

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



October 17, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-464-A
Administrative Application Reference No. pMAM1727059033

OXY USA INC.
Attn: Ms. Sandra Mussallam

Pursuant to your application received on September 27, 2017, OXY USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 27, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico;

Langlie Mattix; 7 RVRS-Q-Grayburg (37240)
Teague; Paddock-Blinebry (58300)
Teague; Simpson (58900)

Lease: EC Hill A Well No. 2 Lease
Description: W/2 SE/4 of Section 27
Well: EC Hill A Well No. 2 API 30-025-10851
EC Hill A Well No. 3 API 30-025-10852
EC Hill A Well No. 4 API 30-025-22909
EC Hill A Well No. 5 API 30-025-33449
Pool: Teague; Paddock-Blinebry

Lease: EC Hill B Well No. 5 Lease
Description: SE/4 SW/4 of Section 27
Well: EC Hill B Well No. 5 API 30-025-33323
Pool: Teague; Paddock-Blinebry

Lease: EC Hill C Well No. 1 Lease
Description: SW/4 SW/4 of Section 27
Well: EC Hill C Well No. 1 API 30-025-22547
Pool: Teague; Paddock-Blinebry

Lease: EC Hill B Well No. 3 Lease
Description: NE/4 SW/4 of Section 27
Well: EC Hill B Well No. 3 API 30-025-22372
Pool: Langlie Mattix; 7 RVRS-Q-Grayburg

Lease: EC Hill C Well No. 4 Lease
Description: SW/4 SW/4 of Section 27
Well: EC Hill C Well No. 4 API 30-025-36240
Pool: Langlie Mattix; 7 RVRS-Q-Grayburg

Lease: EC Hill A Well No. 7 Lease
Description: SW/4 SE/4 of Section 27
Well: EC Hill A Well No. 7 API 30-025-35012
Pool: Teague; Simpson

Lease: EC Hill B Well No. 1 Lease
Description: NE/4 SW/4 of Section 27
Well: EC Hill B Well No. 1 API 30-025-10850
Pool: Teague; Simpson

Lease: EC Hill B Well No. 7 Lease
Description: SE/4 SW/4 of Section 27
Well: EC Hill B Well No. 7 API 30-025-35013
Pool: Teague; Simpson

Lease: EC Hill C Well No. 3 Lease
Description: NW/4 SW/4 of Section 27
Well: EC Hill C Well No. API 30-025-35365
Pool: Teague; Simpson

The combined oil spacing and proration units for the wells in this application include the W/2 SE/4, and SW/4 of Section 27, Township 27 South, Range 37 East.

The commingled oil and gas production from the wells detailed above shall be measured and sold at the EC Hill Well No. 3 central tank battery (CTB) in Unit L of Section 27, Township 23 South, Range 27 East, NMPM, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the wells and leases shall be metered with a combination of metering and testing. All of the wells, except one, shall flow through a production header where the oil and gas production shall be metered before commingling. The remaining well shall flow through the test separator, where it shall be metered separately for oil and gas production, before commingling. All of the wells shall be metered separately through the test separator at least once a month.

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

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

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.

This administrative order supersedes Administrative Order PLC-464, issued on February 8, 2017. This administrative order adds the EC Hill B Well No. 7 Lease, and the EC Hill C Well No. 3 Lease. Further, the addition 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.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

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



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Hobbs