

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order CTB-659

October 16, 2012

OXY USA WTP, LP
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Attention: Jennifer Duarte:

OXY USA WTP, LP ("OXY") is hereby authorized to surface commingle oil and gas production from Benson; Bone Spring Pool (**5200**) from the following State Leases and wells.

Smokey Bits State. Com Well No. 2H (**API 30-015-40196**), Section 36, T-18-S, R-30-E.

Smokey Bits State Com Well No. 6H (**API No. 30-015-39118**), Section 36, T-18-S, R-30-E.

Smokey Bits State Com Well No. 3H (**API No. 30-015-40070**), Sect 36, T-18-S, R-30-E.

Smokey Bits State Com Well No.5H (**API No. 30-015-40148**),, Sect 36, T-18-S, R-30-E

All in NMPM, Eddy County, New Mexico

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Central Tank Battery (CTB), located in Section 36 Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico.

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly..

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

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

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This approval is subject to like approval from the State Land Office (SLO) before commencing the commingling operations.

DONE at Santa Fe, New Mexico, on August 3, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey", written in a cursive style.

Jami Bailey
Division Director

JB/re

cc: Oil Conservation Division – Artesia
State Land Office Oil, Gas, and Minerals Division