

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-40668
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator OXY USA INC		6. State Oil & Gas Lease No.
3. Address of Operator PO BOX 4294 HOUSTON, TX 77210		7. Lease Name or Unit Agreement Name CEDAR CANYON 22
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>SOUTH</u> line and <u>1980</u> feet from the <u>WEST</u> line Section <u>22</u> Township <u>24S</u> Range <u>29E</u> NMPM County <u>EDDY</u>		8. Well Number 1H
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 16696
		10. Pool name or Wildcat CORRAL DRAW; BONE SPRING

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: Amend Pool/Lease Surface Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

OXY USA INC requests approval to amend commingle order PLC-483. Cedar Canyon 22 #001H will be added to the commingle permit. These wells are in the previously approved pool and sections. OXY USA INC requests the option to include future wells to this application that are within the previously approved sections and pools.

Spud Date:

Rig Release Date:

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

SIGNATURE Kathleen Mawery TITLE Regulatory Engineer DATE 7/23/2019
Type or print name Kathleen Mawery E-mail address: Kathleen.Mawery@oxy.com PHONE: 713-366-5109
For State Use Only

APPROVED BY: Michael M. Miller TITLE Engineering Bureau DATE July 24, 2019
Conditions of Approval (if any):

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Applicant: OXY USA INC **OGRID Number:** 16696
Well Name: CEDAR CANYON 22 1H & CEDAR CANYON 23 1H **API:** 30-015-40668 & 30-015-40667
Pool: CORRAL DRAW; BONE SPRING **Pool Code:** 96238

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for (A) **PLC-483**

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for (I) or (II)

(I) Commingling - Storage - Measurement

☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

(II) Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☒ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

3) 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.

Kathleen Mowery

Print or Type Name

7/23/2019
 Date

713-366-5109
 Phone Number

Kathleen Mowery
 Signature

Kathleen-Mowery@oxy.com
 e-mail Address

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TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: Amend Pool/Lease Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: ☐

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SIGNATURE Kathleen Mawery TITLE Regulatory Engineer DATE 7/23/2019
Type or print name Kathleen Mawery E-mail address: Kathleen-Mawery@oxy.com PHONE: 713-366-5109
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

APPLICATION FOR POOL AND LEASE COMMINGLE, OFF-LEASE MEASUREMENT, SALES AND STORAGE

Amended commingling proposal for Cedar Canyon 23 Federal 3H Satellite

OXY USA INC requests to amend previously approved NMOCD commingle order PLC-483. Cedar Canyon 23-1H will be permanently added to the Cedar Canyon 23-3H Satellite (LAT 32.202503, LONG -103.963914, I-22-24S-29E), and Cedar Canyon 22-1H will be permanently added to the Cedar Canyon 22 Satellite (32.20115, -103.97445, K-22-24S-29E). The wells are in the previously approved pools and sections.

CEDAR CANYON 23 FEDERAL 3H SATELLITE

Federal Lease NMNM81586 (12.5% Royalty Rate). POOL: PIERCE CROSSING; BONE SPRING E (96473)

Well Name	Date Online	API	Surface Location	Oil (BPD)	Gravity	Gas (MSCFD)	BTU/cf	Water (BPD)
Cedar Canyon 22 Fed 21H	02/2017	30-015-43642	I-22-24S-29E	93	43.9	744	1301	217
Cedar Canyon 23-24 Fed 31H	09/2017	30-015-44179	A-22-24S-29E	162	45.5	731	1332	1069
Cedar Canyon 23-24 Fed 32H	09/2017	30-015-44180	A-22-24S-29E	187	44.8	933	1301	896
Cedar Canyon 23 Fed 3H	02/2017	30-015-43290	I-22-24S-29E	135	43.5	1462	1301	325
Cedar Canyon 23 Fed 4H	01/2016	30-015-43281	H-22-24S-29E	77	42.9	682	1270	397
Cedar Canyon 23 Fed 5H	01/2016	30-015-43282	A-22-24S-29E	131	43.0	833	1301	790
Guacamole CC 24 23 Fed 11H	Est. 08/2019	30-015-45870	C-24-24S-29E	631	43.9	2727	1271	1029
Guacamole CC 24 23 Fed 12H	Est. 08/2019	30-015-45871	F-24-24S-29E	271	43.9	2603	1271	738

Federal Lease NMNM81586 (12.5% Royalty Rate). POOL: CORRAL DRAW; BONE SPRING (96238)

Well Name	Date Online	API	Surface	Oil (BPD)	Gravity	Gas	BTU/cf	Water
Cedar Canyon 23 1H	04/2013	30-015-40667	E-23-24S-29E	11		0		208

Federal CA NMNM136823 Lease (NMNM13996 & NMNM81586) (12.5% Royalty Rate)

POOL: PIERCE CROSSING; BONE SPRING E (96473)

Well Name	First Oil Production	API	Surface Location	Oil (BPD)	Gravity	Gas (MSCFD)	BTU/cf	Water (BPD)
Cedar Canyon 22 Fed Com 4H	02/2017	30-015-43708	I-22-24S-29E	70	43.9	1041	1263	143

Federal CA NMNM137568 Lease (NMNM81586, NMNM93477 & NMNM88138) (12.5% Royalty Rate)

POOL: PIERCE CROSSING; BONE SPRING E (96473)

Well Name	First Oil Production	API	Surface Location	Oil (BPD)	Gravity	Gas (MSCFD)	BTU/cf	Water (BPD)
Cedar Canyon 23 Fed Com 6H	08/2017	30-015-44095	I-22-24S-29E	198	43	1217	1270	439

CEDAR CANYON 22 SATELLITE

Federal CA NMNM136578 Lease (NMNM13996 & NMNM81586) (12.5% Royalty Rate)

POOL: CORRAL DRAW; BONE SPRING (96238)

Well Name	First Oil Production	API	Surface Location	Oil (BPD)	Gravity	Gas (MSCFD)	BTU/cf	Water (BPD)
Cedar Canyon 22 Fed Com 5H	12/2016	30-015-43758	M-22-24S-29E	95	43.9	524	1263	79
Cedar Canyon 22 1H	04/2013	30-015-40668	K-22-24S-29E	40		76		211

All wells listed above except for Cedar Canyon 22 Fed Com 5H and Cedar Canyon 22-1H flow to the inlet header at Cedar Canyon 23 Federal 3H Satellite. Production at the battery is separated and measured through a 10' X 40' three-phase separator. Oil production will flow to two storage tanks located at Cedar Canyon 22 Satellite (LAT 32.19969, LONG -103.977588, L-21-24S-29E) then sold through a LACT meter (S/N 14504365), which will serve as the oil FMP.

Gas is sent from the production and test separators to a 54"X 10' gas scrubber then sent through two check meters (S/N 171978784 and 171978779) that serve as gas FMPs for the purpose of royalty payment. Two gas meters are installed to accommodate estimated future volumes. Only one meter will be utilized until capacity is exceeded.

All water from the Cedar Canyon 23 Federal 3H Satellite is sent to the Cedar Canyon 22 Battery before being sent to the Cedar Canyon water disposal distribution system.

Cedar Canyon 22 Fed Com 5H has an individual test separator located on Cedar Canyon 22 Satellite. The tester is equipped with an oil turbine meter (S/N 390327), gas orifice meter (S/N T153234663) and water turbine meter. Cedar Canyon 22-1H also has an individual test separator located on Cedar Canyon 22 Satellite. The tester is equipped with an oil turbine meter (S/N TBD), gas orifice meter (S/N TBD) and water turbine meter. Oil production from both separators ties into Cedar Canyon 23 Federal 3H Satellite production upstream of the two storage tanks. Gas flows through each tester orifice meter, which serves as the gas FMP for the purpose of royalty payment, and is then sent to sales. Water is sent to the Cedar Canyon 22 Battery before being sent to the Cedar Canyon water disposal distribution system.

For testing purposes, the Cedar Canyon 23 Federal 3H Satellite is equipped with four 6' x 20' and one 4' x 10' permanent three-phase test separators. The facility is also equipped with three mobile 6' X 20' three-phase test separator that will be removed from location after the wells have declined to the point where the vessels are no longer needed. Each test vessel is equipped with oil turbine meters, gas orifice meters, and water turbine meters. The table below details the oil and gas meter serial numbers on the testers.

CEDAR CANYON 23-3H BATTERY TESTERS	OIL METER #	GAS METER #
Permanent 4 x 10	65987	T152328915
Permanent 6 x 20	1208824315	T170369235
Permanent 6 x 20	63005	T170369228
Permanent 6 x 20	12089268714	T170369223
Permanent 6 x 20	1209337420	T170369233
Permanent 6 x 20	390324	T153234908

Cedar Canyon 23-24 Federal 32H has been on production for 19 months and is in Range 3 of decline. Cedar Canyon 23-24 Federal 32H has its own dedicated test separator and is tested at least once per month, as specified in Hearing Order R-14299.

All other wells at the Cedar Canyon 23-3H Satellite and Cedar Canyon 22 Satellites, have also been on production for over a year and are in Range 3 of decline. The Cedar Canyon 23-3H Satellite wells share the five permanent test separators located at the satellite. Cedar Canyon 22 Fed Com 5H and Cedar Canyon 22-1H each have their own individual test separators, as described previously. All of the wells are tested at least once per month, as specified in Hearing Order R-14299.

Production is allocated to each well based on the aforementioned well tests and the amount of hours the well was operating in a given month.

All wells except for Cedar Canyon 23-24 Fed 31H, Cedar Canyon 22-1H and Cedar Canyon 23-1H are on gas lift. Each well has a gas-driven compressor located on the respective well pads and a gas lift meter at the respective well pads to measure the amount of gas used for lift operations. Each compressor uses an estimated 25 MCFPD in fuel gas, based on manufacturer's specifications. The table below details the gas lift meter numbers for each well. Volumes range from 450 MCFPD to 1000 MCFPD.

Well	Gas Lift Meter No.
Cedar Canyon 22 Fed Com 4H	14999I
Cedar Canyon 22 Fed 21H	14979I
Cedar Canyon 23 Fed 3H	14931I
Cedar Canyon 23 Fed 4H	14933I
Cedar Canyon 23 Fed 5H	14932I
Cedar Canyon 23 Fed Com 6H	14882I
Cedar Canyon 22 Fed Com 5H	14978I
Cedar Canyon 23-24 Fed 32H	14884I
Guacamole CC 24 23 Fed 11H	TBD*
Guacamole CC 24 23 Fed 12H	TBD*

Additional Application Components:

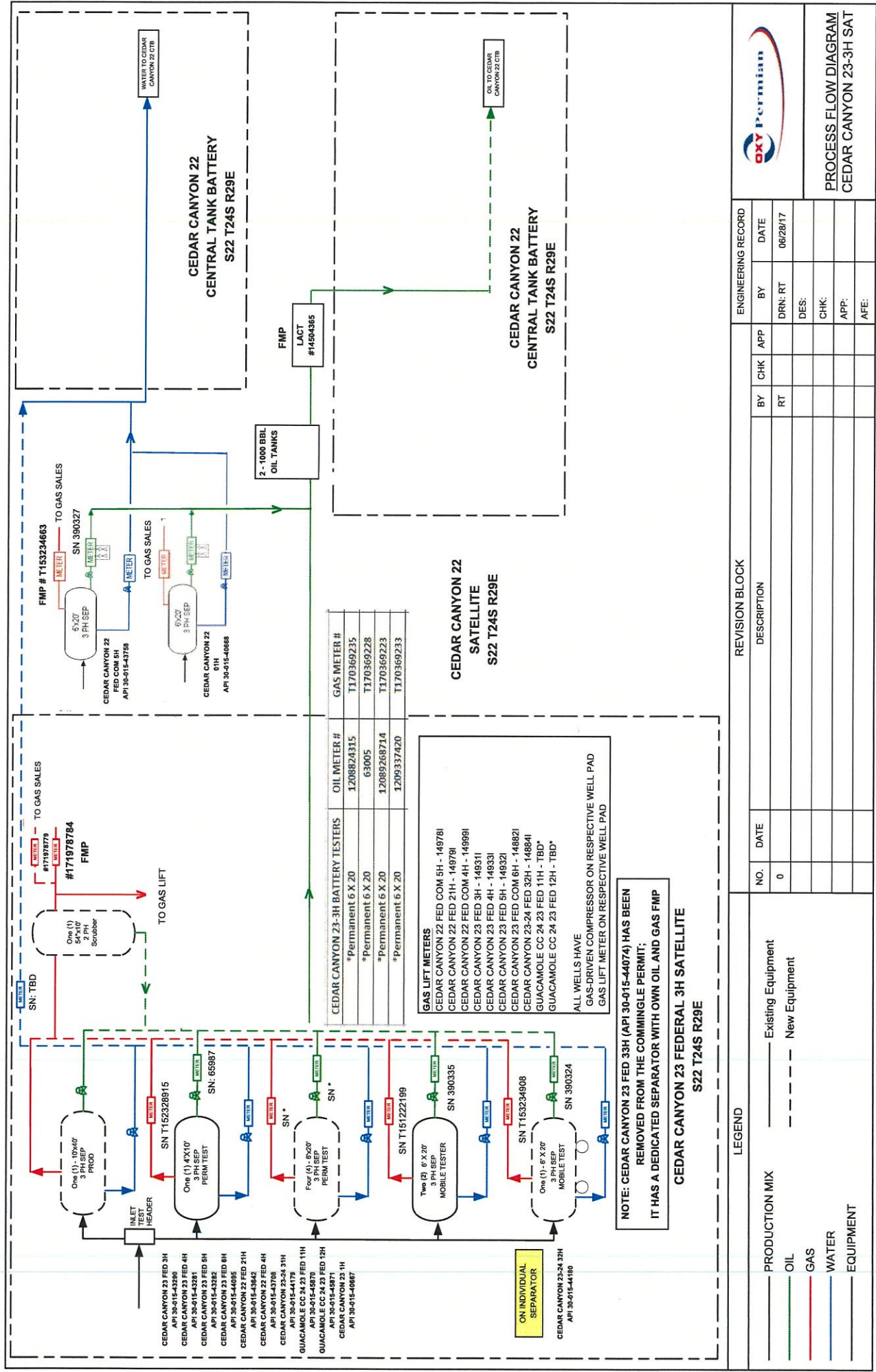
The flow of production is shown in detail on the enclosed facility diagrams. Also enclosed are maps detailing the lease boundaries, well and battery locations.

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.

The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

Commingling this production is the most effective means of producing the reserves. 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. These applications will be submitted separately for approval per NMOCD and BLM regulations.

Cedar Canyon 23-1H and Cedar Canyon 22-1H are in the previously approved leases and pools, therefore notification was not required (per Administrative Order PLC-483).



PROCESS FLOW DIAGRAM
CEDAR CANYON 23-3H SAT

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis
Santa Fe, New Mexico 8

OPERATOR: Please do not report
production under this pool id code
until OCD confirms perfs and
appropriate pool designation on
completion and C104 approvals.

Form C-102
August 1, 2011
to appropriate
District Office

REPORT

WELL LOCATION AND ACREAGE DE

API Number 30-015-40668	Pool Code 96238	Pool Name Corral Draw Bone Spring
Property Code 39438	Property Name CEDAR CANYON 22	Well Number 1H
OGRID No. 16696	Operator Name OXY U.S.A. INC.	Elevation 2982'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	22	24-S	29-E		1980	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	24-S	29-E		1980	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	N		11636 9/16

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>David Stewart</i> Date: 6/19/12</p> <p>Printed Name: David Stewart - Reg. Adv.</p> <p>E-mail Address: david_stewart@oxy.com</p>							
<p>SECTION, QUARTER & SIXTEENTH CORNER COORDINATES TABLE</p> <table> <tr> <td>① - Y=437702.8 N, X=609169.1 E</td> <td rowspan="6"> <p>DETAIL</p> </td> </tr> <tr> <td>② - Y=437699.8 N, X=614465.5 E</td> </tr> <tr> <td>③ - Y=437717.6 N, X=617113.7 E</td> </tr> <tr> <td>④ - Y=436372.2 N, X=609173.0 E</td> </tr> <tr> <td>⑤ - Y=436373.2 N, X=614469.0 E</td> </tr> <tr> <td>⑥ - Y=436392.2 N, X=617118.5 E</td> </tr> </table> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION</p> <p>Y=437025.8 N X=611150.7 E</p> <p>LAT.=32.200990° N LONG.=103.973991° W</p> <p>BOTTOM HOLE LOCATION</p> <p>Y=437031.1 N X=615127.1 E</p> <p>LAT.=32.200968° N LONG.=103.961136° W</p>	① - Y=437702.8 N, X=609169.1 E	<p>DETAIL</p>	② - Y=437699.8 N, X=614465.5 E	③ - Y=437717.6 N, X=617113.7 E	④ - Y=436372.2 N, X=609173.0 E	⑤ - Y=436373.2 N, X=614469.0 E	⑥ - Y=436392.2 N, X=617118.5 E	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 9, 2011</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i></p> <p>RONALD J. EIDSON NEW MEXICO 3239</p> <p>Certificate Number: 12641 Ronald J. Eidson 3239</p> <p>DSS/DSR Reg. No. 12641 JWS/C W.O.: 12.13.1852</p>
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