

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



CENTRAL TANK BATTERY

Administrative Order CTB-840-A

December 27, 2017

OXY USA Inc  
Attention: Ms. Taylor Stillman

OXY USA Inc (OGRID 16696) is hereby authorized to surface commingle oil and gas production from diversely owned federal leases from the Cotton Draw; Bone Spring Pool (Pool code 13367) located in Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico, and from wells, and their associated leases identified in Attachment No. A and made part of this order.

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 prior to Range 1 of decline shall be measured separately. Wells that are in Range 1 of decline shall be measured with a combination of metering and well testing, and shall be tested at least three times a month. 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. However, only two wells have been drilled, and are in pre-flow stage of decline.

The combined surface commingling project area and spacing units for these wells include E/2 E/2 Section 13, Township 24 South, Range 30 East, the entire Section 5, Section 6, Section 7, Section 8, Section 17, and Section 18, all in Township 24 South, Range 31 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 Sand Dunes South Corridor Central Tank Battery (CTB), located in Unit B, Section 18, Township 24 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

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.

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 CTB-840 issued on November 28, 2017. The amended order changes the measurement method, and requires the Applicant to send a Sundry notice when a production separator is removed.

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  
Bureau of Land Management - Carlsbad

## Attachment A

## Sand Dunes South Corridor Central Tank Battery Well List

Well Name	API	Project Area	Range
Nimitz MDP1 13 Federal Com 2H	30-015-44498	E/2 E/2 Sec. 13, Township 24 South, Range 30 East	Not drilled
Palladium MDP1 7-6 Federal Com 1H	30-015-44298	W/2 W/2 Sec. 6 and W/2 W/2 Sec. 7	Not drilled
Palladium MDP1 7-6 Federal Com 2H	30-015-44299	W/2 W/2 Sec. 6 and W/2 W/2 Sec. 7	Not drilled
Palladium MDP1 7-6 Federal Com 3Y	30-015-44457	E/2 W/2 Sec. 6 and E/2 W/2 Sec. 7	Not drilled
Palladium MDP1 7-6 Federal Com 4H	30-015-44295	W/2 E/2 Sec. 6 and W/2 E/2 Sec. 7	Not drilled
Palladium MDP1 7-6 Federal Com 5H	30-015-44294	E/2 E/2 Sec. 6 and E/2 E/2 Sec. 7	Flowback
Palladium MDP1 7-6 Federal Com 6H	30-015-44293	E/2 E/2 Sec. 6 and E/2 E/2 Sec. 7	Flowback
Patton MDP1 17 Federal 1H	30-015-43344	W/2 W/2 Sec. 17	Not drilled
Patton MDP1 17 Federal 2H	30-015-43345	W/2 W/2 Sec. 17	Not drilled
Patton MDP1 17 Federal 3H	30-015-44496	E/2 W/2 Sec. 17	Not drilled
Patton MDP1 17 Federal 4H	30-015-44497	W/2 E/2 Sec. 17	Not drilled
Patton MDP1 17 Federal 5H	30-015-44444	E/2 E/2 Sec. 17	Not drilled
Patton MDP1 17 Federal 6H	30-015-44445	E/2 E/2 Sec. 17	Not drilled
Patton MDP1 18 Fed 23H	30-015-44316	W/2 E/2 Sec. 18	Not drilled
Patton MDP1 18 Fed 33H	30-015-44338	W/2 E/2 Sec. 18	Not drilled
Patton MDP1 18 Fed 73H	30-015-44318	W/2 E/2 Sec. 18	Not drilled
Patton MDP1 18 Federal 1H	30-015-44317	W/2 W/2 Sec. 18	Not drilled
Patton MDP1 18 Federal 2H	30-015-44337	E/2 W/2 Sec. 18	Not drilled
Patton MDP1 18 Federal 3H	30-015-44333	E/2 W/2 Sec. 18	Not drilled
Patton MDP1 18 Federal 5H	30-015-44272	E/2 E/2 Sec. 18	Not drilled
Patton MDP1 18 Federal 7H	30-015-44273	E/2 E/2 Sec. 18	Not drilled
Sunrise MDP1 8-5 Federal Com 1H	30-015-44369	W/2 W/2 Sec. 5 and W/2 W/2 Sec. 8	Not drilled
Sunrise MDP1 8-5 Federal Com 2H	30-015-44395	W/2 W/2 Sec. 5 and W/2 W/2 Sec. 8	Not drilled
Sunrise MDP1 8-5 Federal Com 3H	30-015-44474	E/2 W/2 Sec. 5 and E/2 W/2 Sec. 8	Not drilled
Sunrise MDP1 8-5 Federal Com 4H	30-015-44475	W/2 E/2 Sec. 5 and W/2 E/2 Sec. 8	Not drilled
Sunrise MDP1 8-5 Federal Com 5H	30-015-44476	E/2 E/2 Sec. 5 and E/2 E/2 Sec. 8	Not drilled
Sunrise MDP1 8-5 Federal Com 6H	30-015-44473	E/2 E/2 Sec. 5 and E/2 E/2 Sec. 8	Not drilled

Project Area is located in Township 24 South, Range 31 East unless otherwise specified