avogato 30 31 State Com 74H	30-025-45964	E/2 Section 30 and E/2 Section 31	RED TANK; BONE SPRING, EAST (51687)	Com 3H communitization Agreement	EST. JAN 2020	Pre Range 1
Avogato 30 31 State Com 32H	30-025-45927	Lot 1/ Unit D, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 30 and Lot D/ Unit1, Lot 2/ Unit E, Lot 3/ Unit L, Lot 4/ Unit M, and E/2 W/2 of Section 31	RED TANK; BONE SPRING (51683)	Com 32H State Communitization Agreement	EST. NOV 2019	Pre Range 1
Avogato 30 31 State Com 35H	30-025-45931	E/2 Section 30 and E/2 Section 31	WC-025 G-09 5223332A-UPR WOLF-CAMP (98)	Com 35H State Communitization Agreement	EST. OCT 2019	Pre Range 1
Wells located in Township 22 South, Range 33 East.						