

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

November 28, 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 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. 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 test separator is removed.

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

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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.

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