

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



July 9, 2013

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-377
Administrative Application Reference No. pAXK1316536257

OXY USA, Inc.
c/o Petro Energy Group
Attn: Ms. Laura Boyco

Pursuant to your application received on June 13, 2013, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools located in Eddy County, New Mexico.

Cedar Canyon; Delaware (11540)
Pierce Crossing; Bone Spring (50371)

and from the following diversely owned wells located on federal or federal leases in said county:

Cedar Canyon 27 Federal Com. Well No. 1H
API No. 30-015-41095
595 FNL & 845 FWL, Unit D
Section 27-24S-29E

Cedar Canyon 28 Federal Com. Well No. 2H
API No. 30-015-41073
458 FNL & 1980 FEL, Unit B
Section 28-24S-29E

Gaines 28 Federal Well No. 1
API No. 30-015-35353
1120 FNL & 530 FEL, Unit A
Section 28-24S-29E

The Cedar Canyon wells will produce only from Cedar Canyon; Delaware Pool. The Gaines 28 Federal Well No. 1 produces only from the Pierce Crossing; Bone Spring Pool. No downhole commingling is authorized.

The commingled gas production shall be measured and sold at the Gaines 28 Well No. 5 Battery in the NE/4 NE/4 of Section 28-24S-29E, Eddy County. However, production from the Gaines 28 Federal No. 5 will be stored in a dedicated tank and will not be part of this commingle. Production from each well shall be separately metered prior to commingling. Meters shall be calibrated in accordance with Rule 19.15.12.10.C(2).

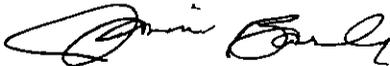
It is our understanding that due notice has been given of this application to all interests owners in the wells production from which will be commingled.

The operator shall notify the transporters of this commingling authority.

The operator shall notify the Artesia district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management before commencement of the commingling operations.

Sincerely,



Jami Bailey
Division Director

JB/db

cc: Oil Conservation Division District Office – Artesia
United States Bureau of Land Management.
Ms. Jennifer Duarte – OXY USA, Inc.