

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



OLM *cancelled*
PRG1323861163

ADMINISTRATIVE APPLICATION CHECKLIST

CTB
641

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☒ CTB ☐ PLC ☒ PC ☒ OLS ☒ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

OXY USA WTP LP
Two Wells
Samantha 3i-6 Fed Com
#1 H
30-015-40050
Huckberry 6 Fed Com
#4 H
30-015-41248

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

RECEIVED OGD
2013 AUG 21 AM 11:02

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>Jennifer Duarte</u>	<u>[Signature]</u>	<u>Regulatory Specialist</u>	<u>8/20/13</u>
Print or Type Name	Signature	Title	Date
		<u>jennifer.duarte@oxy.com</u>	
		e-mail Address	

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
87505

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 (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA WTP LP

OPERATOR ADDRESS: 5 GREENWAY PLAZA, SUITE 110; HOUSTON, TX 77046

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
See Attached list					

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☒ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: _____

TITLE: REGULATORY SPECIALIST _____

DATE: 08/20/2013 _____

TYPE OR PRINT NAME: JENNIFER DUARTE TELEPHONE NO.: 713-513-6640 E-MAIL ADDRESS: jennifer_duarte@oxy.com

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

Proposal for Samantha 31-6 Federal Com #1H & Hackberry 6 Federal Com #4H:

OXY USA WTP LP is requesting approval for Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage from the following wells:

Federal Lease NMNM-002460, NMNM-0560355; CA # NM-129091

Well Name	Location	API #	Pool 97056	BOPD	Oil Gravity	Mcfpd	BTU
Samantha 31-6 Federal Com #1H	31-18S-31E	30-015-40050	Hackberry; Bone Spring, North (97056)	200	42	350	1337

Federal Lease NMNM-066437, NMLC-0065244A; CA # pending well completion

Well Name	Location	API #	Pool 97056	BOPD	Oil Gravity	Mcfpd	BTU
Hackberry 6 Federal Com #4H	6-19S-31E	30-015-41248	Hackberry; Bone Spring, North	600	42	900	1337

Attached map shows the Federal leases and well locations in Section 31, T 18S - R 31E & Section 6, T 19S - R 31E.

The BLM's interest in these leases is different. Leases NMNM-0002460, NMNM-0560355, NMNM-0005709, NMLC-0065244 & NMNM-066437 have a royalty rate of 12.5%, Lease NMLC-0065244A has a royalty rate of 12.5-25% Schedule B.

Oil & Gas metering:

Oil, gas and water volumes from each well producing to this battery will be determined by using a two dedicated production separators. Production will be allocated by continuous metering of oil, gas and water. The oil production from the Samantha and Hackberry wells will be commingled after measurement and sold through common tanks using LACT measurement.

A central tank battery will be located at the Samantha 31 6 Federal Com #1H in Section 31, T18S, R31E on Federal Lease NMNM-002460 in Eddy County, New Mexico. A gas sales meter will be located on the Samantha Central Tank Battery. The gas will be sold to DCP the meter number will be assigned and submitted via sundry after the meter is installed. These meters will be calibrated on a regular basis per API, NMOC and BLM specifications. The BLM and OCD will be notified of any future changes in the facility. Produced water will be trucked from location and disposed in a public SWD in the area.

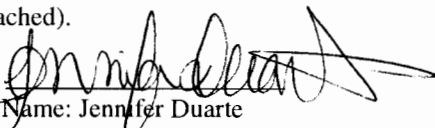
Process and Flow Descriptions:

Please see attached diagram for the Samantha 31 6 Federal Com #1H CTB. The flow of produced fluids and valve positions during production and sales phases is shown in the diagram.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOC and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

Signed: 
Printed Name: Jennifer Duarte
Title: Regulatory Specialist
Date: 08/20/2013

26

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30

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28

T18S R30E

T18S R31E

35

36

31

32

33

NMNM-0002460

Hackberry 6 Federal Com 4H

NMLC-0065244

EDDY

NMNM-066437

6

NMNM-0005709

Samantha 31-6 Federal RH

NMLC-0065244A

NMNM-0560355

T19S R30E

T19S R31E

11

12

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9

Hackberry 6 Fed 4H Flowline Routing



Approximately 3,700' of QTY 1 4" SDR 7 Polyethylene production flowlines (oil, gas, and produced water) to be laid on the surface to the Samantha 1 CTB. Operating Pressure < 125 psig



**OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTIAL PERMIAN LP**
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.513.6640 Cell: 832.740.3716
Jennifer_duarte@oxy.com

August 20, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Interest Owners

Re: Request for a CTB & Commingle
Samantha 31-6 Federal Com #1H (30-015-40050) &
Hackberry 6 Federal Com #4H (30-015-41248)
CTB Location: Sec 31-T 18S-R 31E
Pool: Hackberry; Bone Spring, North (97056)
Eddy County, New Mexico

To Whom It May Concern:

This is to advise you that OXY USA WTP LP is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tanks Battery & Off-lease Gas Measurement, Sales, & Storage for the above mentioned wells.

A copy of our application submitted to the Division is attached.

Any objection or requests that a hearing should be held 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.

Please contact me should you have any questions or need anything further.

Thank you in advance for your time.

Very Truly Yours,

OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTIAL PERMIAN LP
Jennifer Duarte
Regulatory Specialist

Enclosure

Interest Owners

Well	Owner	Address				Certified Receipt Number
SAMANTHA 31-6 FED COM #1H	NEARBURG EXPLORATION CO LLC	3300 North "A" Street, Building 2, Suite 120	MIDLAND	TX	79705	70070710000275782481
SAMANTHA 31-6 FED COM #1H	CANNON EXPLORATION CO	3608 S COUNTY ROAD 1184	MIDLAND	TX	79706- 6468	70070710000275783952
SAMANTHA 31-6 FED COM #1H	CHI ENERGY INC	P O BOX 1799	MIDLAND	TX	79702	70070710000275783969
SAMANTHA 31-6 FED COM #1H	THE NORMAN L STEVENS JR REV. TRUST, C/O BOBBY D. CARROLL	P O BOX 3087	ROSWELL	NM	88202- 3087	70070710000275783976
SAMANTHA 31-6 FED COM #1H	SCOTT E WILSON	4601 MIRADOR DR.	AUSTIN	TX	78735	70070710000275783983
SAMANTHA 31-6 FED COM #1H	MCCOMBS ENERGY LLC	5599 SAN FELIPE SUITE 1200, ATTN: LARRY WYONT	HOUSTON	TX	77056	7007071000027578399C
SAMANTHA 31-6 FED COM #1H	MCCOMBS ENERGY LTD	5599 SAN FELIPE SUITE 1200, ATTN: LARRY WYONT	HOUSTON	TX	77056	70070710000275784003
SAMANTHA 31-6 FED COM #1H	DEVON ENERGY PRODUCTION CO LP	333 WEST SHERIDAN AVENUE	OKLAHOMA CITY	OK	73102- 5010	7007071000027578401C
SAMANTHA 31-6 FED COM #1H	CIMAREX ENERGY CO	202 S. CHEYENNE AVE SUITE 100C	TULSA	OK	74103-3001	70070710000275784027
SAMANTHA 31-6 FED COM #1H	COG OPERATING LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784034
SAMANTHA 31-6 FED COM #1H	KHODY LAND & MINERALS COMPANY	3817 NW EXPRESSWAY, SUITE 59C	OKLAHOMA CITY	OK	73112	70070710000275784065
SAMANTHA 31-6 FED COM #1H	CONCHO OIL & GAS LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784058
SAMANTHA 31-6 FED COM #1H	TODD M WILSON	3608 S COUNTY ROAD 1184	MIDLAND	TX	79706- 6468	70070710000275784041
SAMANTHA 31-6 FED COM #1H	OXY USA WTP LP	PO BOX 4294	HOUSTON	TX	77210-4294	Applicant
HACKBERRY 6 FEDERAL COM #4H	NEARBURG EXPLORATION CO LLC	3300 North "A" Street, Building 2, Suite 120	MIDLAND	TX	79705	70070710000275782481
HACKBERRY 6 FEDERAL COM #4H	CANNON EXPLORATION CO	3608 S COUNTY ROAD 1184	MIDLAND	TX	79706- 6468	70070710000275783952
HACKBERRY 6 FEDERAL COM #4H	CHI ENERGY INC	P O BOX 1799	MIDLAND	TX	79702	70070710000275783969
HACKBERRY 6 FEDERAL COM #4H	THE NORMAN L STEVENS JR REV. TRUST, C/O BOBBY D. CARROLL	P O BOX 3087	ROSWELL	NM	88202- 3087	70070710000275783976
HACKBERRY 6 FEDERAL COM #4H	MCCOMBS ENERGY LLC	5599 SAN FELIPE SUITE 1200, ATTN: LARRY WYONT	HOUSTON	TX	77056	7007071000027578399C
HACKBERRY 6 FEDERAL COM #4H	MCCOMBS ENERGY LTD	5599 SAN FELIPE SUITE 1200, ATTN: LARRY WYONT	HOUSTON	TX	77056	70070710000275784003
HACKBERRY 6 FEDERAL COM #4H	DEVON ENERGY PRODUCTION CO LP	333 WEST SHERIDAN AVENUE	OKLAHOMA CITY	OK	73102- 5010	7007071000027578401C
HACKBERRY 6 FEDERAL COM #4H	CIMAREX ENERGY CO	202 S. CHEYENNE AVE SUITE 100C	TULSA	OK	74103-3001	70070710000275784027
HACKBERRY 6 FEDERAL COM #4H	COG OPERATING LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784034
HACKBERRY 6 FEDERAL COM #4H	KHODY LAND & MINERALS COMPANY	3817 NW EXPRESSWAY, SUITE 59C	OKLAHOMA CITY	OK	73112	70070710000275784065
HACKBERRY 6 FEDERAL COM #4H	CONCHO OIL & GAS LLC	550 W TEXAS AVE STE 10C	MIDLAND	TX	79701	70070710000275784058
HACKBERRY 6 FEDERAL COM #4H	TODD M WILSON	3608 S COUNTY ROAD 1184	MIDLAND	TX	79706- 6468	70070710000275784041
HACKBERRY 6 FEDERAL COM #4H	OXY USA WTP LP	PO BOX 4294	HOUSTON	TX	77210-4294	Applicant

NEW MEXICO STATE LAND OFFICE
Commingle PRE-Application ONLINE Version

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: JENNIFER DUARTE Company: OXY USA WTP LP
Address: PO BOX 4294 City HOUSTON
Telephone: 713-513-6640 Fax: _____ State TX Zip 77210

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

1. Briefly describe what you propose to do. Commingle the production of two Communitized wells at a Central Tank Battery. Central Tank Battery located on the Samantha 31-6 Federal Com #1H.

2. Fill in the following information for each well. [Attach additional pages if needed.]

Well name & number Samantha 31-6 Federal Com #1H Lease # NMNM0560355
Lessee of Record _____
Legal land description: Subdivisions _____
Sect 31 T 18S R 31E NMPM _____ EDDY _____ County NM
Pool HACKBERRY; BONE SPRING, NORTH (97056)

Well name & number Hackberry 6 Federal Com #4H Lease # NMNM066437
Lessee of Record _____
Legal land description: Subdivisions _____
Sect 6 T 19S R 31E NMPM _____ EDDY _____ County NM
Pool HACKBERRY; BONE SPRING, NORTH (97056)

Well name & number _____ Lease # _____
Lessee of Record _____
Legal land description: Subdivisions _____
Sect _____ T _____ R _____ NMPM _____ County NM
Pool _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM0560355

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
MULTIPLE MULTIPLE

2. Name of Operator
OXY USA WTP LP

Contact: JENNIFER A DUARTE
E-Mail: JENNIFER_DUARTE@OXY.COM

9. API Well No.

3a. Address
PO BOX 4294
HOUSTON, TX 77210

3b. Phone No. (include area code)
Ph: 713-513-6640

10. Field and Pool, or Exploratory
HACKBERRY BONESPRING NORT

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 31 T18S R31E

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE,
OFF LEASE MEASUREMENT, SALES & STORAGE

Proposal for Samantha 31-6 Federal Com #1H & Hackberry 6 Federal Com #4H:
OXY USA WTP LP is requesting approval for Central Tank Battery, Lease Commingle, Off Lease
Measurement, Sales, & Storage from the following wells:

Federal Lease NMNM-002460, NMNM-0560355; CA # NM-129091
Well Name Location API # Pool 97056 BOPD Oil Gravity Mcfpd BTU
Samantha 31-6 Federal Com #1H 31-18S-31E 30-015-40050 Hackberry; Bone Spring, North 200 42 350 1337

Federal Lease NMNM-066437, NMLC-0065244A; CA # pending well completion

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #217595 verified by the BLM Well Information System
For OXY USA WTP LP, sent to the Carlsbad**

Name (Printed/Typed) JENNIFER A DUARTE

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 08/20/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #217595 that would not fit on the form

32. Additional remarks, continued

Well Name Location API # Pool 97056 BOPD Oil Gravity Mcfpd BTU
Hackberry 6 Federal Com #4H 6-19S-31E 30-015-41248 Hackberry; Bone Spring, North 600 42 900 1337

Attached map shows the Federal leases and well locations in Section 31, T 18S - R 31E & Section 6, T 19S ? R 31E.

The BLM's interest in these leases is different. Leases NMNM-0002460, NMNM-0560355, NMNM-0005709, NMLC-0065244 & NMNM-066437 have a royalty rate of 12.5%, Lease NMLC-0065244A has a royalty rate of 12.5-25% Schedule B.

Oil & Gas metering:

Oil, gas and water volumes from each well producing to this battery will be determined by using a two dedicated production separators. Production will be allocated by continuous metering of oil, gas and water. The oil production from the Samantha and Hackberry wells will be commingled after measurement and sold through common tanks using LACT measurement.

A central tank battery will be located at the Samantha 31 6 Federal Com #1H in Section 31, T18S, R31E on Federal Lease NMNM-002460 in Eddy County, New Mexico. A gas sales meter will be located on the Samantha Central Tank Battery. The gas will be sold to DCP the meter number will be assigned and submitted via sundry after the meter is installed. These meters will be calibrated on a regular basis per API, NMOC and BLM specifications. The BLM and OCD will be notified of any future changes in the facility. Produced water will be trucked from location and disposed in a public SWD in the area.

Process and Flow Descriptions:

Please see attached diagram for the Samantha 31 6 Federal Com #1H CTB. The flow of produced fluids and valve positions during production and sales phases is shown in the diagram.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint and overall emissions.

OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOC and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, September 11, 2013 5:00 PM
To: Jennifer_duarte@oxy.com
Subject: Samantha 31-6 Fed Com #1H & Hackberry 6 Fed Com #4H; Surface Commingling Application

Good Afternoon, Ms. Duarte

I have examined the referenced application. Since you checked the box on Form C107-B indicating that all interest owners have been notified, I am assuming that ownership is not identical as to all these wells, since notice to owners is not required where ownership is identical.

However, where ownership is not identical the following requirements apply:

Rule 19.15.12.10.C(4)(b) NMAC requires that you furnish a list of all owners to whom notice was sent.

Rule 19.15.12.10.C(4)(c) NMAC requires that you furnish a statement to the owners that if they have any objection to the proposed commingling, they must file that objection with OCD's Santa Fe office within 20 days from the date you application is filed with OCD.

Please furnish the list and statement as required by the above rules so that we can process your application.

Sincerely

David K. Brooks
Legal Examiner

Rules Referenced Above:

(4) Approval process.

(a) In general. Where there is diversity of ownership, the division may grant an exception to the requirements of 19.15.12.9 NMAC to permit surface commingling of production from different leases, pools or leases and pools only after notice and an opportunity for hearing as provided in Paragraph (4) of Subsection C of 19.15.12.10 NMAC.

(b) Application. The operator shall submit an application for administrative approval to the division's Santa Fe office on form C-107-B, which shall contain a list of the parties (interest owners) owning an interest in the production to be commingled (including owners of royalty and overriding royalty interests whether or not they have a right or option to take their interests in kind) and a method of allocating production to ensure the protection of correlative rights.

(c) Notice. The applicant shall notify the interest owners in accordance with 19.15.4.12 NMAC. The applicant shall submit a statement attesting that the applicant, on or before the date the applicant submitted the application to the division, notified each of the interest owners by sending them a copy of the application and the attachments to the application, by certified mail, return receipt requested, and advising them that they must file any objection in writing with the division's Santa Fe office within 20 days from the date the division received the application. The division may approve the application administratively, without hearing, upon receipt of written waivers from interest owners, or if no interest owner has filed an objection within the 20-day period. If the division receives an objection, it shall set the application for hearing. The

division shall notify the applicant, who shall give formal notice of the hearing to each party who has filed an objection and to such other persons as the division directs.

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

SCOTT E WILSON
4601 MIRADOR DR.
Austin, TX 78735

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 3983

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Scott E. Wilson ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Scott E. Wilson 7/13/13 C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DEVON ENERGY PRODUCTION CO LP
333 WEST SHERIDAN AVENUE
Oklahoma City, OK 73102-5010

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4010

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Justin Wallace ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Justin Wallace 7/13/13 C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CIMAREX ENERGY CO
202 S. CHEYENNE AVE
SUITE 1000
Tulsa, OK 74103-3001

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4027

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Justin Wallace ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Justin Wallace 7/13/13 C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

KHODY LAND & MINERALS COMPANY
3817 NW EXPRESSWAY, SUITE 590
Oklahoma City, OK 73112

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4065

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Laura Hankins

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

8-30-13

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CONCHO OIL & GAS LLC
550 W TEXAS AVE STE 100
Midland, TX 79701

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4058

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

J. Wilson

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

8-27-13

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CANNON EXPLORATION CO
3608 S COUNTY ROAD 1184
Midland, TX 79706-6468

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 3952

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Lara Wilson

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

Lara Wilson

8-23-13

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MCCOMBS ENERGY LTD
5599 SAN FELIPE SUITE 1200
ATTN: LARRY WYONT
Houston, TX 77056

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4003

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Chafin☐ Agent☐ Addressee

B. Received by (Printed Name)

HAIRIN

C. Date of Delivery

8/21/13

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ YesSENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MCCOMBS ENERGY LLC
5599 SAN FELIPE SUITE 1200
ATTN: LARRY WYONT
Houston, TX 77056

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 3990

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Chafin☐ Agent☐ Addressee

B. Received by (Printed Name)

HAIRIN

C. Date of Delivery

8/21/13

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ YesSENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TODD M WILSON
3608 S COUNTY ROAD 1184
Midland, TX 79706-6468

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4041

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Carol Wilson☐ Agent☐ Addressee

B. Received by (Printed Name)

Carol Wilson

C. Date of Delivery

8-23-13

D. Is delivery address different from item 1?

☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NEARBURG EXPLORATION CO LLC
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 2481

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *L. Fiesela*

☐ Agent☐ Addressee

B. Received by (Printed Name)

L. Fiesela

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

COG OPERATING LLC
550 W TEXAS AVE STE 100
Midland, TX 79701

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 4034

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*

☐ Agent☐ Addressee

B. Received by (Printed Name)

[Signature]

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

THE NORMAN L STEVENS JR REV. TRUST
C/O BOBBY D. CARROLL
P O BOX 3087
ROSWELL, NM 88202-3087

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 3976

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Bobby Carroll*

☐ Agent☐ Addressee

B. Received by (Printed Name)

Bobby Carroll

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CHI ENERGY INC
P O BOX 1799
Midland, TX 79702

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent☐ Addressee

B. Received by (Printed Name)

Donald Welch

C. Date of Delivery

8-23-13

D. Is delivery address different from Item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Box 1799

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

2. Article Number

(Transfer from service label)

7007 0710 0002 7578 3969

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540