District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210

District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

1220 S. St Francis Dr, Santa Fe, NM

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION	FOR SURFACE	COMMINGLING	G (DIVERSE)	OWNERSHIP)	
OPERATOR NAME: OXY US	SA INC.				
OPERATOR ADDRESS: PO BOX	4294, HOUSTON, T	Κ, 77210			
APPLICATION TYPE:					
☐ Pool Commingling ☐ Lease Commingli	ng ⊠Pool and Lease Co	mmingling Off-Lease	Storage and Measure	ement (Only if not Surface	e Commingled)
	State Fede				
Is this an Amendment to existing Orde Have the Bureau of Land Management	? Yes No If	"Yes", please include t	the appropriate O	rder NoCTB-987	ngling
Yes □No	(BEW) and State Land	office (SLO) occir not	unica in writing o	i the proposed commi	inging
		L COMMINGLINGS with the following in			
	Gravities / BTU of	Calculated Gravities /		Calculated Value of	
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes
SEE ATTACHED					
		_			
(2) Are any wells producing at top allows(3) Has all interest owners been notified been notified been notified.		Paris a manual page	⊠Yes □No.		
I 1 1	Solution Man of the prospection State of the prospection of the prosp		Mies Lino.		
(5) Will commingling decrease the value			be why commingling	ng should be approved	
	(B) LEA	SE COMMINGLIN	IG		
		s with the following in			
(1) Pool Name and Code.					
(2) Is all production from same source of(3) Has all interest owners been notified by	= = -		□Yes □No		
l ' '	Other (Specify)	osca comminging:		,	
71 = 5 =					
	(G) POOT	TELOR COLORS	(CL DIC		
	. ,	LEASE COMMIN s with the following in			
(1) Complete Sections A and E.					
(1	The state of the s	ORAGE and MEA ets with the following it			
(1) Is all production from same source of	supply?	0			
(2) Include proof of notice to all interest of	owners.				
(F) A	DDITIONAL INFO	RMATION (for all	application ty	nac)	
<u> </u>	Please attach sheet	s with the following in		pes)	
(1) A schematic diagram of facility, inclu		ana Tarkada 1	:CF-4- 1 C:	4-14	
(2) A plat with lease boundaries showing(3) Lease Names, Lease and Well Number		ons. Include lease numbe	ers ir rederal or Sta	te tands are involved.	
,	,				
I hereby certify that the information above i	s true and complete to the	best of my knowledge an	d belief.		
SIGNATURE: Sanglang.	TITLE: REGULATORY	' ENGINEER	DATE: 3/9/2	2023	

TELEPHONE NO.: 713-497-2503

TYPE OR PRINT NAME: STEVEN LEUNG

E-MAIL ADDRESS: Steven_Leung@oxy.com

ved by OCD: 3/10/2023	12:00:12 AM				Page Revised March 23, 2017
RECEIVED:	REVIEWER:	TYPE:	APP NO:		
	- Geologic	abově this table for occidivi O OIL CONSERVA al & Engineering ancis Drive, Santa	TION DIVISIO Bureau –		OF NEW YORK
THIS CHEC	CKLIST IS MANDATORY FOR ALL		IONS FOR EXCEPTION	NS TO DIVISI	On Rules and
P L OVV LICA I		QUIRE PROCESSING AT THE D			
oplicant: OXY USA I		ALII TIDI E			mber: 16696
	JM 32 STATE #171H & M 135D; WOLFCAMP & M				7433 & MULTIPLE
WC-013 G-08 8233	133D, WOLFCAMF & M	OLTIFLE	POC	oi Code	• 98236 & MULTIPLE
	AND COMPLETE INF	INDICATED BELOV		S THE TY	PE OF APPLICATION
•	TION: Check those v pacing Unit – Simulto ☐ NSP(PRC			□sd	
[I] Commir □ DI [II] Injectio	only for [1] or [11] ngling – Storage – Me HC □CTB ■PL n – Disposal – Pressui	C □PC □Ol re Increase – Enhai	nced Oil Reco		DMENT TO CTB-987
-	FX □PMX □SV :QUIRED TO: Check t		PPR ☐ PPR		FOR OCD ONLY
•	erators or lease hold				Notice Complete
<u> </u>	overriding royalty ov		ners		7 Application
D. Notificati	ion requires publishe on and/or concurre	nt approval by SLC			Content Complete
E. ☐ Notificati	on and/or concurre	nt approval by BLA	Λ		<u> </u>
G. For all of	the above, proof of e required	notification or pub	olication is atto	ached, d	and/or,
administrative ap understand that	hereby certify that to proval is accurate on action will be take submitted to the Divi	and complete to th en on this applicat	e best of my k	now l ed	ge. I also
Note:	Statement must be complet	ed by an individual with r	nanageria and/or :	supervisory	capacity.
			3/9/2023		
TEVEN LEUNG			Date		

713-497-2503 Phone Number

e-mail Address

STEVEN_LEUNG@OXY.COM

Released to Imaging: 6/27/2023 9:45:20 AM

Signature

APPLICATION FOR POOL COMMINGLE & OFF-LEASE STORAGE, MEASUREMENT AND SALES Commingling proposal for the PURE GOLD CTB / TRAIN 3

OXY USA INC respectfully requests approval of a pool commingle and off-lease storage, measurement, and sales at the PURE GOLD CTB / TRAIN 3 (Eddy County, Section 29 T23S-R31E). This is an amendment to CTB 987.

Vanadium 32 State 4H, Vanadium 32 State 5H, Vanadium 32 State 175H, and Vanadium 32 State 176H are being added to the Pure Gold CTB Train 3.

This commingle permit request includes the existing and future wells of the leases/CAs and pools listed below.

		EXIS	ΓING								
POOL CODE: 98236 / POOL NA	ME: WC-015 G	-08 S233135D; \	WOLFCAMP								
COMMUNITIZATION AGREEMENT 50% L064421 and 50% V035892											
WELL NAME	API NO.	LOCATION	DATE ONLINE	BOPD	OIL GRAVITY	SCFPD	BTU/CF	BWPD			
Vanadium 32 State #171H	30-015-47433	A-31-23S-31E	Apr-2021	136	46	207	1380	335			
TO BE ADDED											
POOL CODE: 98236 / POOL NAME: WC-015 G-08 S233135D; WOLFCAMP											
COMMUNITIZATION AGREEMENT 50% L064421 and 50% V035892											
WELL NAME	API NO.	LOCATION	EST DATE ONLINE	BOPD	OIL GRAVITY	SCFPD	BTU/CF	BWPD			
Vanadium 32 State #5H	30-015-53277	O-29-23S-31E	Jul-2023	816	46	1877	1380	1836			
Vanadium 32 State #175H	30-015-53278	O-29-23S-31E	Jul-2023	816	46	1877	1380	1836			
POOL CODE: 13367 / POOL NA	ME: COTTON D	RAW; BONE SI	PRING								
COMMUNITIZATION AGREEM	ENT 44% L0644	21 and 56% V0	35892								
WELL NAME	API NO.	LOCATION	EST DATE ONLINE	BOPD	OIL GRAVITY	SCFPD	BTU/CF	BWPD			
Vanadium 32 State #4H	30-015-53276	O-29-23S-31E	Jul-2023	1801	46	3060	1380	2809			
Vanadium 32 State #176H	30-015-53279	O-29-23S-31E	Jul-2023	1801	46	3060	1380	2809			
*Estimated six month product	ion for wells to	be added									

Process Description:

The existing production at Pure Gold Train 3 will continue to be sent through a dedicated 6'x20' three-phase separator. The oil will continue to the existing 6'x20' heater treater (HT) before being sent to the new vapor recovery tower (VRT).

New production at Pure Gold Train 3 will flow through the new inlet header and sent to the new 10'x40' three-phase production separator or the new 6'x20' three-phase test separator for well test. The combined oil header will be sent to a new 6'x20' HT and VRT. Combined existing and new production oil will be sent to two LACT meters. A truck load is set up at the facility for use as back up.

Oil and gas production will be allocated back to each well based on well test. For testing purposes, Train 3 will be equipped with one permanent 6' x 20' three-phase test separator for the Vanadium wells to be added. The existing Vanadium well flows to an individual 6' X 10' three-phase test separator. Each test vessel will be equipped with oil turbine meters, gas orifice meters and water turbine meters.

All wells will be tested daily prior to Range 1 of decline and will be tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells will be tested at least twice per month. Wells will be tested at least once per month when Range 3 of decline is started.

Gas meters off the production separator and two test separators serve as the gas FMPs for Train 3 for the purpose of BLM royalty payment. Gas is then sent to one of two $5' \times 10'$ gas scrubbers, and then sent to sales. Gas is allocated from the sum of the gas FMP meters to each well based on the aforementioned well tests. Gas commingling will be handled through PLC-749C.

All water will be sent to the Sand Dunes Water Disposal System.

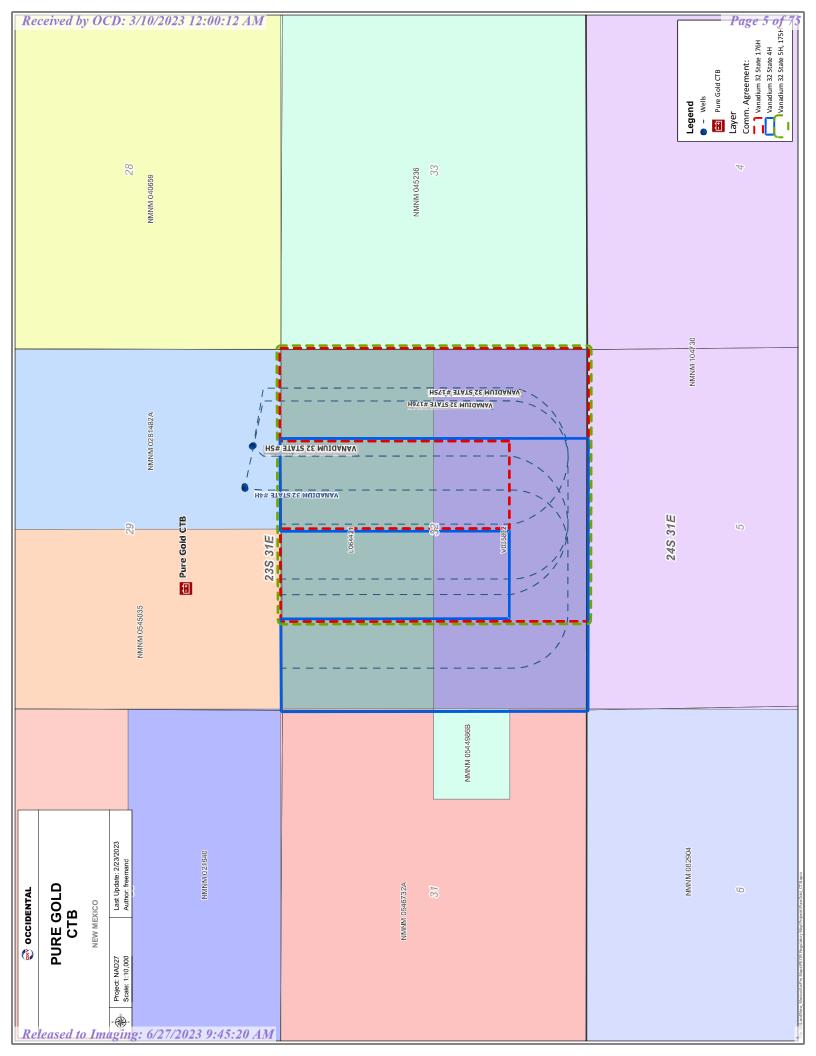
Additional Application Components:

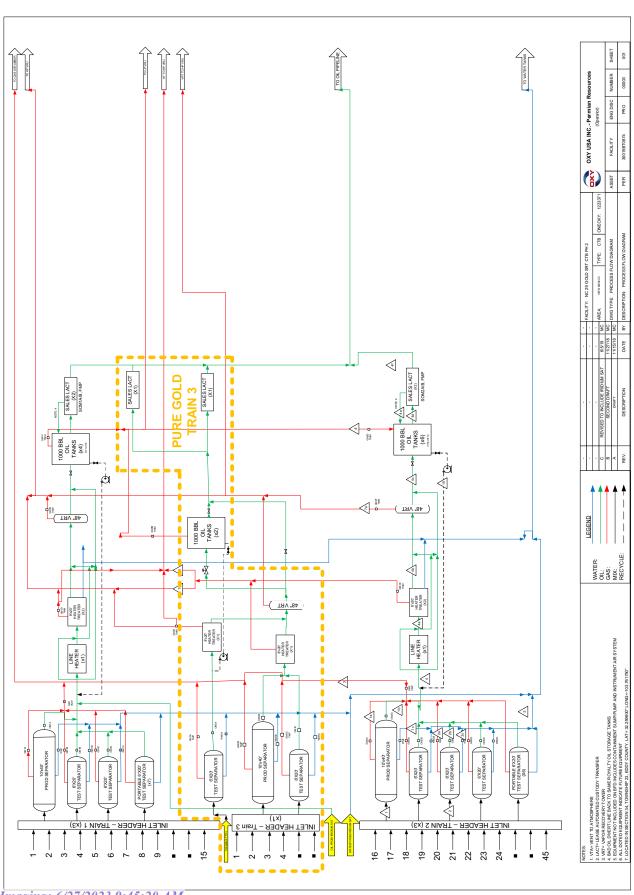
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

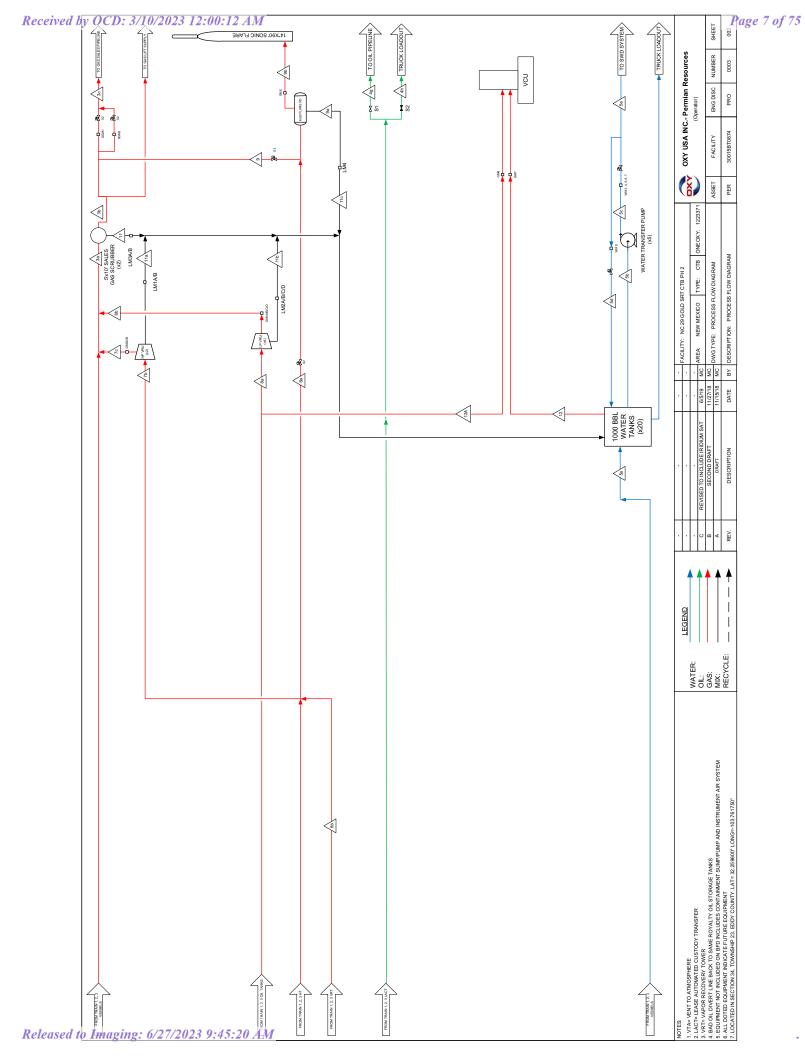
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves. The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.







District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

Phone: (5/5) /346-1265 Fax. (5/5) /46-5/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

REV: 1 Z.L. 01-13-23 (BORE CHANGE)

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name			
30-015- 53279		13367	COTTON DRAW; BONE SPRING			
4 Property Code		5 Pr	operty Name	6 Well Number		
		176H				
7 OGRID No.		8 Op	perator Name	9 Elevation		
16696		OX	Y USA INC.	3359.7'		

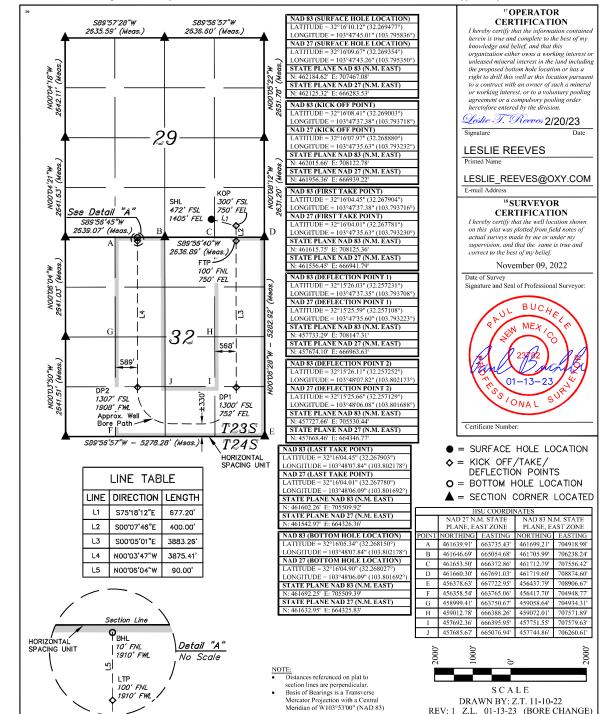
¹⁰ Surface Location

O 29 23S 31E 472 SOUTH 1405 EAST EDDY	UL or lot no. O	79	Township 23S	Range 31E	Lot Idn	Feet from the 472		Feet from the 1405	East/West line EAST	County EDDY
---------------------------------------	--------------------	----	-----------------	--------------	---------	----------------------	--	-----------------------	------------------------	----------------

"Bottom Hole Location If Different From Surface

UL or lot no. C	Section 32		ownship 23S	Range 31E	Lot Idn	Feet from the 10	North/South line NORTH	Feet from the 1910	East/West line EAST	County EDDY
12 Dedicated Acre 480	2S 1	³ Joint or	or Infill	14 Conso	lidation Code	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code				
30-015-53277		98236	WC-015 G-08 S233135D; WOLFCAMP			
4 Property Code		5 P ₁	operty Name	6 Well Number		
		VANAI	DIUM 32 STATE	5H		
7 OGRID No.		8 O	perator Name	9 Elevation		
16696		OX	Y USA INC.	3360.0'		

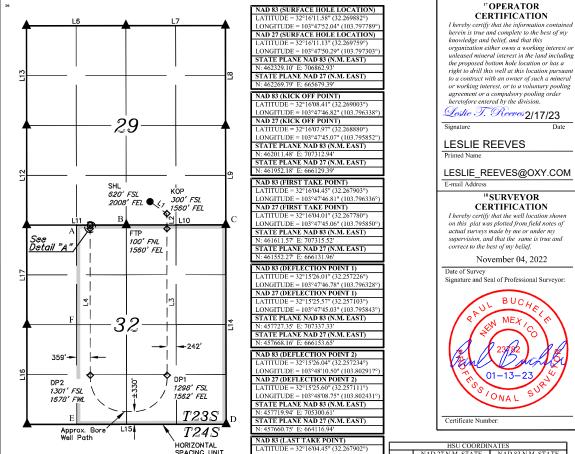
¹⁰ Surface Location

UL or lot no. Section Township Range Lot Idn Feet from t O 29 23S 31E 620	North/South line Feet from the East/West line County SOUTH 2008 EAST EDDY
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"Bottom Hole Location If Different From Surface

	UL or lot no. C	Section 32	Township 23S	Range 31E	Lot Idn	Feet from the 10	North/South line NORTH	Feet from the 1680	East/West line WEST	County EDDY
	12 Dedicated Acres 360		Joint or Infill	14 Conso	olidation Code	15 Order No.				
- 1	300	- 1		1		I				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



				SPACING	UNIT	
	LINE TAB	LE	LINE TABLE			
LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH	
L1	S54°32'43"E	550.92	L10	S89'56'40"W	2636.89°	
L2	S00°07'46"E	400.00'	L11	S89'56'45"W	2639.07	
L3	S00°04'53"E	3885.02	L12	N00°04'21"W	2641.53	
L4	N00°03'52"W	3881.95	L13	N00°04'18"W	2642.11	
L5	N00°06'04"W	90.00	L14	N00°06°28*W	5282.92	
L6	S89'57'28"W	2635.59	L15	S89'56'57"W	5278.28	
L7	S89'56'57"W	2636.60'	L16	N00°03'50"W	2641.51	
L8	N00°05'22"W	2651.78	L17	N00°06°04*W	2641.03°	
L9	N00'08'12"W	2631.20				

LATITUDE = 32°16'04.45" (32.267902°) LONGITUDE = 103°48'10.52" (103.8029 NAD 27 (LAST TAKE POINT) LATITUDE = 32°16'04.01" (32.267779°) LONGITUDE = 103°48'08.77" (103.802436' STATE PLANE NAD 83 (N.M. EAST) STATE PLANE NAD 27 (N.M. EAST) NAD 83 (TARGET BOTTOM HOLE) LATITUDE = 32°16'05.34" (32.268150° LONGITUDE = 103°48'10.52" (103.8029

LATITUDE = 103 '48' 103.2 (103.802922)
LATITUDE = 32°16'04.90" (32.268027°)
LONGITUDE = 103°48'08.77" (103.802436°) STATE PLANE NAD 83 (N.M. EAST) N: 461691.06' E: 705279.43'
STATE PLANE NAD 27 (N.M. EAST)
N: 461631.77' E: 664005.99'

HSU COORDINATES

NAD 27 N.M. STATE
PLANE, EAST ZONE

PLANE, EAST ZONE
PLANE, EAST ZONE ORTHING EASTING NORTHING EASTING 461639.91' 663735.43' 461699.21' 704918.98' Α 461639.91' 461646.69' 461660.30' 667691.03' 461719.60' 708874.60' D 456378.63' 667722.95' 456437.79' 708906.67 456358.54' 663765.06' 456417.70' 704948.77 458999.41' 663750.67' 459058.64' 704934.31'

= SURFACE HOLE LOCATION

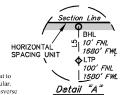
- = KICK OFF/TAKE/
- DEFLECTION POINTS = BOTTOM HOLE LOCATION
- = SECTION CORNER LOCATED



NOTE:

Distances referenced on plat to

section lines are perpendicular.
Basis of Bearings is a Transverse
Mercator Projection with a Central
Meridian of W103°53'00" (NAD 83)



No Scale

Released to Imaging: 6/27/2023 9:45:20 AM

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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015-5327 Number	² Pool Code 8236			
4 Property Code		Property Name 6 Well Nu .DIUM 32 STATE 1751		
⁷ OGRID No. 16696		erator Name 7 USA INC.	⁹ Elevation 3359.7'	

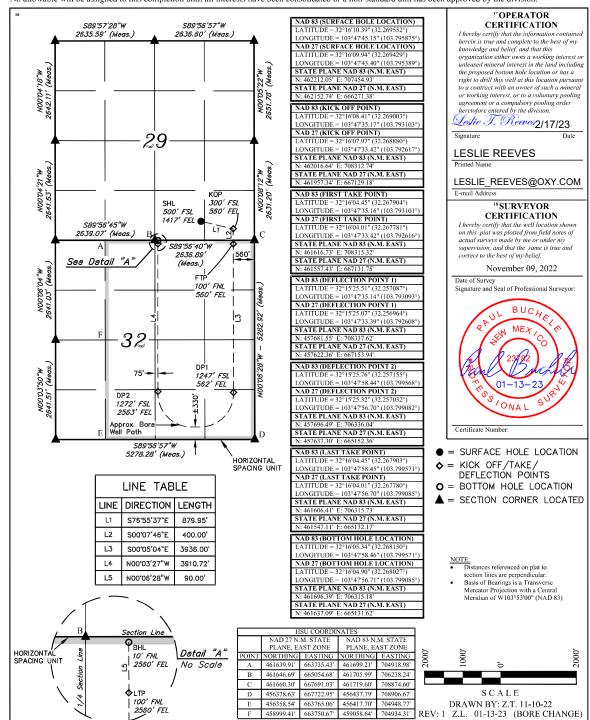
¹⁰ Surface Location

UL or lot no. O	Section 29	Township 23S	Range 31E	Lot Idn	Feet from the 500	North/South line SOUTH	Feet from the 1417	East/West line EAST	County EDDY

"Bottom Hole Location If Different From Surface

UL or lot no. C	Section 32	n	Township 23S	Range 31E	Lot Idn	Fe	eet from the 10	North/South line NORTH	Feet from the 2560	East/West line WEST	County EDDY
12 Dedicated Acre 480	es	¹³ Joi	int or Infill	14 Conso	lidation Code		15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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Phone: (5/5) /346-1265 Fax. (5/5) /46-5/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	r	² Pool Code	³ Pool Name		
30-015 53276	13	3367	COTTON DRAW; BONE SPRING		
4 Property Code		5 Pro	6 Well Number		
326058		VANAD	4H		
7 OGRID No.		8 Ope	9 Elevation		
16696		OXY	3359.5'		

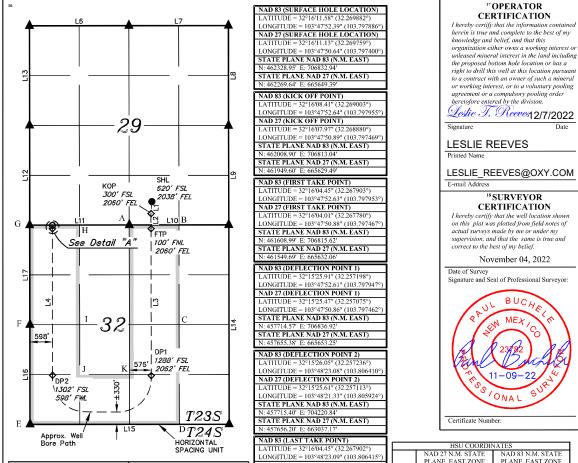
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	29	23S	31E		620	SOUTH	2038	EAST	EDDY

"Bottom Hole Location If Different From Surface

	UL or lot no. D	Section 32)n	Township 23S	Range 31E	Lot Idn	Feet from the 10	North/South line NORTH	Feet from the 600	East/West line WEST	County EDDY
ı	12 Dedicated Acre 360	es	¹³ Jo	int or Infill	14 Consc	lidation Code	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



NAD 27 (LAST TAKE POINT) LATITUDE = 32°16′04.00" (32.267779°) LONGITUDE = 103°48′21.34" (103.805929° STATE PLANE NAD 83 (N.M. EAST) STATE PLANE NAD 27 (N.M. EAST) NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°16'05.34" (32.268149°) LONGITUDE = 103°48'23.09" (103.806415° LONGITUDE = 103 48 23.39 (103.800413) NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°16'04.89" (32.268026°) LONGITUDE = 103°48'21.35" (103.805929°

STATE PLANE NAD 83 (N.M. EAST) N: 461685.52' E: 704199.66' STATE PLANE NAD 27 (N.M. EAST

	LINE TAB	LE	LINE TABLE				
LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH		
L1	S03°47'48"W	320.72	L10	S89'56'40"W	2636.89°		
L2	S00°07°46″E	400.00°	L11	S89°56'45"W	2639.07		
L3	S00°04'23"E	3895.22	L12	N00°04'21"W	2641.63		
L4	N00°03'53"W	3880.94	L13	N00°04°18°'W	2642.11		
L5	N00°06'04"W	90.00"	L14	N00°06′28″W	5282.92'		
L6	S89*57*28**W	2635.59'	L15	S89*56'57"W	5278.28'		
L7	S89'56'57"W	2636.60	L16	N00°03'50"W	2641.51		
L8	N00°05'22*W	2651.78	L17	N00°06°04″W	2641.03°		
L9	N00°08'12*W	2631.20		•			

l —	NAD 27 N.		NAD 83 N.	
	PLANE, E		PLANE, E	
POINT	NORTHING	EASTING	NORTHING	EASTING
Α	461646.69'	665054.68'	461705.99'	706238.24'
В	461653.50'	666372.86'	461712.79'	707556.42'
С	459012.78'	666388.26'	459072.01'	707571.89'
D	456371.93'	666403.65'	456431.09'	707587.37'
Е	456351.84'	662445.76'	456411.00'	703629.47'
F	458992.73'	662431.83'	459051.96'	703615.46'
G	461633.14'	662416.17'	461692.43'	703599.72'
Н	461639.91'	663735.43'	461699.21'	704918.98'
I	458999.41'	663750.67'	459058.64'	704934.31'
J	457678.98'	663757.87'	457738.17'	704941.54
К	457685.67'	665076.94'	457744.86'	706260.611

● = SURFACE HOLE LOCATION

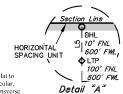
- = KICK OFF/TAKE/ DEFLECTION POINTS
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



NOTE:

Distances referenced on plat to

section lines are perpendicular.
Basis of Bearings is a Transverse
Mercator Projection with a Central
Meridian of W103°53'00" (NAD 83)



<u>Detail</u> "A" No Scale

1/13/2023 11:12:29 by OCD:

5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713-497-2503 Steven_Leung@oxy.com

3/9/2023

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Re: Application for Amendment to Pool and Lease Commingle Permit and Off-lease Measurement, Sales, & Storage for Wells at the Pure Gold Battery in Eddy County, New Mexico.

Dear Interest Owner:

This is to advise you that OXY USA INC is filing an amendment to Order CTB-987 for surface commingling at the Pure Gold Battery. A copy of the application submitted to the Division is attached.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact Steven Leung at 713-497-2503.

Respectfully,

OXY USA INC

Steven Leung

Regulatory Engineer

Steven_Leung@oxy.com

Company Name	Name	Address Line 1	City	State	ZIP	PIC	Mailing Date
COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	P O BOX 1148	SANTA FE	NM	87504	87504 _9414811898765836896647	3/9/2023
	SUNSET PRODUCTION CORPORATION	P O BOX 2239	GEORGETOWN	TX	78627	_9414811898765836896630	3/9/2023

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005592108 This is not an invoice

OXY USA INC 5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

02/15/2023

Notice of Application for Surface Commingling OXY USA INC located at 5 OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD to amend surface commingle permit CTB-987 for oil production at the Pure Gold CTB Train 3. The facility is located in Eddy County, Seclocated in Eddy County, Section 29 T23S-R31E. Wells going to this train are located in Section 29, 31, and 32 in T23S-R31E. Production is from the Cotton Draw; Bone Spring and WC-015 G-08 \$233135D; WOLFCAMP. Pursuant 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the ter publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Steven Leung at 713-

Current Argus,

497-2503. #5592108,

Feb. 15, 2023

Subscribed and sworn before me this February 15,

2023:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

SHELLY HORA Notary Public

State of Wisconsin

Ad # 0005592108 PO#: PURE GOLD # of Affidavits 1

This is not an invoice

From: McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD

To: Leung, Steven A; Musallam, Sandra C; Fortier, Eric

Cc: McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Dawson, Scott; Lamkin, Baylen L.

Subject: Approved Administrative Order PLC-897

Date: Tuesday, June 27, 2023 8:04:38 AM

Attachments: PLC897 Order.pdf

NMOCD has issued Administrative Order PLC-897 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool	
30-015-47433	Vanadium 32 State #171H	W/2 W/2	32-23S-31E	98236	
30-015-53277	Vanadium 32 State Com #5H	E/2 W/2, E/2	32-23S-31E	98236	
30-015-53278	Vanadium 32 State Com #175H	E/2 W/2, E/2	32-23S-31E	98236	
30-015-53276	Vanadium 32 State Com #4H	W/2 W/2, W/2 E/2	32-23S-31E	13367	
30-013-33270	vanadium 32 State Com #411	SE/4 SW/4	32-238-31E	13307	
30-015-53279	Vanadium 32 State Com #176H	E/2 W/2, E/2 E/2	32-23S-31E	13367	
30-013-33279	v anadium 32 State Com #17011	SW/4 SE/4	32-238-31E	13307	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210

District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

1220 S. St Francis Dr, Santa Fe, NM

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION I	FOR SURFACE (COMMINGLING	G (DIVERSE (OWNERSHIP)	
OPERATOR NAME: OXY US.	A INC.				
OPERATOR ADDRESS: PO BOX	4294, HOUSTON, Tኦ	Κ, 77210			
APPLICATION TYPE:					
☐ Pool Commingling ☐ Lease Comminglin	g ☑Pool and Lease Cor	nmingling Off-Lease	Storage and Measure	ement (Only if not Surface	Commingled)
LEASE TYPE:	State Fede	ral			
Is this an Amendment to existing Order			he appropriate O	rder No. CTB-987	,
Have the Bureau of Land Management (☐ Yes ☐ No					
		L COMMINGLINGS with the following in			
	Gravities / BTU of	Calculated Gravities /		Calculated Value of	
(1) Pool Names and Codes	Non-Commingled Production	BTU of Commingled Production		Commingled Production	Volumes
SEE ATTACHED					
		1			
		1			
		1			
 (2) Are any wells producing at top allowal (3) Has all interest owners been notified by (4) Measurement type: Metering [(5) Will commingling decrease the value of 	y certified mail of the pro Other (Specify) WELI	TEST	☑Yes □No.	ng should be approved	
	(B) LEAS	SE COMMINGLIN	G		
		s with the following ir			
(1) Pool Name and Code.					
(2) Is all production from same source of s					
(3) Has all interest owners been notified by (4) Measurement type: Metering		oosed commingling?	∐Yes ∐No)	
L					
	` '	LEASE COMMIN s with the following in			
(1) Complete Sections A and E.					
(L		ORAGE and MEA ets with the following			
(1) Is all production from same source of s	11 /	0			
(2) Include proof of notice to all interest o	wners.				
(E) AF	DITIONAL INFO	DM A TION (for all	annlication to	maa)	
	Please attach sheet	RMATION (for all s with the following in		pes)	
 (1) A schematic diagram of facility, included (2) A plat with lease boundaries showing at the lease Names, Lease and Well Number 	all well and facility locati	ons. Include lease numbe	ers if Federal or Stat	e lands are involved.	
I hereby certify that the information above is	true and complete to the	best of my knowledge an	d belief.		
SIGNATURE: Hanglang.	TITLE: REGULATORY	'ENGINEER	DATE: 3/9/2	2023	

TELEPHONE NO.: 713-497-2503

TYPE OR PRINT NAME: STEVEN LEUNG

E-MAIL ADDRESS: Steven_Leung@oxy.com

eived by OCD: 3/10/2	023 12:00:12 AM			Page 1 Revised March 23, 2017
RECEIVED:	REVIEWER:	TYPE:	APP NO:	
	- Geologia	above this table for occiding the constant of	ATION DIVISION g Bureau –	· STOP MEN WORK
TLIC	ADMINISTR CHECKLIST IS MANDATORY FOR AL	ATIVE APPLICATION		DIVISIONI DI II ES AND
11113		QUIRE PROCESSING AT THE		
Applicant: <u>OXY U</u>	ISA INC.		OGRII	Number: <u>16696</u>
Vell Name: <u>VAN</u>	ADIUM 32 STATE #171H &	MULTIPLE	API: <u>30</u>	-015-47433 & MULTIPLE
ool: <u>WC-015 G-08</u>	S233135D; WOLFCAMP & M	<u>IULTIPLE</u>	Pool C	ode: 98236 & MULTIPLE
SUBMIT ACCUR	ATE AND COMPLETE INF	ORMATION REQUI		HE TYPE OF APPLICATION
A. Location	ICATION: Check those n – Spacing Unit – Simult NSL NSP _{(PR}	aneous Dedicatio		D
[1] Com [one only for [1] or [11] nmingling – Storage – M DHC DCTB PI ction – Disposal – Pressu WFX PMX S	_C □PC □C ire Increase – Enha	LS LIOUN	
•	N REQUIRED TO: Check t operators or lease hol	,		FOR OCD ONLY Notice Complete
B. ■ Roya C. Appli	Ity, overriding royalty ovication requires publishe	wners, revenue ow ed notice		Application Content
E. 🗍 Notifi	cation and/or concurre cation and/or concurre ce owner			Complete
G. For a	ll of the above, proof o otice required	f notification or pu	blication is attach	ed, and/or,
administrative understand the	N: I hereby certify that a paperoval is accurate and the notate and the properties of the Diverse submitted to the Divers	and complete to t ken on this applica	he best of my kno	wledge. I also
N	lote: Statement must be comple	ted by an individual with	managerial and/or supe	ervisory capacity.
			3/9/2023	
STEVEN LEUNG			Date	
Print or Type Name		-	712 407 2502	
			713-497-2503	
			Phone Number	

STEVEN_LEUNG@OXY.COM

e-mail Address

Released to Imaging: 6/27/2023 9:45:20 AM

Signature

APPLICATION FOR POOL COMMINGLE & OFF-LEASE STORAGE, MEASUREMENT AND SALES Commingling proposal for the PURE GOLD CTB / TRAIN 3

OXY USA INC respectfully requests approval of a pool commingle and off-lease storage, measurement, and sales at the PURE GOLD CTB / TRAIN 3 (Eddy County, Section 29 T23S-R31E). This is an amendment to CTB 987.

Vanadium 32 State 4H, Vanadium 32 State 5H, Vanadium 32 State 175H, and Vanadium 32 State 176H are being added to the Pure Gold CTB Train 3.

This commingle permit request includes the existing and future wells of the leases/CAs and pools listed below.

	EXISTING								
POOL CODE: 98236 / POOL NA	ME: WC-015 G	-08 S233135D; '	WOLFCAMP						
COMMUNITIZATION AGREEM	ENT 50% L0644	21 and 50% V0	35892						
WELL NAME	API NO.	LOCATION	DATE ONLINE	BOPD	OIL GRAVITY	SCFPD	BTU/CF	BWPD	
Vanadium 32 State #171H	30-015-47433	A-31-23S-31E	Apr-2021	136	46	207	1380	335	
TO BE ADDED									
POOL CODE: 98236 / POOL NAME: WC-015 G-08 S233135D; WOLFCAMP									
COMMUNITIZATION AGREEMENT 50% L064421 and 50% V035892									
WELL NAME	API NO.	LOCATION	EST DATE ONLINE	BOPD	OIL GRAVITY	SCFPD	BTU/CF	BWPD	
Vanadium 32 State #5H	30-015-53277	O-29-23S-31E	Jul-2023	816	46	1877	1380	1836	
Vanadium 32 State #175H	30-015-53278	O-29-23S-31E	Jul-2023	816	46	1877	1380	1836	
POOL CODE: 13367 / POOL NA	ME: COTTON D	RAW; BONE SI	PRING						
COMMUNITIZATION AGREEM	ENT 44% L0644	21 and 56% V0	35892						
WELL NAME	API NO.	LOCATION	EST DATE ONLINE	BOPD	OIL GRAVITY	SCFPD	BTU/CF	BWPD	
Vanadium 32 State #4H	30-015-53276	O-29-23S-31E	Jul-2023	1801	46	3060	1380	2809	
Vanadium 32 State #176H	30-015-53279	O-29-23S-31E	Jul-2023	1801	46	3060	1380	2809	
*Estimated six month product	ion for wells to	be added							

Process Description:

The existing production at Pure Gold Train 3 will continue to be sent through a dedicated 6'x20' three-phase separator. The oil will continue to the existing 6'x20' heater treater (HT) before being sent to the new vapor recovery tower (VRT).

New production at Pure Gold Train 3 will flow through the new inlet header and sent to the new 10'x40' three-phase production separator or the new 6'x20' three-phase test separator for well test. The combined oil header will be sent to a new 6'x20' HT and VRT. Combined existing and new production oil will be sent to two LACT meters. A truck load is set up at the facility for use as back up.

Oil and gas production will be allocated back to each well based on well test. For testing purposes, Train 3 will be equipped with one permanent 6' x 20' three-phase test separator for the Vanadium wells to be added. The existing Vanadium well flows to an individual 6' X 10' three-phase test separator. Each test vessel will be equipped with oil turbine meters, gas orifice meters and water turbine meters.

All wells will be tested daily prior to Range 1 of decline and will be tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells will be tested at least twice per month. Wells will be tested at least once per month when Range 3 of decline is started.

Gas meters off the production separator and two test separators serve as the gas FMPs for Train 3 for the purpose of BLM royalty payment. Gas is then sent to one of two $5' \times 10'$ gas scrubbers, and then sent to sales. Gas is allocated from the sum of the gas FMP meters to each well based on the aforementioned well tests. Gas commingling will be handled through PLC-749C.

All water will be sent to the Sand Dunes Water Disposal System.

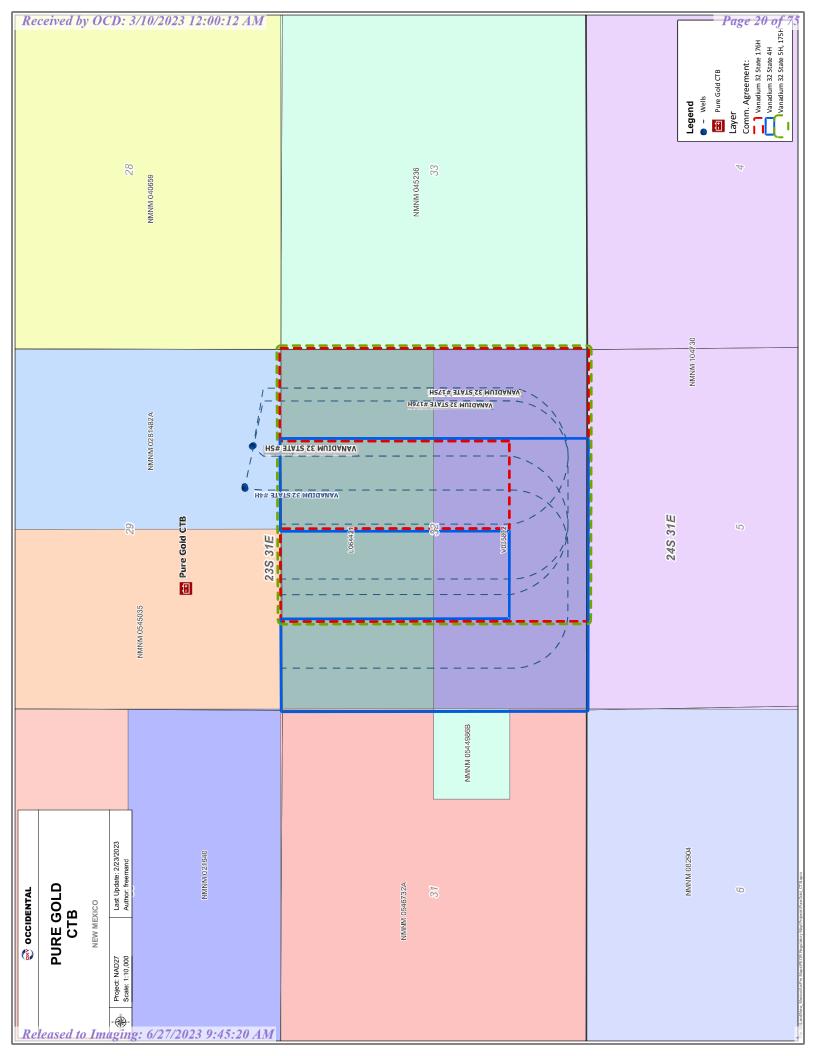
Additional Application Components:

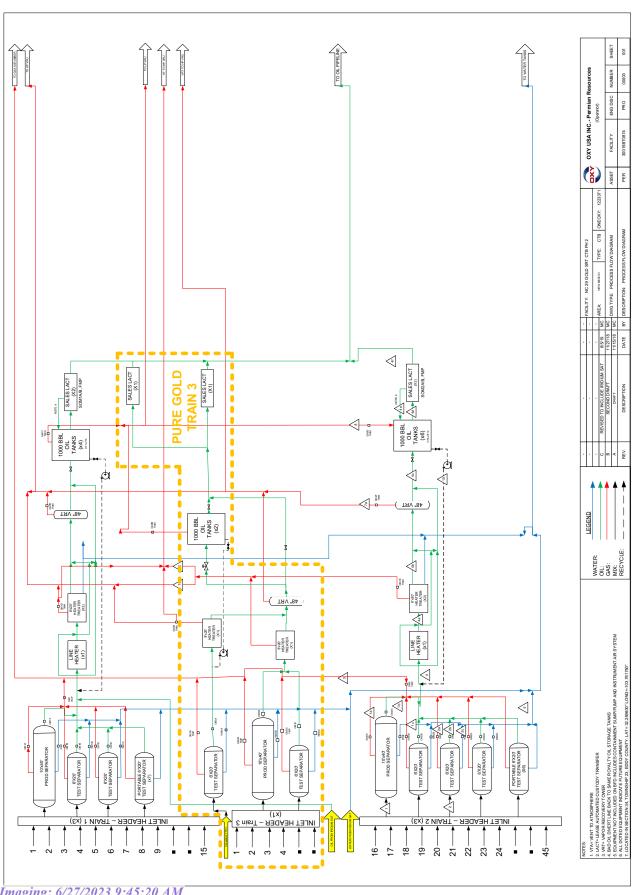
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

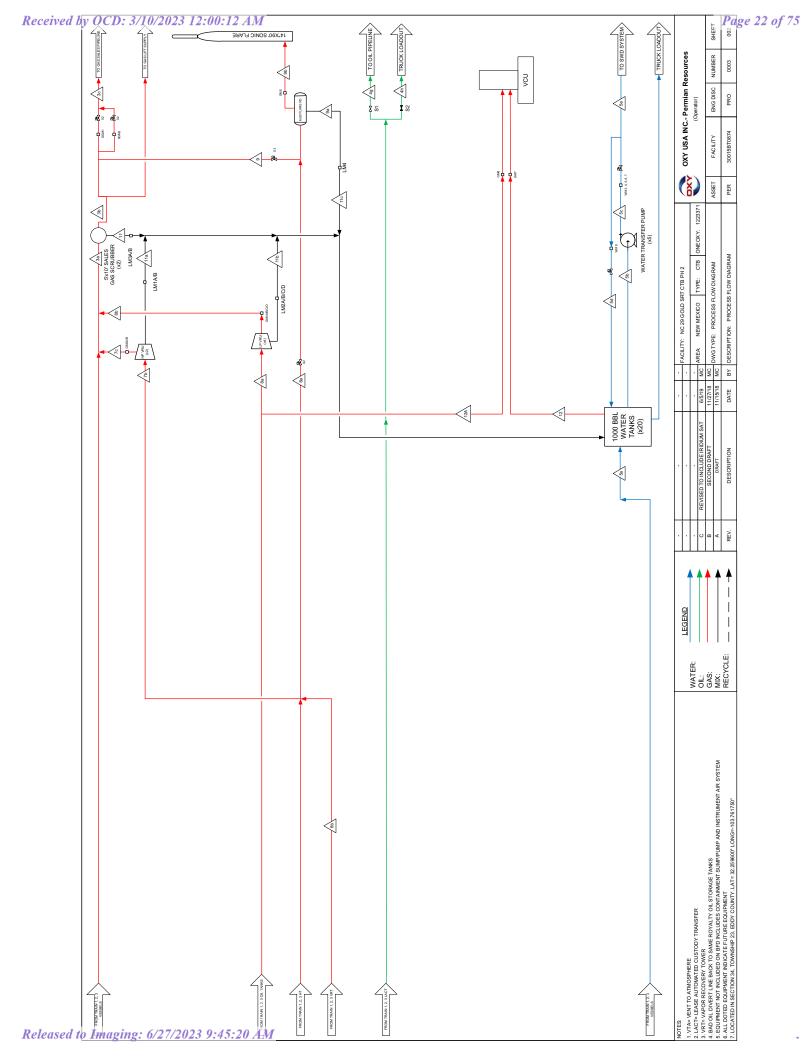
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves. The surface commingle application will be submitted separately for approval per NMOCD and BLM regulations.

OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.







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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Phone: (5/5) /346-1265 Fax. (5/5) /46-5/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

REV: 1 Z.L. 01-13-23 (BORE CHANGE)

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code	³ Pool Name	
30-015- 53279		13367	COTTON DRAW; BONE SPRING	
4 Property Code		5 Pr	operty Name	6 Well Number
		VANAI	DIUM 32 STATE	176H
7 OGRID No.		8 O _I	perator Name	9 Elevation
16696		OX	Y USA INC.	3359.7'

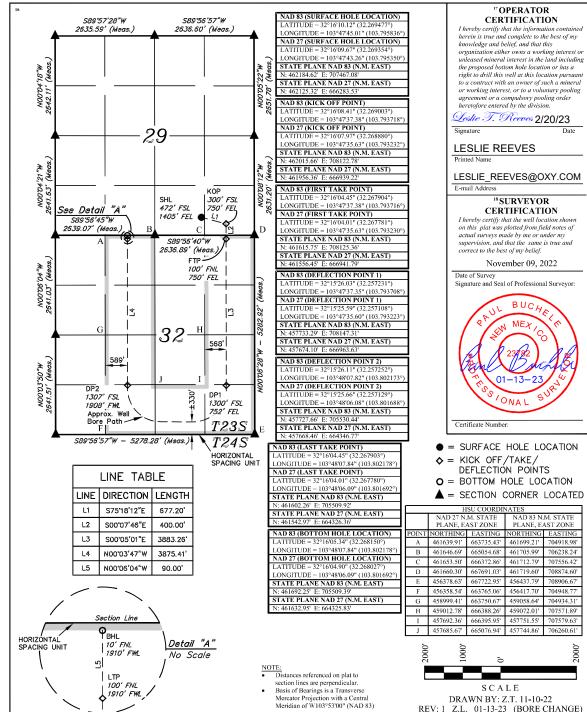
¹⁰ Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the O 29 23S 31E 472	North/South line Feet from the East/West line County
---	--

"Bottom Hole Location If Different From Surface

	UL or lot no. C	Sectio 32	n	Township 23S	Range 31E	Lot Idn	Feet from t	he	North/South line NORTH	Feet from the 1910	East/West line EAST	County EDDY	
ſ	12 Dedicated Acre 480	es	¹³ Jo	int or Infill	14 Conso	olidation Code	15 Orde	r No.					1

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Phone: (5/5) /346-1265 Fax. (5/5) /46-5/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number			³ Pool Name				
30-015-53277	98236	98236 WC-015 G-08 S233135D; WOLFCAMP					
4 Property Code		5 Property Name					
		VANADIUM 32 STATE					
7 OGRID No.		8 Operator Name					
16696		OXY USA INC.					

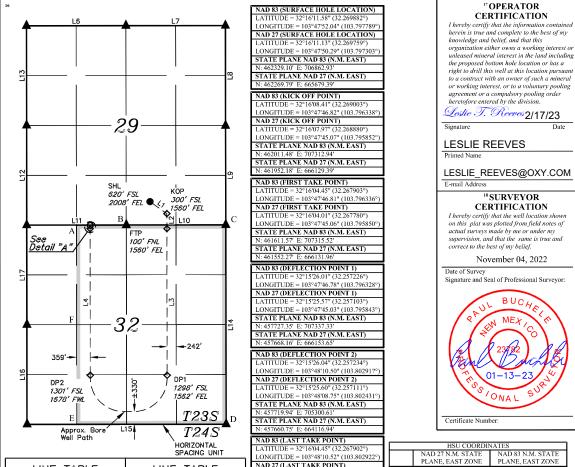
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	29	23S	31E		620	SOUTH	2008	EAST	EDDY

"Bottom Hole Location If Different From Surface

	UL or lot no. C	Sectio 32	n	Township 23S	Range 31E	Lot Idn	Fe	et from the 10	North/South line NORTH	Feet from the 1680	East/West line WEST	County EDDY
ſ	12 Dedicated Acre 360	es	¹³ Joi	int or Infill	14 Conso	lidation Code		15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



				3F ACING	OTELL		
	LINE TAB	LE	LINE TABLE				
LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH		
L1	S54°32'43"E	550.92	L10	S89'56'40"W	2636.89°		
L2	S00°07'46"E	400.00'	L11	S89'56'45"W	2639.07		
L3	S00°04'53"E	3885.02	L12	N00°04'21"W	2641.53		
L4	N00°03'52"W	3881.95	L13	N00°04'18"W	2642.11		
L5	N00°06'04"W	90.00	L14	N00°06°28*W	5282.92		
L6	S89'57'28"W	2635.59	L15	S89'56'57"W	5278.28		
L7	S89'56'57"W	2636.60	L16	N00°03'50"W	2641.51		
L8	N00°05'22"W	2651.78	L17	N00°06°04°W	2641.03°		
L9	N00'08'12"W	2631.20	_				

LATITUDE = 32°16'04.45" (32.267902°) LONGITUDE = 103°48'10.52" (103.8029 NAD 27 (LAST TAKE POINT) LATITUDE = 32°16'04.01" (32.267779°) LONGITUDE = 103°48'08.77" (103.802436' STATE PLANE NAD 83 (N.M. EAST) STATE PLANE NAD 27 (N.M. EAST) NAD 83 (TARGET BOTTOM HOLE) LATITUDE = 32°16'05.34" (32.268150° LONGITUDE = 103°48'10.52" (103.8029 LATITUDE = 103 '48' 103.2 (103.802922)
LATITUDE = 32°16'04.90" (32.268027°)
LONGITUDE = 103°48'08.77" (103.802436°)

STATE PLANE NAD 83 (N.M. EAST) N: 461691.06' E: 705279.43'
STATE PLANE NAD 27 (N.M. EAST)
N: 461631.77' E: 664005.99'

ORTHING EASTING NORTHING EASTING 461639.91' 663735.43' 461699.21' 704918.98' Α 461639.91' 461646.69' 461660.30' 667691.03' 461719.60' 708874.60' D 456378.63' 667722.95' 456437.79' 708906.67 456358.54' 663765.06' 456417.70' 704948.77 458999.41' 663750.67' 459058.64' 704934.31'

= SURFACE HOLE LOCATION

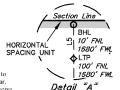
- = KICK OFF/TAKE/ DEFLECTION POINTS
- = BOTTOM HOLE LOCATION
- = SECTION CORNER LOCATED



NOTE:

Distances referenced on plat to

section lines are perpendicular.
Basis of Bearings is a Transverse
Mercator Projection with a Central
Meridian of W103°53'00" (NAD 83)



Detail "A" No Scale

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztee, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015-5327 Sumber	² Pool Code 3236	
4 Property Code	⁵ Pro VANAD	⁶ Well Number 175H
⁷ OGRID No. 16696	8 Ope OXY	⁹ Elevation 3359.7'

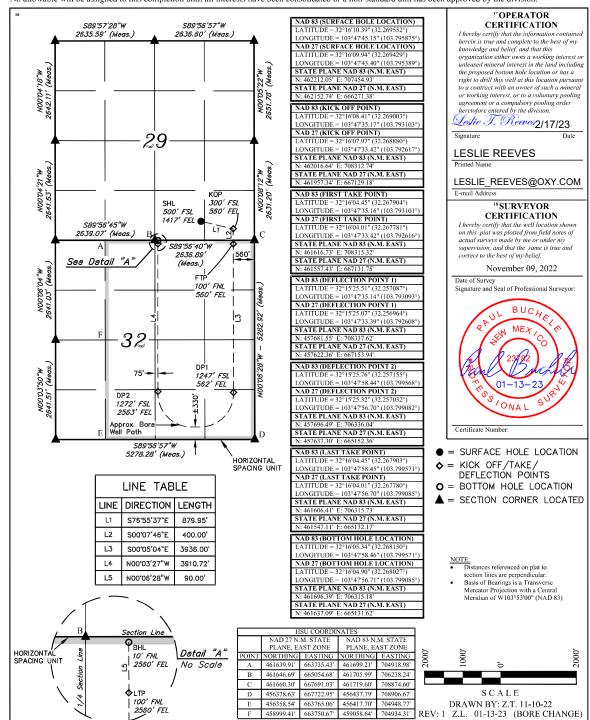
¹⁰ Surface Location

	UL or lot no. O	Section 29	Township 23S	Range 31E	Lot Idn	Feet from the 500	North/South line SOUTH	Feet from the 1417	East/West line EAST	County EDDY
D										

"Bottom Hole Location If Different From Surface

UL or lot	0.	Section 32		Township 23S	Range 31E	Lot Idn	Fe	et from the 10	North/South line NORTH	Feet from the 2560	East/West line WEST	County EDDY
12 Dedicate 48		s	¹³ Jo	int or Infill	14 Conso	lidation Code		15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Pictoric III

Phone: (5/5) /346-1265 Fax. (5/5) /46-5/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	r	² Pool Code	³ Pool Name				
30-015 53276	13	3367	COTTON DRAW; BONE SPRING				
4 Property Code		5 Pro	6 Well Number				
326058		VANAD	4H				
7 OGRID No.		8 Ope	9 Elevation				
16696		OXY	3359.5'				

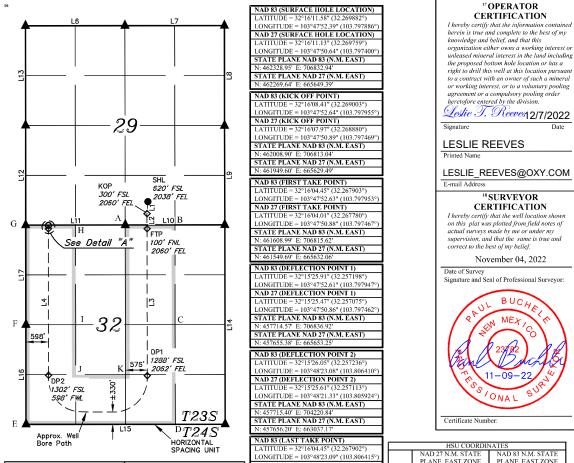
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	29	23S	31E		620	SOUTH	2038	EAST	EDDY

"Bottom Hole Location If Different From Surface

	UL or lot no. D	Section 32)n	Township 23S	Range 31E	Lot Idn	Feet from the 10	North/South line NORTH	Feet from the 600	East/West line WEST	County EDDY
ı	12 Dedicated Acre 360	es	¹³ Jo	int or Infill	14 Consc	lidation Code	15 Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



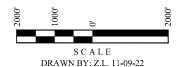
STATE PLANE NAD 83 (N.M. EAST) N: 461685.52' E: 704199.66' STATE PLANE NAD 27 (N.M. EAST)

	LINE TAB	LE	LINE TABLE		
LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH
L1	S03°47'48"W	320.72	L10	S89'56'40"W	2636.89°
L2	S00°07°46″E	400.00°	L11	S89°56'45"W	2639.07°
L3	S00°04'23"E	3895.22	L12	N00°04'21"W	2641.63
L4	N00°03'53"W	3880.94	L13	N00°04°18°W	2642.11
L5	N00°06'04"W	90.00"	L14	N00°06′28″W	5282.92'
L6	S89*57*28**W	2635.59'	L15	S89*56'57"W	5278.28'
L7	S89'56'57"W	2636.60'	L16	N00°03'50"W	2641.51
L8	N00°05'22*W	2651.78	L17	N00°06°04″W	2641.03°
L9	N00°08'12"W	2631.20°			

LATITUDE = 32°16'04.45" (32.267902°)		HSC COORDINATES				
LONGITUDE = 103°48'23.09" (103.806415°)	H		NAD 27 N.M. STATE PLANE, EAST ZONE		NAD 83 N.M. STATI PLANE, EAST ZONI	
NAD 27 (LAST TAKE POINT)	П					
LATITUDE = 32°16'04.00" (32.267779°)	Ш	POINT	NORTHING	EASTING	NORTHING	EASTING
LONGITUDE = 103°48'21.34" (103.805929°)		Α	461646.69'	665054.68'	461705.99'	706238.24'
STATE PLANE NAD 83 (N.M. EAST)		В	461653.50'	666372.86'	461712.79'	707556.42'
N: 461595.53' E: 704200.19'		С	459012.78'	666388.26'	459072.01'	707571.89'
STATE PLANE NAD 27 (N.M. EAST)		D	456371.93'	666403.65'	456431.09'	707587.37'
N: 461536.24' E: 663016.64'	ı	Е	456351.84'	662445.76'	456411.00'	703629.47'
NAD 83 (BOTTOM HOLE LOCATION)		F	458992.73'	662431.83'	459051.96'	703615.46'
LATITUDE = 32°16'05.34" (32.268149°)		G	461633.14'	662416.17'	461692.43'	703599.72'
LONGITUDE = 103°48'23.09" (103.806415°) NAD 27 (BOTTOM HOLE LOCATION)	l	Н	461639.91'	663735.43'	461699.21'	704918.98'
LATITUDE = 32°16'04.89" (32.268026°)	П	I	458999.41'	663750.67'	459058.64'	704934.31'
LONGITUDE = 103°48'21.35" (103.805929°)		J	457678.98'	663757.87'	457738.17'	704941.54'
STATE PLANE NAD 83 (N.M. EAST)	П	К	457685.67'	665076.94'	457744.86'	706260.61'
N: 461685.52' E: 704199.66'	ľ					

SURFACE HOLE LOCATION

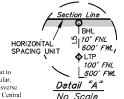
- = KICK OFF/TAKE/ DEFLECTION POINTS
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



NOTE:

Distances referenced on plat to

section lines are perpendicular.
Basis of Bearings is a Transverse
Mercator Projection with a Central
Meridian of W103°53'00" (NAD 83)



1/13/2023 11:12:29 by OCD:

5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713-497-2503 Steven_Leung@oxy.com

3/9/2023

<u>CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

Re: Application for Amendment to Pool and Lease Commingle Permit and Off-lease Measurement, Sales, & Storage for Wells at the Pure Gold Battery in Eddy County, New Mexico.

Dear Interest Owner:

This is to advise you that OXY USA INC is filing an amendment to Order CTB-987 for surface commingling at the Pure Gold Battery. A copy of the application submitted to the Division is attached.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact Steven Leung at 713-497-2503.

Respectfully,

OXY USA INC

Steven Leung

Regulatory Engineer

Steven_Leung@oxy.com

Company Name	Name	Address Line 1	City	State	ZIP	PIC	Mailing Date
COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	P O BOX 1148	SANTA FE	NM	87504	_9414811898765836896647	3/9/2023
	SUNSET PRODUCTION CORPORATION	P O BOX 2239	GEORGETOWN	ΤX	78627	_9414811898765836896630	3/9/2023

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005592108 This is not an invoice

OXY USA INC 5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

02/15/2023

Notice of Application for Surface Commingling
OXY USA INC located at 5
Greenway Plaza, Suite 110
Houston TX 77046 is applying to the NMOCD to amend surface commingle permit CTB-987 for oil production at the Pure Gold CTB Train 3. The facility is located in Eddy County, Section 29 T23S-R31E. Wells going to this train are located in Section 29, 31, and 32 in T23S-R31E. Production is from the Cotton Draw; Bone Spring and WC-015 G-08 S233135D; WOLFCAMP. Pursuant to NMAC 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application. For questions pertaining to the application, please contact Steven Leung at 713-

Current Argus,

497-2503. #5592108,

Feb. 15, 2023

Legal Clerk

Subscribed and sworn before me this February 15,

2023:

State of WI, County of Brown

NOTARY PUBLIC

5-13

My commission expires

SHELLY HORA Notary Public State of Wisconsin

Ad # 0005592108 PO #: PURE GOLD # of Affidavits1

This is not an invoice

NM State Land Office Oil, Gas, & Minerals Division STATE/STATE OR STATE/FEE Revised March 2017

COMMUNITIZATION AGREEMENT

KNOW ALL MEN BY THESE PRESEN	ONLINE Version	Vanadium 32 S	State #171H
	115: Well Name:	API #: 30 - 15	
STATE OF NEW MEXICO) ss)		API#: 30 - 13	4/433

COUNTY OF Eddy)

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered March 1st , 20 21, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

Wolfcamp WHEREAS, said leases, insofar as they cover the formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

> State/State State/Fee





NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

The lands covered by this agreement (hereinafter referred to as the "communitized area") 1. are described as follows:

Subdivisions W/2W/2

Of Sect(s) 32 Twnshp **23S** Rng 31E **NMPM** Eddy County, NM

containing 160 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and/or depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 4, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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ONLINE version

State/State

State/Fee

March, 2017

4.	OXY USA Inc.	shall be the Operator	of the said communitized area a	nd
all	matters of operation shall be determine		OXY USA Inc.	

- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be

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State/State

State/Fee

terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

2021 OCT 25 AH 9:28

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OPERATOR: OXY USA Inc. BY: John V. Schneider, Attorney-in-fact Name and Title of Authorized Agent Signature of Authorized Agent Acknowledgment in an	Individual Canacity
State of)	
County of SS)	
This instrument was acknowledged before me on	Date
Ву	
Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an Ro	epresentative Capacity
State of Texas	
County of Harris)	
This instrument was acknowledged before me on	October 7,2021 Date
By JOHN V. SCHNEIDER as Attorney-In-Fact of OXY USA Inc., a Delaware corp.	
Name(s) of Person(s)	
	1 John 1 Oto
(Seal DELEENA D. LANG Notary Public, State of Texas	Signature of Notarial Officer
Comm. Expires 02-18-2022 Notary ID 128179978	My commission expires:
Motaly ID 1201700	

Received by OCD: 3/10/2023 12:00:12 AM

Received by OCD: 3/10/2023 12:00:12 AM

				2021
LEASE#: LO	6442-0001			ect
LESSEE OF F	RECORD: EO	G RESOURCES	INC.	2021 OCT 25
	Fille of Authorized Age	Agent a Atbroom	n-fact	5 AH 9: 28
Signature of Authoriz	zed Agent	_ 0		Ø
	Ac	knowledgment in an	Individual Capacity	
State of County of) SS))		
This instrume By Matthe	ent was acknow w W Snith	ledged before me on S	eptember 29,205 1-in tad, on behalt	of EDG Resources, Inc
Namc(s)	of Person(s)		han C	Onda.
The state of the s	Notary P	ACY JORDAN Public, State of Texas Expires 10-17-2023 ry ID 132215854	My commission expires:	Signature of Notarial Officer 0-17-2023
	Ackn	owledgment in an Re	presentative Capacit	y
State of	TEXAS) SS)		
County of	HARRIS)		
This instrume	ent was acknow	ledged before me on		Date
·	eIDER as Attorney-In-Fac of Person(s)	t of OXY USA Inc., a Delaware corpo	oration, on behalf of said corporation	
	(Seal)			Signature of Notarial Officer
			My commission expires: _	02/18/2022
ONLINE version	3	State/State		
March, 2017		State/Fee		6

State/Fee

V0 3580-0002	20.100
LEASE #:	725
LESSEE OF RECORD: OXY USA INC	·
BY: Name & Title of Authorized Agent Signature of Authorized Agent Acknowledgment in an	Attorney -In-Force 9.28
A A A A A A A A A A A A A A A A A A A	a morradai Capacity
State of)	
County of SS)	
This instrument was acknowledged before me on	Date
Ву	
Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an F State of TEXAS	Representative Capacity
SS)	
County of HARRIS)	
This instrument was acknowledged before me on	October 7.2031 Date
By JOHN V. SCHNEIDER as Attorney-In-Fact of OXY USA Inc., a Detaware con	poration, on behalf of said corporation.
Name(s) of Person(s) DELEENA D. LANG (Seally Public, State of Texas) Comm. Expires 02-18-2022 Notary ID 128179978	Signature of Notarial Officer My commission expires: 02/18/2022

ONLINE version

State/State

March, 2017

Received by OCD: 3/10/2023 12:00:12 AM

State/Fee

6

Received by OCD: 3/10/2023 12:00:12 AM

March, 2017

7

EXHIBIT A Attached to and made a part of that Communitization Agreement dated by and between OXY USA Inc. company and EOG Resources, OXY USA Inc.					
the Subdivisions W/2W/2	,				
	≷nge 31E	, NMPN	1 Edd	l y Cou	nty, NM
Limited in depth from ft to	ft. (enter l	nere what is g	ranted in poo	oling order if	
applicable)					
OPERATOR of Communitized Area:	OXY U	ISA Inc.			
DESCRIPTION OF LEASES COMM	AITTED:				
TRACT NO. 1 Lessor:	tate of New	Mexico			
Lessee of Record: EOG Resourc	es				
Serial No. of Lease: L0-6442	Date of	Lease:	August 1,	1971	
Description of Lands Committed:					
Subdivisions: W/2NW/4					2021 OCT
Sect 32 Twnshp 235 Rng	31E	NMPM	Eddy	County NM	
No. of Acres: 80			-		25
					5
TRACT NO. 2					<u>ب</u> 2
Lessor: State of New Mexico					8
Lessee of Record: OXY USA In	ıc.				
Serial No. of Lease: V0-3589	Date of l	Lease:	March 1, 1	1991	
Description of Lands Committed:			,		
Subdivisions: W/2SW/4					
Sect 32 Twnshp 23S Rng	31E	NMPM	Eddy	County NM	
No. of Acres: 80			-	-	
ONLINE version	State/State				7

State/Fee

Received by OCD: 3/10/2023 12:00:12 AM

TRACT NO. 3

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

TRACT NO. 4

Lessor:

Lessee of Record:

Serial No. of Lease:

Date of Lease:

Description of Lands Committed:

Subdivisions:

Sect

Twnshp

Rng

NMPM

County NM

No. of Acres:

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest in Communitized Area	2021
No. 1	80	50.00%	1007
No. 2	80	50.00%	25
No. 3			2
No. 4			က်
TOTAL	160	100.00%	28

ONLINE version

State/State

March, 2017

State/Fee

3

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

OXY USA Inc
Vanadium 32 State #171H
Wolfcamp
Township: 23 South, Range: 31 East, NMPM
Section 32: W2W2

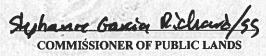
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated March 1, 2021, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 30th day of November, 2021.



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of the State of New Mexico

NM State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:	API #: 30-0 <u>15</u> <u>-</u> <u>53278</u>
STATE OF NEW MEXICO) Well Name: Vanadium 32 Sta	te #175H
COUNTY OF Eddy)	
THAT THIS AGREEMENT [which is NOT to be used for car into as of (date before 1 st production) April 1st , 2 subscribing, ratifying or consenting hereto, such parties herein hereto";	2023, by and between the parties

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Wolfcamp formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version
December 9, 2021

State/State

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2W/2, E/2	
0f Sect(s): 32 Twp: 23S Rng:32E NMPM Eddy	County, NM
Containing 480 acres, more or less. It is the judgment of the parties hereto that the	3
communitization, pooling and consolidation of the aforesaid land into a single unit for	r the
development and production of hydrocarbons from the said formation in and under sa	id land is
necessary and advisable in order to properly develop and produce the hydrocarbons in	the said
formation beneath the said land in accordance with the well spacing rules of the Oil C	onservation
Division of the New Mexico Energy, Minerals and Natural Resources Department, an	
promote the conservation of the hydrocarbons in and that may be produced from said	
and under said lands, and would be in the public interest:	

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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4.	OXY USA Inc.	shall be the Operator of the said communitized area and
all	matters of operation shall be determine	ed and performed by OXY USA Inc.

- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

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Received by OCD: 3/10/2023 12:00:12 AM

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: OXY USA Inc.

ONLINE version December 9, 2021

OPERATOR: OXY USA Inc.	
BY: James Laning, Attorney-in-Fa	(Name and Title of Authorized Agent)
	(Signature of Authorized Agent)
Acknowledgment in an l	Individual Capacity
State of Texas) County of Harris)	
This instrument was acknowledged before me on By Name(s) of Person(s)	Date
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an Re	presentative Capacity
State of Texas) County of Harris)	
This instrument was acknowledged before me on By: Janus Canagas Attorney In Face	Date: April 5,2003 Let of CXY USA INC., a Delauruse corporation.
DELEENA D. LANG Notery Public, State of Texas Comm. Expires 02-18-2026 Notery ID 128179978	Signature of Notarial Officer We will be a second of the
My com	umission expires:
ONLINE State/State version December 9, 2021	Signature of Notarial Officer mission expires: 5
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Lease # and Lessee of Record: L0-6442, EO	G Resources
BY: Matthew W Snith Attorney in Fa	(Name and Title of Authorized Agent)
	(Signature of Authorized Agent)
	2
Acknowledgment in ar	Individual Capacity
State of Texas	
County of SS)	
This instrument was acknowledged before me on	Date
By	Date
Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an R	Representative Capacity
State of Texas	
County of Midland)	
This instrument was acknowledged before me on	March 28 th Date: 2023
By: Motthew W Smith	
Name(s) of Person(s)	Ma. Donala
TRACY JORDAN (Scal) Notary Public, State of Texas Comm. Expires 10-17-2023	Signature of Notarial Officer
Notary ID 132215654	My commission expires: 10-17-2023
ONLINE State/State	
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Received by OCD: 3/10/2023 12:00:12 AM

EXHIBIT A

Attached to and made a pa	rt of that Co	mmunitization Agree	ement dated April, 1	, 20 <u>23</u>
by and between OXY USA	Inc.	, (Operator	EOG Resources	,
the Subdivisions : <u>E/2W/2</u>				_
Sect(s): 32 , Twn				
Limited in depth fromapplicable)	ft to	ft. (enter here v	what is granted in poolin	g order if
OPERATOR of Communi	tized Area: _	OXY USA Inc.		
DESCRIPTION OF LEA	SES COM	MITTED.		
	ISES COM	WIII I L.D.		
TRACT NO. 1 Lessor: State of New Me	exico acting	by and through its C	ommissioner of Public I	<u>ands</u>
Lessee of Record: EOG Re	sources			· · · · · · · · · · · · · · · · · · ·
Serial No. of Lease: <u>L0-64</u>	42-0001	Date o	f Lease: August 1, 197	1
Description of Lands Com	nitted:			
Subdivisions: <u>E/2NW/4, N</u>	IE/4			
Sect(s): 32 Twnshp: 23				County NM
No. of Acres: 240				
TRACT NO. 2 Lessor: State of New M	exico actino	by and through its	Commissioner of Public	c I ands
	_	by and unough its	Commissioner of Fuori	<u> Dands</u>
Lessee of Record: OXY U				
Serial No. of Lease: V0-35			Date of Lease: March 1	1, 1991
Description of Lands Comr	nitted:			
Subdivisions: E/2SW/4, S	E/4			
Sect(s): <u>32</u> Twnshp: <u>23</u>	S	Rng: <u>31E</u>	1	NMPM_
Eddy County, NN	1			
No. of Acres: 240				
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TRACT NO.	. 3			
Lessor:				
Lessee of Rec	ord:			
Serial No. of I	Lease:		Date of Lease:	
Description of	f Lands Commit	ted:		
Subdivisions:				
Sect(s):	Twnshp:	Rng:	NMPM	County, NM
No. of Acres:				
TRACT NO. Lessor:				
Lessee of Reco	ord:			
Serial No. of I	_ease:		Date of Lease:	<u>.</u>
Description of	Lands Committ	ted:		
Subdivisions:				
Sect(s):	_Twnshp:	Rng:	NMPM	County, NM
No. of Acres:				

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	240	50.00%
No. 2	240	50.00%
No. 3		
No. 4		
TOTALS	480	100.00%

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Oxy USA, Inc
Vanadium 32 State Com #175H
Wolfcamp
Township: 23 South, Range: 31 East, NMPM
Section 32: E2W2, E2

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 01, 2023**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 17th day of April, 2023.

OMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

NM State Land Office Oil, Gas, & Minerals Division

hereto";

STATE/STATE OR STATE/FEE

Revised December 2021

COMMUNITIZATION AGREEMENT

KNOW ALL PERSONS B	BY THESE PRESEN	ITS:	API #: 30-0_15 _ 53279
STATE OF NEW MEXIC	O) Well Name:	Vanadium 32 State	#176H
COUNTY OF Eddy)		
THAT THIS AGREEMEN into as of (date before 1st	-		on dioxide or helium] is entered 25, by and between the parties

subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

Commissioner of Public Lands to be fair and equitable.

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2W/2, SW/4SE/4, E/2E/2				
Of Sect(s): 32 Twp: 23S Rng: 31E NMPM Eddy Co	ounty, NM			
Containing 360 acres, more or less. It is the judgment of the parties hereto that the				
communitization, pooling and consolidation of the aforesaid land into a single unit for the	.			
development and production of hydrocarbons from the said formation in and under said land is				
necessary and advisable in order to properly develop and produce the hydrocarbons in the said				
formation beneath the said land in accordance with the well spacing rules of the Oil Cons	ervation			
Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to				
promote the conservation of the hydrocarbons in and that may be produced from said form	nation in			
and under said lands, and would be in the public interest;				

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

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4.	OXY USA Inc.	shall be the Operator of the said communitized area and
all	matters of operation shall be determine	ned and performed by OXY USA Inc.

- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

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December 9, 2021

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State/State

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area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties h	ereto have executed this agreement as of the day and year
first above written.	OXY LISA Inc

OPERATOR: OXY USA INC

ONLINE version
December 9, 2021

State/State

OPERATOR: OXY USA Inc.	
BY: James Laning, Attorney-in-Fect (No.	ame and Title of Authorized Agent) Signature of Authorized Agent)
Acknowledgment in an Individu	al Capacity
State of Texas) SS) County of Harris)	2023 APR
This instrument was acknowledged before me on By Name(s) of Person(s)	Date
(Seal)	Signature of Notarial Officer
My comm	uission expires:
Acknowledgment in an Representa	ative Capacity
State of Texas) County of Harris)	
This instrument was acknowledged before me on	Date: April 5, 2003
By: Jarles Carings Attorney n-Fact Name(s) of Person(s)	Date: April 5,2003 of CXY USA INC., a Delawate Corporation
Scapeleena D. Lang (Scapeleena D. Lang (Scapel	Signature of Notarial Officer
My commission e	xpires:
ONLINE State/State version December 9, 2021	Signature of Notarial Officer xpires: 5
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Received by OCD: 3/10/2023 12:00:12 AM

Lease # and Lessee of Record: L0-6442, EO	G Resources
	(Name and Title of Authorized Agent)
	(Signature of Authorized Agent)
	A
Acknowledgment in an	Individual Capacity
State of Texas	
County of SS)	
This instrument was acknowledged before me on	Date
By Name(s) of Person(s)	
ranie(s) or reison(s)	
(Seal)	Signature of Notarial Officer
	My commission expires:
	-
Acknowledgment in an R	epresentative Capacity
State of Texas County of Michael (SS)	
This instrument was acknowledged before me on By: Matthew W Smith	March 28th Date: 2023
Name(s) of Person(s)	1
TRACY JORDAN Notary Public, State of Texas Comm. Expires 10-17-2023 Netary ID 132215654	My commission expires: 10-17-2023
ONLINE State/State version December 9, 2021	e 6

Received by OCD: 3/10/2023 12:00:12 AM

EXHIBIT A

Attached to and	made a part of that C	ommunitization Agree	ement dated April, 1	, 20 <u>23</u>
by and between	OXY USA Inc.	, (Operator)	EOG Resources	,
			ssees of Record) covering	
			,	
			, NMPM_Eddy	
Limited in depth	n fromft to_	ft. (enter here v	what is granted in poolin	g order if
applicable)				
OPERATOR of	Communitized Area:	OXY USA Inc.		·
DESCRIPTIO	N OF LEASES CO	MMITTED:		
TRACT NO. 1 Lessor: State		g by and through its Co	ommissioner of Public I	<u>_ands</u>
Lessee of Recor	d: EOG Resources			- -
Serial No. of Le	ease: <u>L0-6442-0001</u>	Date o	f Lease: August 1, 197	1
Description of I	Lands Committed:			
Subdivisions: F	E/2NW/4. E/2NE/4			
			у	County NM
No. of Acres:				<i>,</i>
TRACT NO. 2				
		ng by and through its	Commissioner of Publi	c Lands
Lessee of Recor	d: OXY USA Inc.			
Serial No. of Le	ase: <u>V0-3589-0002</u>		Date of Lease: March	1, 1991
Description of I	Lands Committed:			
Subdivisions:	E/2SW/4, SW/4SE/4,	E/2SE/4		
Sect(s): 32	Twnshp: 23S	Rng: <u>31E</u>		NMPM_
Eddy	County, NM			
No. of Acres:	200	State/State		
version August. 2021		2000, 2000		7

TRACT NO	<u>0.3</u>			
Lessor:		-14		
Lessee of Re	ecord:			
Serial No. of Lease:		Date of Lease:		
Description	of Lands Commit	ted:		
Subdivisions	s:			
Sect(s):	Twnshp:	Rng:	NMPM	County, NM
No. of Acres	s:			
TRACT NO), 4			
Lessee of Re	ecord:			
Serial No. of Lease:		Date of Lease:		
Description	of Lands Commit	ted:		
Subdivisions	s:			
Sect(s):	Twnshp:	Rng:	NMPM	County, NM
No of Acros	1.			

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	160	44.44%
No. 2	200	55.56%
No. 3		
No. 4		417
TOTALS	480	100.00%

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State/State

EXHIBIT A

Attached to and made a part of that Com	nmunitization Agre	ement dated April, 1,	20_23_
by and between OXY USA Inc.	, (Operator	r) EOG Resources	,
the Subdivisions : <u>E/2W/2</u> , <u>SW/4SE/4</u> ,	E/2E/2		_
Sect(s): <u>32</u> , Twnshp <u>23S</u>	, Rnge: <u>31E</u>	, NMPM_Eddy	County, NM
Limited in depth fromft to	ft. (enter here	what is granted in pooling	g order if
applicable)			
OPERATOR of Communitized Area: C	OXY USA Inc.		
DESCRIPTION OF LEASES COMM	MITTED.		
	WITTED.		
TRACT NO. 1 Lessor: State of New Mexico acting by	y and through its (Commissioner of Public I	ands
	_		
Lessee of Record: <u>EOG Resources</u>			
Serial No. of Lease: <u>L0-6442-0001</u>	_ Date of	of Lease: August 1, 1971	<u> </u>
Description of Lands Committed:			
Subdivisions: E/2NW/4, E/2NE/4			
Sect(s): 32 Twnshp: 23S , Rng: 3			County NM
No. of Acres: <u>160</u>			•
TRACT NO. 2			
Lessor: State of New Mexico acting	by and through its	Commissioner of Public	Lands
Lessee of Record: OXY USA Inc.			
Serial No. of Lease: <u>V0-3589-0002</u>		Date of Lease: March 1	, 1991
Description of Lands Committed:			
•			
Subdivisions: E/2SW/4, SW/4SE/4, E/2	2SE/4		
Sect(s): <u>32</u> Twnshp: <u>23S</u>	Rng: 31E	1	NMPM_
Eddy County, NM			
No. of Acres:200			
ONLINE version August, 2021	State/State		7

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TRACT NO.	<u>. 3</u>			
Lessor:				
. CD	1			
Lessee of Rec	ord:			
Serial No. of I	Lease:		Date of Lease:	-1
Description of	Lands Commit	ted:		
Subdivisions:			2	(
Sect(s):	Twnshp:	Rng:	NMPM	County, NM
No. of Acres:				
TRACT NO.	4			
			î 	
	Lease:		Date of Lease:	
Description of	Lands Commit	ted:		
Subdivisions:	ķ			<u> </u>
			NMPM	
No. of Acres:				

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	160	44.44%
No. 2	200	55.56%
No. 3		
No. 4		· .
TOTALS	360	100.00%

ONLINE version August, 2021

State/State

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Oxy USA, Inc
Vanadium 32 State Com #176H
Bone Spring
Township: 23 South, Range: 31 East, NMPM
Section 32: E2W2, E2E2, SW4SE4

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 01, 2023**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 17th day of April, 2023.

COMMISSIONER OF PUBLIC LANDS

Released to Imaging: 6/27/2023 9:45:20 AM

of the State of New Mexico

NM State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE

Revised December 2021

COMMUNITIZATION AGREEMENT

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:	API #: 30-0 <u>15</u> _ <u>53276</u>
STATE OF NEW MEXICO) Well Name: Var	nadium 32 State #4H
COUNTY OF Eddy)	
THAT THIS AGREEMENT (which is NOT to be	used for carbon diavide or heliuml is entered

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1st production) April 1st ______, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version December 9, 2021 State/State

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W/2W/2, SE/4SW/4, W/2E/2	
Of Sect(s): 32 Twp: 23S Rng:31E NMPM Eddy County,	NM
Containing 360 acres, more or less. It is the judgment of the parties hereto that the	
communitization, pooling and consolidation of the aforesaid land into a single unit for the	
development and production of hydrocarbons from the said formation in and under said land is	
necessary and advisable in order to properly develop and produce the hydrocarbons in the said	
formation beneath the said land in accordance with the well spacing rules of the Oil Conservation	on
Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order	
promote the conservation of the hydrocarbons in and that may be produced from said formation	
and under said lands, and would be in the public interest;	

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

- 2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
- 3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

ONLINE version
December 9, 2021

Received by OCD: 3/10/2023 12:00:12 AM

State/State

4.	OXY USA Inc.	shall be the Operator of the said communitized area an	ıd
all	matters of operation shall be determin	ned and performed by OXY USA Inc.	

- 5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.
- 6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.
- 7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.
- 8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.
- 9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

ONLINE version December 9, 2021

Received by OCD: 3/10/2023 12:00:12 AM

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

- 10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.
- 11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.
- 12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.
- 13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: OXY USA Inc.

ONLINE version December 9, 2021 State/State

OPERATOR: OXY USA Inc.

BY: James Loning, Attorney-in-Fac	(Name and Title of Authorized Agent)
	(Signature of Authorized Agent)
Acknowledgment in an	Individual Capacity
State of Texas) SS)	
County of Harris	
This instrument was acknowledged before me on By Name(s) of Person(s)	Date
(Seal)	Signature of Notarial Officer
	My commission expires:
Acknowledgment in an Re	presentative Capacity
State of Texas) County of Harris)	
This instrument was acknowledged before me on	Date: April 5.2023
(Sep) LEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2026 Notary ID 128179978	Date: April 5,2008 Let of CXY WAILC., a Debugge Corporation. Signature of Notarial Officer
ONLINE State/State version December 9, 2021	nmission expires:

Received by OCD: 3/10/2023 12:00:12 AM

	urces ame and Title of Authorized Agent) signature of Authorized Agent)
Acknowledgment in an Individu	al Capacity
State of Texas) SS) County of)	
This instrument was acknowledged before me on	Date
By Name(s) of Person(s)	
(Seal)	Signature of Notarial Office
My comm	uission expires:
Acknowledgment in an Represent	ative Capacity
State of Texas County of Midland SS)	
This instrument was acknowledged before me on Marc By: Matthew W Shuth	N 28 Date: <u>2023</u>
TRACY JORDAN Notary Public, State of Texas Comm. Expires 10-17-2023 Notary ID 132215654	Signature of Notarial Office dission expires: 10-17-2023
ONLINE State/State version	6

EXHIBIT A

Attached to and made a part of that Communitization Agreement dated April, 1, 2023				
by and between OXY USA Inc. , (Operator) EOG Resources ,				
, (Record Title Holders/Lessees of Record) covering				
the Subdivisions: W/2W/2, SE/4SW/4, W/2E/2				
Sect(s): 32 , Twnshp 23S , Rnge: 31E , NMPM Eddy County, NM				
Limited in depth fromft toft. (enter here what is granted in pooling order if				
applicable)				
OPERATOR of Communitized Area: OXY USA Inc.				
DESCRIPTION OF LEASES COMMITTED:				
DESCRIPTION OF LEASES COMMITTED.				
TRACT NO. 1 Lessor: State of New Mexico acting by and through its Commissioner of Public Lands				
Lessor. State of New Wextee acting by and through its Commissioner of Fubic Lands				
Lessee of Record: EOG Resources				
Serial No. of Lease: L0-6442-0001 Date of Lease: August 1, 1971				
Description of Lands Committed:				
Subdivisions: NW/4NW/4, SW/NW/4, NW/4NE/4, SW/4NE/4				
Sect(s): 32 Twnshp: 23S , Rng: 31E NMPM Eddy County NM				
No. of Acres: <u>160</u>				
TRACT NO. 2				
Lessor: State of New Mexico acting by and through its Commissioner of Public Lands				
Lessee of Record: OXY USA Inc.				
Serial No. of Lease: V0-3589-0002 Date of Lease: March 1, 1991				
Description of Lands Committed:				
Description of Editor Committee.				
Subdivisions: <u>NW/4SW/4, SW/4SW/4, SE/4SW/4, NW/4SE/4, SW/4SE/4</u>				
Sect(s): 32 Twnshp: 23S Rng: 31E NMPM				
Eddy County, NM				
ONLINE State/State version 7				

No. of Acres: 200

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	160	44.44%
No. 2	200	55.56%
No. 3		
No. 4		
TOTALS	360	_100.00%

Released to Imaging: 6/27/2023 9:45:20 AM

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Oxy USA, Inc
Vanadium 32 State Com #004H
Bone Spring
Township: 23 South, Range: 31 East, NMPM
Section 32: W2W2, SE4SW4, W2E2

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **April 01, 2023**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

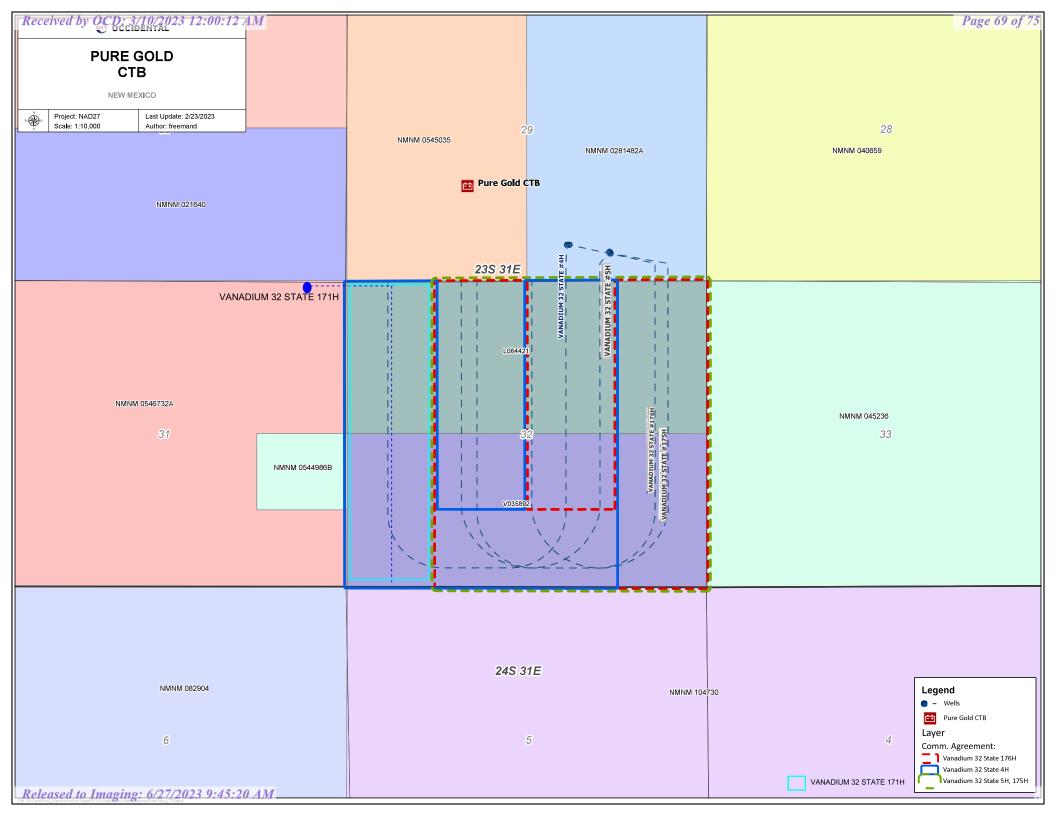
- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 17th day of April, 2023.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico



STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY OXY USA, INC.

ORDER NO. PLC-897

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Oxy USA, Inc. ("Applicant") submitted a complete application to surface commingle the oil production from the pools, leases, and wells identified in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil production to the pools, leases, and wells to be commingled.
- 3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil production to less than if it had remained segregated.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

- 8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
- 9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

Order No. PLC-897 Page 1 of 4

- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
- 11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
- 12. Commingling of oil production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
- 13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 14. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. This Order supersedes Order CTB-987.
- 3. The allocation of oil production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
- 4. The allocation of oil production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production

Order No. PLC-897 Page 2 of 4

period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.
- 7. If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil production caused the decrease in value. If Applicant fails to submit a new

Order No. PLC-897 Page 3 of 4

- application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil production to it, and the location(s) that commingling of its production will occur.
- 10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

DATE: 6/26/23

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

DYLANM. FUGE

DIRECTOR

Order No. PLC-897 Page 4 of 4

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-897

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Pure Gold Battery

Central Tank Battery Location: UL K, Section 29, Township 23 South, Range 31 East

Gas Title Transfer Meter Location:

Pools

Pool Name Pool Code
COTTON DRAW; BONE SPRING 13367
WC-015 G-08 S233135D; WOLFCAMP 98236

Leases as defined in 19.15.12.7(C) NMAC

Leases as defined in 19:13:12:7(E) 1 White		
Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMSLO PUN 1388489	W/2 W/2	32-23S-31E
CA Bone Spring NMSLO PUN 0 (4H)	W/2 W/2, W/2 E/2	32-23S-31E
CA bone spring NWSLO PUN 0 (4H)	SE/4 SW/4	
CA Dana Spring NMSLO DUN 0 (1761)	E/2 W/2, E/2 E/2	32-23S-31E
CA Bone Spring NMSLO PUN 0 (176H)	SW/4 SE/4	
CA Wolfcamp NMSLO PUN 0 (175H)	E/2 W/2, E/2	32-23S-31E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-47433	Vanadium 32 State #171H	W/2 W/2	32-23S-31E	98236
30-015-53277	Vanadium 32 State Com #5H	E/2 W/2, E/2	32-23S-31E	98236
30-015-53278	Vanadium 32 State Com #175H	E/2 W/2, E/2	32-23S-31E	98236
30-015-53276	Vanadium 32 State Com #4H	W/2 W/2, W/2 E/2	32-23S-31E	13367
30-013-33270	vanadium 32 State Com #411	SE/4 SW/4	32-235-31E	13307
30-015-53279	Vanadium 32 State Com #176H	E/2 W/2, E/2 E/2	32-23S-31E	13367
30-013-33279	v anadium 32 State Com #170ff	SW/4 SE/4	32-238-31E	13307

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 195269

CONDITIONS

Version of the control of the contro		
Operator:	OGRID:	
OXY USA INC	16696	
P.O. Box 4294	Action Number:	
Houston, TX 772104294	195269	
	Action Type:	
	[C-107] Surface Commingle or Off-Lease (C-107B)	

CONDITIONS

Created By		Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	6/27/2023