

| | | | | | |
|----------------------|----------|-----------------|------------------------|-------------|----------------------------|
| DATE IN 9/20/2016 | SUSPENSE | ENGINEER MDM | LOGGED IN 9/21/2016 | TYPE OLM | APP NO. PMAm 1626530961 |
|----------------------|----------|-----------------|------------------------|-------------|----------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- 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

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 _____

OLM - 11P
 - OX4 USA Inc
 16636

Well
 - Cedar Canyon
 21 Fed. com #54
 30-015-43749
 Pool

- [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

- Cornell Drilling
 Bone Spring
 96238

- [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.

| | | | |
|-----------------------------|--------------------|----------------|---------------|
| _____ Print or Type Name | _____ Signature | _____ Title | _____ Date |
| _____ e-mail Address | | | |

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

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

Form C-103
Revised July 18, 2013

WELL API NO.
30-015-43749

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
CEDAR CANYON 21 FED COM

8. Well Number 5H

9. OGRID Number

10. Pool name or Wildcat
CORRAL DRAW; BONE SPRING

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.)

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

2. Name of Operator
OXY USA INC

3. Address of Operator
5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046

4. Well Location

Unit Letter _____ : 1090 feet from the SOUTH line and 207 feet from the WEST line

Section 22 Township 24S Range 29E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐
OTHER: OFF-LEASE MEASUREMENT ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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 for the Off-lease Measurement, Storage & Sales for the Cedar Canyon 21 Fed Com 5H.

Oxy proposes to meter production from the Cedar Canyon 21 Fed Com 5H through a three phase separator, located at the Cedar Canyon 22 Satellite Facility in Section 22 T24S R29E.

After separation, gas will flow through an orifice meter (S/N T152831854), which will serve as the gas custody transfer point.

Oil will flow through a turbine meter into a dedicated 1000 bbl oil tank and then through a Coriolis meter. The Coriolis meter (S/N 14260824) will serve as the oil custody transfer point.

Royalty payments for oil and gas production will be paid off of the custody transfer meters. Meters will be proved and calibrated according to current API, NMOCD and BLM standards.

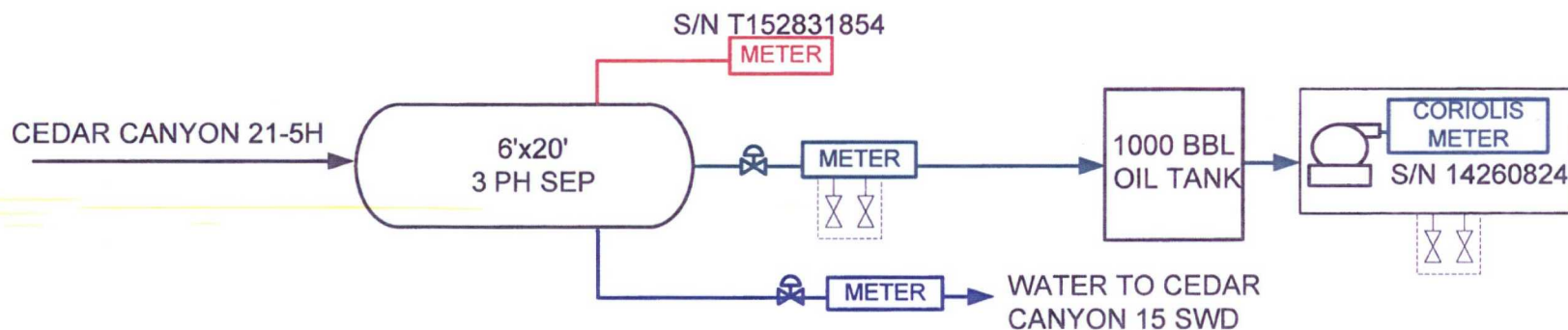
The flow of production is shown in detail on the enclosed facility diagram.

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


SIGNATURE Taylor Stillman TITLE: PRODUCTION ENGINEER DATE: 09/19/2016

Type or print name TAYLOR STILLMAN E-mail address: TAYLOR_STILLMAN@OXY.COM PHONE: (713) 366-5945
For State Use Only

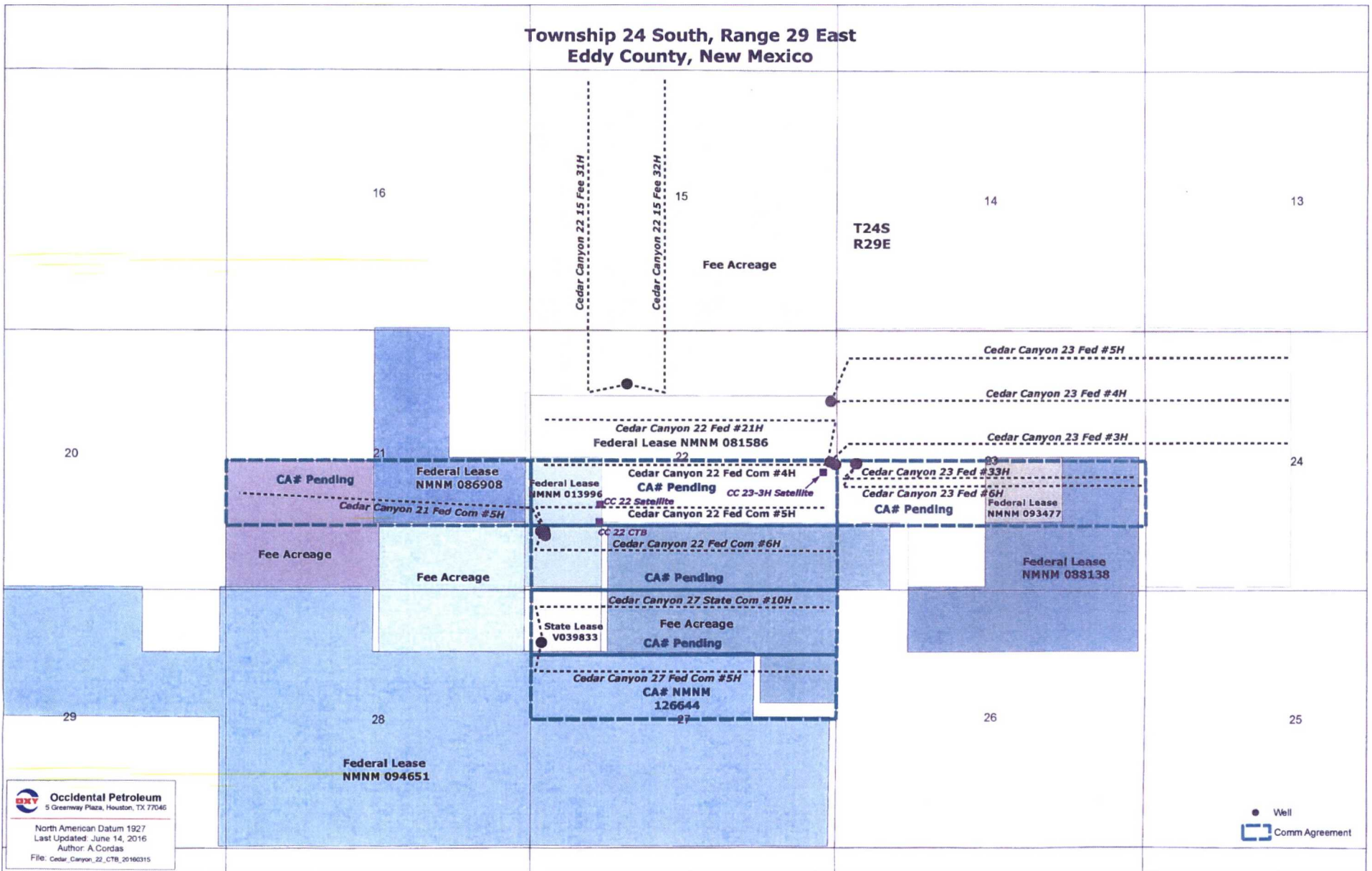
APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any):



CEDAR CANYON
22 SATELLITE
S22 T24S R29E

| REVISION BLOCK | | | | |  PROCESS FLOW DIAGRAM CEDAR CANYON 21-5H |
|--|------|-----------------------------------|-----|--|---|
| NO. | DATE | DESCRIPTION | BY | | |
| 0 | | PRELIMINARY DRAFT | KAO | | |
| 1 | | REVISION | JC | | |
| 2 | | OFF LEASE MEASUREMENT APPLICATION | TS | | |
| | | | | | |
| | | | | | |
| _____ PRODUCTION MIX _____ OIL _____ GAS _____ WATER _____ EQUIPMENT | | | | | |

**Township 24 South, Range 29 East
Eddy County, New Mexico**





Jeremy D. Murphrey, CPL
Land Negotiator Sr.

OXY USA Inc.
Box 27570, Houston, TX 77227-7570

Phone (713) 350-4816
Fax (713) 985-4942
Jeremy_Murphrey@oxy.com

September 21, 2016

RE: Off-Lease Measurement Application:
Cedar Canyon 22 Satellite

To Whom It May Concern:

OXY USA Inc., ("OXY"), as Operator, has filed applications with the New Mexico Oil Conservation Division for approval of the above mentioned project.

This letter serves as notice that the OXY, owning 100.00% of the working interest, is the sole working interest party in the following wells:

(API: 30-015-43673) Cedar Canyon 27 State Com #10H
(API: 30-015-43775) Cedar Canyon 27 Fed Com #5H
(API: 30-015-43749) Cedar Canyon 21 Fed Com #5H

Best Regards

OXY USA Inc.

A handwritten signature in black ink, appearing to read "J. Murphrey".

Jeremy Murphrey, CPL
Land Negotiator Sr.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (773) 393-4181 Fax: (773) 793-8720
District II
811 S. First St., Artesia, NM 88210
Phone: (773) 749-1281 Fax: (773) 748-4720
District III
1025 Rio Grande Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-4170
District IV
1225 S. St. Francis Dr., Santa Fe, NM 87503
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

| | | |
|-----------------------------------|---|--|
| API Number 30-015-43749 | Pool Code 962383 | Pool Name Corral Draw Bone Springs |
| Property Code 315207 | Property Name CEDAR CANYON "21" FEDERAL COM | Well Number 5H |
| OGRID No. 16694 | Operator Name OXY USA INC. | Elevation 2940.4' |

Surface Location

| UL or lot no. | Section | Township | Range | Lot 1st | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| M | 22 | 24 SOUTH | 29 EAST, N.M.P.M. | | 1090' | SOUTH | 207' | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot 1st | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| L | 21 | 24 SOUTH | 29 EAST, N.M.P.M. | | 1980' | SOUTH | 180' | WEST | EDDY |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 160 | N | | |

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 contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or has a 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order.</p> <p>Authorized by the division:</p> <p><i>David Stewart</i> 2/22/16 Signature Date David Stewart - Sr. Reg. Adv. David_stewart@oxy.com E-mail Address</p> |
| <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 Y=437004.04 US FT X=604043.84 US FT LAT.: N 32.2009938° LONG.: W 103.9989870°</p> <p>TOP PERF. NEW MEXICO EAST NAD 1927 Y=436734.33 US FT X=603883.74 US FT LAT.: N 32.2002100° LONG.: W 103.9814915°</p> <p>KICK OFF POINT NEW MEXICO EAST NAD 1927 Y=436716.48 US FT X=603148.80 US FT LAT.: N 32.2001563° LONG.: W 103.9804731°</p> <p>BOTTOM PERF. NEW MEXICO EAST NAD 1927 Y=436993.03 US FT X=604203.03 US FT LAT.: N 32.2008676° LONG.: W 103.9984499°</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=436131.72 US FT X=603360.48 US FT LAT.: N 32.1985487° LONG.: W 103.9797240°</p> <p>PROJECT AREA PRODUCING AREA GRID A2 = 27°13'32" 5110.89' IN ALL GRID A2 = 32°13'04" 829.74'</p> | | | | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was located by field notes of personal survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DATE OF SURVEY: FEBRUARY 15, 2016</p> <p>Signature and Seal of Professional Surveyor: <i>Terry Alford</i> 2/16/2016 15079</p> |