

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



April 26, 2019

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

PMAM1909553636

Administrative Order PLC-563

Amends Administrative Applications PLC-525, and PLC 553

OXY USA, Inc.
Attention: Sandra Musallam

Pursuant to your application received on April 5, 2019, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

CEDAR CANYON; DELAWARE	(11540)
CORRAL DRAW; BONE SPRING	(96238)
PIERCE CROSSING; BONE SPRING, EAST	(96473)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)

and from wells, and their associated leases and pools and range of decline identified in Attachment No. A and made part of this order. These wells are located on private, federal leases, and 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 prior to Range 1 of decline shall be tested daily. 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.

Whomping Willow Battery

The commingled oil and gas production from the wells in Attachment A for the Whomping Willow Battery shall be measured and sold at the Whomping Willow Central Tank Battery (Whomping Willow Central Tank Battery CTB), located in Unit F of Section 15, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. 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, unless otherwise stated.

Cedar Canyon 16-1 Battery

The commingled oil and gas production from the wells in Attachment A for the Cedar Canyon 16-1 Battery shall be measured at the Cedar Canyon 16-1 Central Tank Battery (Cedar Canyon 16-1 CTB) located in Unit D of Section 16, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. All of the wells shall be measured with a combination of metering and well testing. Wells that are in Range 3 decline as specified in Hearing Order R-14299 will be tested at least once a month. The gas will be measured at the Cedar Canyon 16-1 CTB, which will be the Central Delivery Point for those wells. Lastly, after the oil production is measured, it will flow to the Whomping Willow Central Tank Battery CTB) where it will be sold.

Harroun 15 Federal Com Well No. 5H

The Harroun 15 Federal Well No. 5H oil production shall be measured at its well pad located in Unit D, Section 15, Township 24 South, Range 29 East prior to commingling at the Whomping Willow Central Tank Battery. The gas production shall be measured at the well pad.

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

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.

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

This approval is subject to like approval from Bureau of Land Management and New Mexico State Land Office before commencing commingling operations.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

OXY may add future wells that produce from these subject pools within these horizontal spacing unit or spacing units approved by this order to this commingling authority by submitting a Sundry Notice to the Engineering Bureau of the Division in Santa Fe.

Administrative Order PLC-563

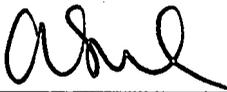
OXY USA, Inc.

April 26, 2019

Page 3 of 3

This Order supersedes Administrative Order PLC-525, issued on June 15, 2018. This Order adds additional wells to be measured at the Whomping willow CTB, and the commingling location of the Harroun 15 Federal Com Well No. 5H. Lastly, this Order supersedes Administrative Order PLC-553, issued on February 28, 2019, by removing the Harroun 15-15 Battery.

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



Adrienne Sandoval
Director

AS/mam

cc: Oil Conservation Division – Artesia
New Mexico State Land Office – Oil, Gas, and Minerals
Bureau of Land Management – Carlsbad

Attachment A

Attachment A: Harroun Wells

CEDAR CANYON 16-1 BATTERY

Well	API	Horizontal Spacing Unit	Pool	Pool Code	Range of decline
Cedar Canyon 16 State #11H	30-015-42062	E/2 W/2 of Section 16	CEDAR CANYON;DELAWARE	11540	3
Cedar Canyon 16 State #1H	30-015-39856	W/2 W/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #2H	30-015-41024	S/2 S/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #6H	30-015-41595	N/2 S/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #7H	30-015-41251	S/2 N/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #8H	30-015-41596	N/2 N/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #9H	30-015-42061	W/2 W/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #10H	30-015-42055	E/2 W/2 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #12H	30-015-42683	SE/4 SE/4 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 16 State #33H	30-015-43844	W/2 E/2 of Section 16	PURPLE SAGE;WOLFCAMP (GAS)	98220	3
Cedar Canyon 16 State #34H	30-015-43843	E/2 E/2 of Section 16	PURPLE SAGE;WOLFCAMP (GAS)	98220	3

WHOMPING WILLOW BATTERY

Well	API	Horizontal Spacing Unit	Pool	Pool Code	Range of decline
Refried Beans CC 15_16 State Com 12H	30-015-45215	S/2 N/2 and N/2 S/2 of Section 15 and S/2 NE/4 SE/4 NW/4 NE/4 SW/4 and N/2 SE/4 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	Pre Range 1
Refried Beans CC 15_16 State Com 13H	30-015-45216	S/2 N/2 of Section 15 and S/2 NE/4 and SW/4 NW/4 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	Pre Range 1
Refried Beans CC 15_16 State Com 14H	30-015-45217	S/2 of Section 15 and SE/4 and E/2 SE/4 of Section 16	PIERCE CROSSING; BONE SPRING, EAST	96473	Pre Range 1
Whomping Willow CC 15_16 State Com 44H	30-015-45218	E/2 of Section 15 and E/2 of Section 16	PURPLE SAGE;WOLFCAMP (GAS)	98220	Pre Range 1
Harroun 10 #1	30-015-30375	SE/4 SW/4 of Section 10	CEDAR CANYON;DELAWARE	11540	N/A
Harroun 10 #2	30-015-31709	SW/4 SW/4 of Section 10	CEDAR CANYON;DELAWARE	11540	N/A
Harroun 10 #3	30-015-32617	NW/4 SW/4 of Section 10	CEDAR CANYON;DELAWARE	11540	N/A
Harroun 15 #7	30-015-29987	NE/4 SW/4 of Section 15	CEDAR CANYON;DELAWARE	11540	N/A
Harroun 15 #8	30-015-30253	SE/4 NW/4 of Section 15	CEDAR CANYON;DELAWARE	11540	N/A
Harroun 15 #14	30-015-32620	NW/4 NW/4 of Section 15	CEDAR CANYON;DELAWARE	11540	N/A
Cedar Canyon 17 Fee #1H	30-015-42058	S/2 N/2 of Section 17	CORRAL DRAW;BONE SPRING	96238	3
Harroun 15 #15	30-015-33317	SW/4 NE/4 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	N/A
Harroun 15 #16A	30-015-33823	NW/4 SE/4 and N/2 SW/4 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 15 #17	30-015-33822	SW/4 SE/4 and S/2 SW/4 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 #2H	30-015-41032	S/2 S/2 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 #3H	30-015-41594	N/2 S/2 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 22 #2H	30-015-41327	N/2 N/2 of Section 22	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 Fed Com 5H	30-015-42421	N/2 N/2 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 15 #4H	30-015-41291	S/2 N/2 of Section 15	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 9 #1	30-015-34997	SW/4 SE/4 and S/2 SW/4 of Section 9	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Harroun 9 #3H	30-015-41488	S/2 S/2 of Section 9	PIERCE CROSSING; BONE SPRING, EAST	96473	3