

State of New Mexico
Energy, Minerals and Natural Resources Department

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Adrienne Sandoval, Director
Oil Conservation Division



November 19, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-626

OXY USA, Inc.
Attention: Kathleen Mowery
5 Greenway Plaza Suite 110 Houston, TX 77046

Pursuant to your application received on October 29, 2019, OXY USA, Inc. ("Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the pools, wells, and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Section 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

Production from the wells shall be determined as follows:

For each well during the initial production period, the oil and gas production shall flow into its own dedicated three-phase separator where the production stream shall be separated into three independent streams and each stream shall be measured individually before commingling. The initial production period is defined as from when the well first produces until after the peak production has been reached and the decline rate is less than 30% per month.

For each well after the initial production period, the oil and gas production shall be determined using well tests. Each well test shall consist of a 24-hour period in which the oil and gas production shall flow into its own dedicated three-phase separator where the production stream shall be separated into three independent streams and each stream shall be measured individually before commingling. The minimum number of well tests that shall be required each month after the initial production period has concluded shall be contingent upon the well's decline rate and is as follows:

Three well tests per month while the decline rate is **between 30% and 20% per month.**

Two well tests per month while the decline rate is **between 20% and 10% per month.**

One well test per month while the decline rate is **less than 10% per month.**

Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

Operator shall submit a Sundry Notice C-103 to the Engineering Bureau in Santa Fe when a well transitions to a decline rate period in which the well requires less well tests per month than is currently being required. The Sundry Notice shall include a production curve and a decline rate curve demonstrating that the well meets the requirements to have fewer well tests required per month.

The commingled oil production from the wells shall be measured by a lease automatic custody transfer ("LACT") meter and sold at the central tank battery ("CTB") described in Exhibit A.

The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

Operator may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 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 approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

Operator shall notify the Artesia District Office before commingling oil and gas production.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Artesia District Office
 Bureau of Land Management

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Administrative Order: **PLC-626**

Date: **11/19/19**

Operator: **OXY USA, Inc.**

Central Tank Battery: **Pure Gold CTB**

Central Tank Battery Location: **Section 28, Township 23 South, Range 31 East**

Pools

Pool Name	Pool Code	Pool Name	Pool Code
INGLE WELLS; BONE SPRING	33740		
WC-015 G-08 S233135D; WOLFCAMP	98236		

Leases

NMNM 045235
NMNM 038463
NMNM 0545035
NMNM 0281482 A

Wells

Well API	Well Name	Pool Code	Location	Train
30-015-45645	Pure Gold MDP1 29-17 Fed Com 1H	33740	Sec 29-T23S-R31E	2
30-015-45646	Pure Gold MDP1 29-17 Fed Com 2H	33740	Sec 29-T23S-R31E	2
30-015-45647	Pure Gold MDP1 29-17 Fed Com 3H	33740	Sec 29-T23S-R31E	2
30-015-45648	Pure Gold MDP1 29-17 Fed Com 4H	33740	Sec 29-T23S-R31E	2
30-015-45649	Pure Gold MDP1 29-17 Fed Com 5H	33740	Sec 29-T23S-R31E	2
30-015-45650	Pure Gold MDP1 29-17 Fed Com 6H	33740	Sec 29-T23S-R31E	2
30-015-45712	Pure Gold MDP1 29-17 Fed Com 7H	33740	Sec 29-T23S-R31E	2
30-015-45754	Pure Gold MDP1 29-17 Fed Com 8H	33740	Sec 29-T23S-R31E	2
30-015-45867	Pure Gold MDP1 29-17 Fed Com 9H	33740	Sec 29-T23S-R31E	2
30-015-45713	Pure Gold MDP1 29-17 Fed Com 10H	33740	Sec 29-T23S-R31E	2
30-015-45714	Pure Gold MDP1 29-17 Fed Com 11H	33740	Sec 29-T23S-R31E	2
30-015-45715	Pure Gold MDP1 29-17 Fed Com 12H	33740	Sec 29-T23S-R31E	2
30-015-45755	Pure Gold MDP1 29-17 Fed Com 13H	33740	Sec 29-T23S-R31E	2
30-015-45777	Pure Gold MDP1 29-17 Fed Com 14H	33740	Sec 29-T23S-R31E	2
30-015-45778	Pure Gold MDP1 29-17 Fed Com 21H	33740	Sec 29-T23S-R31E	2
30-015-45753	Pure Gold MDP1 29-17 Fed Com 22H	33740	Sec 29-T23S-R31E	2
30-015-45779	Pure Gold MDP1 29-17 Fed Com 23H	33740	Sec 29-T23S-R31E	2
30-015-45756	Pure Gold MDP1 29-17 Fed Com 24H	33740	Sec 29-T23S-R31E	2
30-015-45716	Pure Gold MDP1 29-17 Fed Com 171H	98236	Sec 29-T23S-R31E	2
30-015-45717	Pure Gold MDP1 29-17 Fed Com 172H	98236	Sec 29-T23S-R31E	2
30-015-45718	Pure Gold MDP1 29-17 Fed Com 173H	98236	Sec 29-T23S-R31E	2
30-015-45740	Pure Gold MDP1 29-17 Fed Com 174H	98236	Sec 29-T23S-R31E	2
30-015-45780	Pure Gold MDP1 29-17 Fed Com 175H	98236	Sec 29-T23S-R31E	2
30-015-45781	Pure Gold MDP1 29-17 Fed Com 176H	98236	Sec 29-T23S-R31E	2
30-015-45757	Pure Gold MDP1 29-17 Fed Com 471H	98236	Sec 29-T23S-R31E	2
30-015-45758	Pure Gold MDP1 29-17 Fed Com 472H	98236	Sec 29-T23S-R31E	2
30-015-45782	Pure Gold MDP1 29-17 Fed Com 473H	98236	Sec 29-T23S-R31E	2
30-015-45783	Pure Gold MDP1 29-17 Fed Com 474H	98236	Sec 29-T23S-R31E	2
30-015-45759	Pure Gold MDP1 29-17 Fed Com 475H	98236	Sec 29-T23S-R31E	2
30-015-45784	Pure Gold MDP1 29-17 Fed Com 476H	98236	Sec 29-T23S-R31E	2