



Approved

PLC

Order

Approved: 06/20/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



June 20, 2019

Surface Commingling Order PLC-578

OXY USA INC.
Attention: Ms. Emily Messer

Pursuant to your application received on May 30, 2019, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

RED TANK; BONE SPRING (51683)
BOOTLEG RIDGE; DELAWARE, NORTHWEST (6925)

and from the following diversely owned federal wells and leases in said Township 22 South, and Range 32 East, in Lea County, New Mexico.

Lease:	Federal Communitization Agreement NMNM 134148	
Description:	S/2 N/2 of Section 2	
Well:	Rum Runner 2 Federal Com Well No. 1H	API 30-025-40095
Pool:	Red Tank; Bone Spring	
Lease:	Federal Unit Agreement NMNM 126140	
Description:	S/2 N/2 of Section 2 and N/2 S/2 of Section 2	
Wells:	Speak Easy Federal Unit Well No. 3H	API 30-025-42265
	Speak Easy Federal Unit Well No. 4H	API 30-025-42266
Pool:	Red Tank; Bone Spring	
Lease:	Federal Unit Agreement NMNM 126140A	
Description:	Lot 1/ Unit A, Lot 2/ Unit B, Lot 3/ Unit C, and Lot 4/ Unit D (N/2 N/2 equivalent of Section 1) and N/2 S/2 of Section 1	
Wells:	Speak Easy Federal Unit Well No. 2H	API 30-025-40306
	Speak Easy Federal Unit Well No. 4H	API 30-025-42267
Pool:	Bootleg Ridge; Delaware, Northwest	

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Speak Easy Unit Central Tank Battery (CTB) located in Unit L, Section 1, Township 22 South, Range 32 East, Lea County, New Mexico.

Production from the subject wells shall be determined as follows:

It is understood that the test separator and meters are designed to accurately measure production from the wells with the highest production rate. It is also assumed that all of the oil and gas production from the wells in this application will display a hyperbolic decline, and will fit the decline parameters described in Hearing Order R-14299. Wells that are in prior to Range 1 of decline shall be tested daily. Wells that are in Range 1 of decline shall be measured with a combination of metering and well testing, and shall be tested at least three times a month. Wells that are in Range 2 of decline shall be measured with a combination of metering and well testing, and shall be tested at least twice a month. Wells in Range 3 of decline shall be measured with a combination of metering and well testing, and shall be tested at least once a month. However, all wells subject to this administrative application are in Range 3 of decline.

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

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

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This approval is subject to like approval from the Bureau of Land Management before commencing commingling operations.

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



ADRIENNE SANDOVAL
Oil Conservation Division Director

AS/mam

cc: Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad