

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



CENTRAL TANK BATTERY

Administrative Order CTB-834

October 20, 2017

OXY USA WTP LIMITED PARTNERSHIP
Attention: Mr. Justin Morris

OXY USA TWP Limited Partnership (OGRID 192463) is hereby authorized to surface commingle oil and gas production from diversely owned state leases from the Turkey Track; Bone Spring Pool (Pool code 60660) located in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, and from wells, and their associated leases identified in Attachment No. A and made part of this order. These wells are located on state leases in Township 24 South, Range 29 East, NMPM, Eddy 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 of 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 range 1 of decline shall be measured separately. 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.

Since all of the wells in this application are subject to compulsory pooling orders listed in Attachment A, for at least the first six months of production each well will have its own dedicated separator and measurement equipment. If production has not declined after 6 months, the well shall remain on continuous metering until the well has declined to Range 2 as specified in Hearing Order R-14299. Further, none of the wells in this application have been completed.

The combined surface commingling project area and spacing units for these wells include the entire Section 3, Section 4, Section 5, Section 7, Section 8, Section 9, and Section 10, all in Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

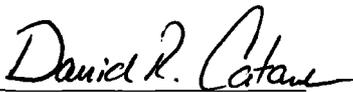
The oil and gas production from these wells listed as part of this application shall be measured and sold from the Turkey Track Central Tank Battery (CTB), located in Unit B, Section 8, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

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 New Mexico State Land Office before commencing commingling operations.

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



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia district office
New Mexico State Land Office – Oil, Gas, and Minerals

Attachment A: Oxy USA WTP LP Central Tank Battery					
Well Name	API	Location	Project Area	Hearing Order	Range
Turkey Track 9-10 State 21H	30-015-44117	H-8-19S-29E	N/2 N/2 Sec 9, N/2 N/2 Sec 10	R-14374	1
Turkey Track 9-10 State 22H	30-015-44122	H-8-19S-29E	S/2 N/2 Sec 9, S/2 N/2 Sec 10	R-14375	1
Turkey Track 9-10 State 23H	30-015-44154	P-8-19S-29E	N/2 S/2 Sec 9, N/2 S/2 Sec 10	R-14471	1
Turkey Track 9-10 State 24H	30-015-44156	P-8-19S-29E	S/2 S/2 Sec 9, S/2 S/2 Sec 10	R-14472	1
Turkey Track 9-10 State 31H	30-015-44193	A-8-19S-29E	N/2 N/2 Sec 9, N/2 N/2 Sec 10	Infill to R-14374	1
Turkey Track 9-10 State 32H	30-015-44109	H-8-19S-29E	S/2 N/2 Sec 9, S/2 N/2 Sec 10	Infill to R-14375	1
Turkey Track 9-10 State 33H	30-015-44194	P-8-19S-29E	N/2 S/2 Sec 9, N/2 S/2 Sec 10	Infill to R-14471	1
Turkey Track 9-10 State 34H	30-015-44195	P-8-19S-29E	S/2 S/2 Sec 9, S/2 S/2 Sec 10	Infill to R-14472	1
Turkey Track 8-7 State 21H	30-015-44141	D-9-19S-29E	N/2 N/2 Sec 7, N/2 N/2 Sec 8	R-14467	1
Turkey Track 8-7 State 22H	30-015-44142	D-9-19S-29E	S/2 N/2 Sec 7, S/2 N/2 Sec 8	R-14468	1
Turkey Track 8-7 State 23H	30-015-44143	M-9-19S-29E	N/2 S/2 Sec 7, N/2 S/2 Sec 8	R-14469	1
Turkey Track 8-7 State 24H	30-015-44145	M-9-19S-29E	S/2 S/2 Sec 7, S/2 S/2 Sec 8	R-14470	1
Turkey Track 8-7 State 31H	30-015-44266	D-9-19S-29E	N/2 N/2 Sec 7, N/2 N/2 Sec 8	Infill to R-14467	1
Turkey Track 8-7 State 32H	30-015-44267	D-9-19S-29E	S/2 N/2 Sec 7, S/2 N/2 Sec 8	Infill to R-14468	1
Turkey Track 8-7 State 33H	30-015-44159	L-9-19S-29E	N/2 S/2 Sec 7, N/2 S/2 Sec 8	Infill to R-14469	1
Turkey Track 8-7 State 34H	30-015-44160	L-9-19S-29E	S/2 S/2 Sec 7, S/2 S/2 Sec 8	Infill to R-14470	1
Turkey Track 4-3 State 21H	30-015-44334	4-4-19S-29E	N/2 N/2 Sec 3, N/2 N/2 Sec 4	R-14466	1
Turkey Track 4-3 State 22H	30-015-44386	4-4-19S-29E	S/2 N/2 Sec 3, S/2 N/2 Sec 4	R-14481	1
Turkey Track 4-3 State 23H	30-015-44411	L-4-19S-29E	N/2 S/2 Sec 3, N/2 S/2 Sec 4	R-14479	1
Turkey Track 4-3 State 24H	30-015-44432	L-4-19S-29E	S/2 S/2 Sec 3, S/2 S/2 Sec 4	R-14480	1
Turkey Track 4-3 State 31H	30-015-44396	4-4-19S-29E	N/2 N/2 Sec 3, N/2 N/2 Sec 4	Infill to R-14466	1
Turkey Track 4-3 State 32H	30-015-Pending	4-4-19S-29E	S/2 N/2 Sec 3, S/2 N/2 Sec 4	Infill R-14481	1
Turkey Track 4-3 State 33H	30-015-Pending	L-4-19S-29E	N/2 S/2 Sec 3, N/2 N/2 Sec 4	Infill to R-14479	1
Turkey Track 4-3 State 34H	30-015-Pending	L-4-19S-29E	S/2 S/2 Sec 3, S/2 S/2 Sec 4	Infill to R-14480	1