

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 24, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-489
Administrative Application Reference No. pMAM1727629458

OXY USA, Inc.
Attention: Ms. Taylor Stillman

Pursuant to your application received on October 2, 2017, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools:

PIERCE CROSSING; BONE SPRING, EAST	(96473)
PIERCE CROSSING; BONE SPRING	(50371)
CORRAL DRAW; BONE SPRING	(96238)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)

and from wells, and their associated leases and pools identified in Attachment No. A and made part of this order. These wells are located on private and federal 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.

The combined surface commingling project area for these wells includes the entire Section 15, S/2 Section 21, N/2 NE/4 and S/2 of Section 22, S/2 S/2 of Section 23, and N/2 Section 27, 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 Cedar Canyon 22 Central Tank Battery (CTB), located in Unit L, Section 22, Township 24 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.

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 approval is subject to like approval from Bureau of Land Management a 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 District Office – Artesia
Bureau of Land Management – Carlsbad

Attachment A