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|----------------------|----------|------------------|------------------------|-------------|---------------------------|
| DATE IN 9/22/2016 | SUSPENSE | ENGINEER M AM | LOGGED IN 9/22/2016 | TYPE OLM | APP NO. PMA/1626532212 |
|----------------------|----------|------------------|------------------------|-------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



CEDAR CANYON 22 FED COM UH

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 _____

[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

[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.

Taylor Stillman Taylor Stillman Production Engineer 9/22/2016
 Print or Type Name Signature Title Date

c-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

PMAM1626532212

| | | |
|---|--|---|
| 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. 30-015-43809 30-015-43808 |
| 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 checked="" type="checkbox"/> |
| 2. Name of Operator OXY USA INC | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046 | | 7. Lease Name or Unit Agreement Name CEDAR CANYON 22-15 FEE |
| 4. Well Location Unit Letter _____: _____ feet from the _____ line and _____ feet from the _____ line Section 22 Township 24S Range 29E NMPM County EDDY | | 8. Well Number 31H & 32H |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) | | 9. OGRID Number 146496 |
| | | 10. Pool name or Wildcat PIERCE CROSSING; WOLFCAMP |

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"/> | REMEDIAL WORK <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| CLOSED-LOOP SYSTEM <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> |
| OTHER: OFF-LEASE MEASUREMENT <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 for the Off-lease Measurement, Storage & Sales for the Cedar Canyon 22-15 Fee 31H & 32H.

Oxy proposes to meter production from the Cedar Canyon 22-15 Fee 31H & 32H through a three phase production and test separator train, located at the Cedar Canyon 22 Satellite Facility in Section 22 T24S R29E.

After separation through the production separator, gas will flow through an orifice meter (S/N T160446837). Gas from the test separator will flow through orifice meter (S/N T151222206). The aforementioned orifice meters will serve as the gas custody transfer points and the gas production will be calculated by the sum of the meters.

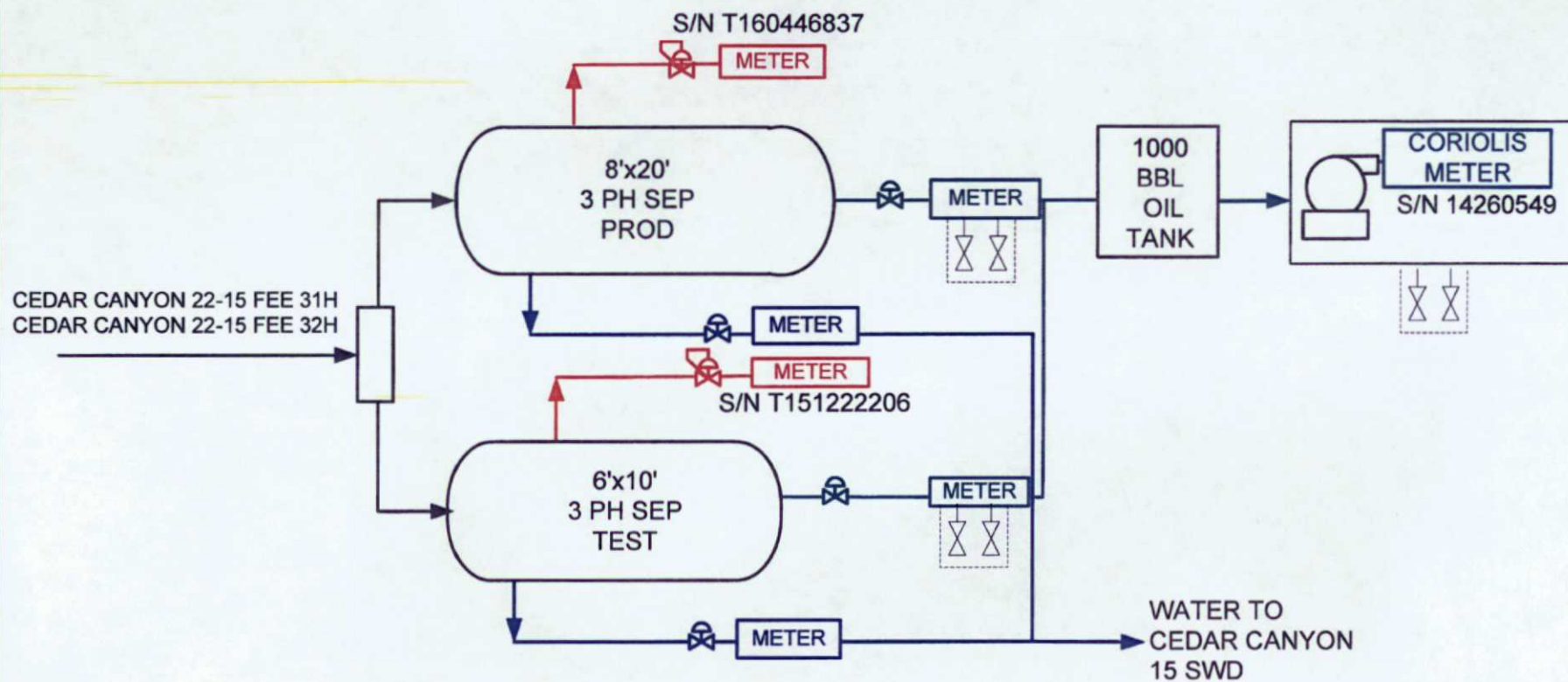
Oil will flow through turbine meters at the outlets of the production and test separators and into a dedicated 1000 bbl oil tank and then through a common Coriolis meter. The Coriolis meter (S/N 14260549) will serve as the oil custody transfer point.

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

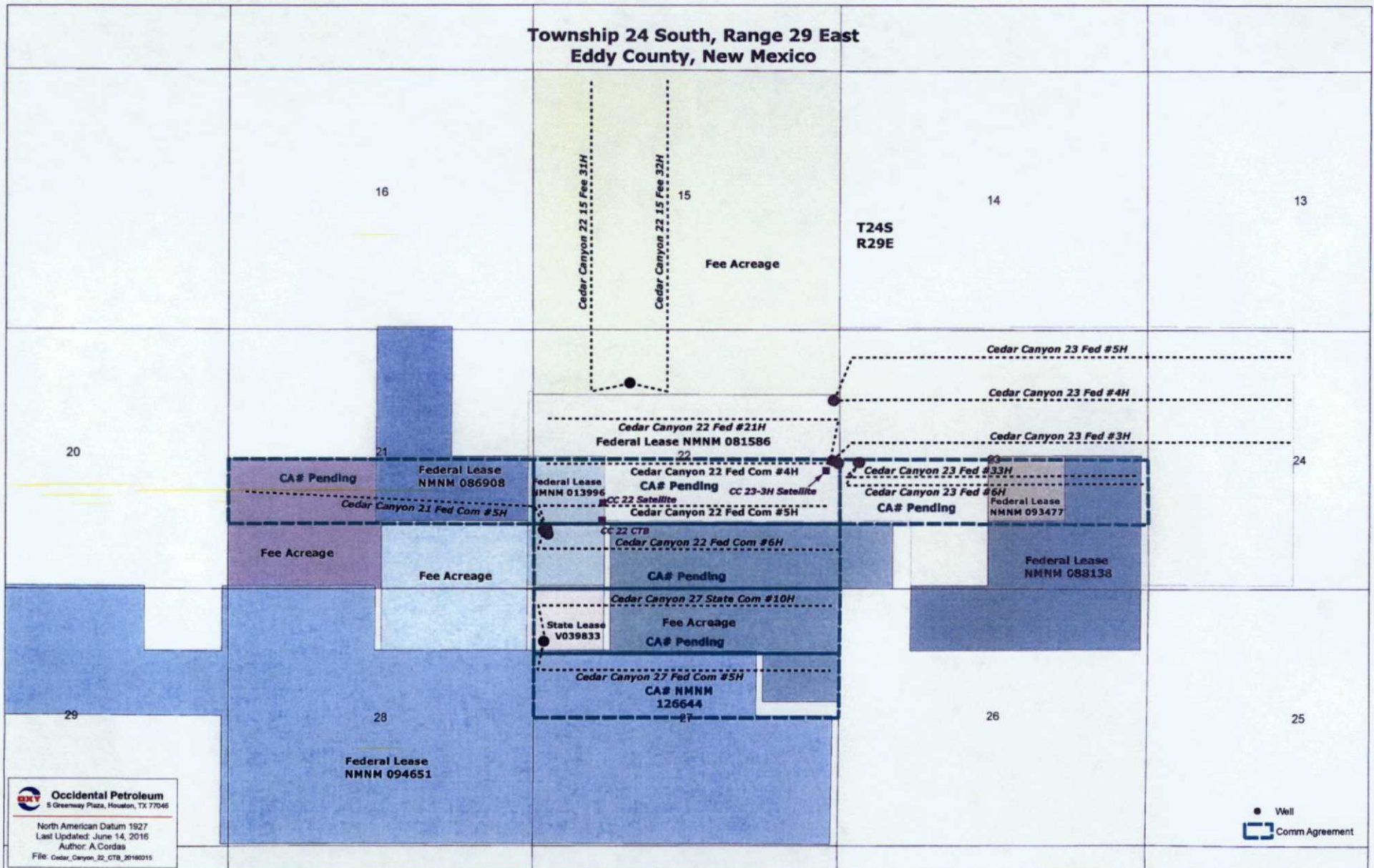
REVISION BLOCK

| NO. | DATE | DESCRIPTION | BY |
|-----|------|-----------------------------------|-----|
| 0 | | PRELIMINARY DRAFT | KAO |
| 1 | | REVISION | JC |
| 2 | | OFF LEASE MEASUREMENT APPLICATION | TS |
| | | | |
| | | | |



PROCESS FLOW DIAGRAM
CEDAR CANYON 22-15 FEE

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



Occidental Petroleum
5 Greenway Plaza, Houston, TX 77046

North American Datum 1927
Last Updated: June 14, 2016
Author: A. Cordas

File: Cedar_Canyon_22_CTB_20180215

● Well

--- Comm Agreement

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6179
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
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 30-015-43801 | Pool Code 96473 | Pool Name Pierce Crossing Bone Springs Pass |
| Property Code | Property Name CEDAR CANYON "22-15" FEE | Well Number 31H |
| OGRID No. 16696 | Operator Name OXY USA INC. | Elevation 2925.8' |

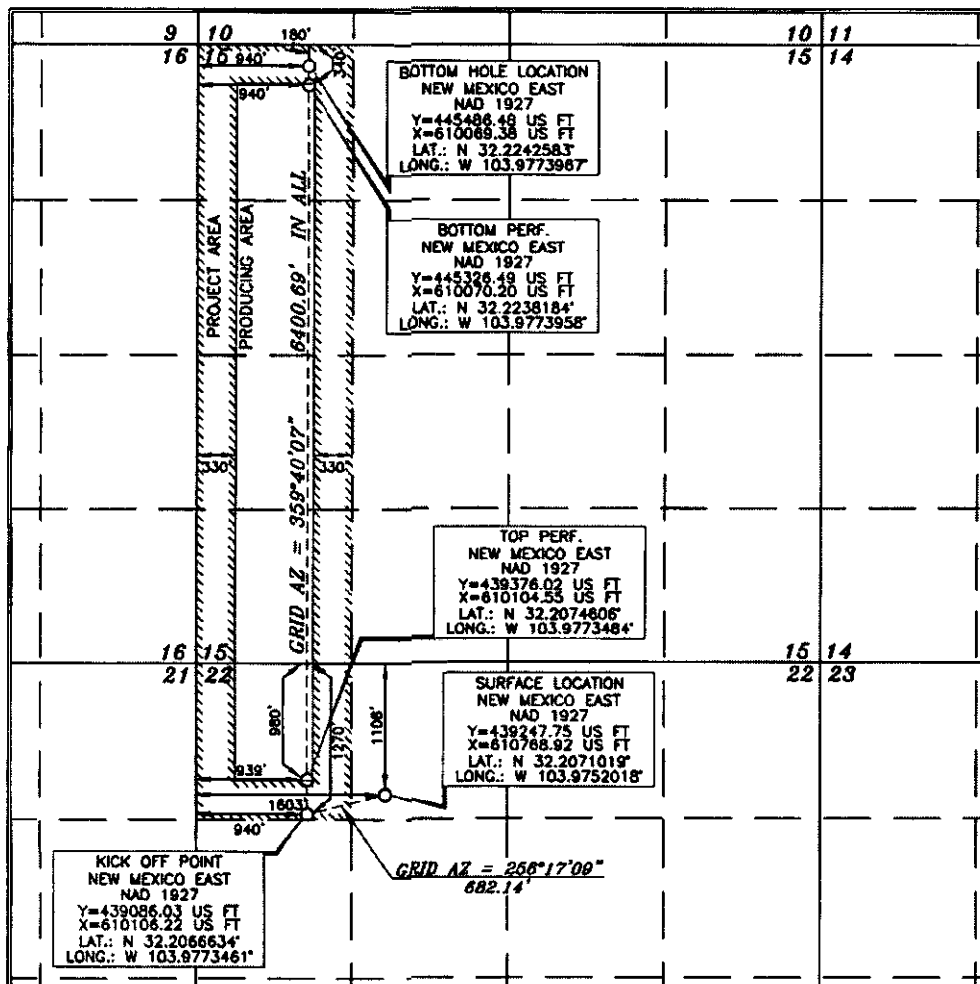
Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-----------------|--------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| C | 22 | 24 SOUTH | 29 EAST, N.M.P.M. | | 1108' | NORTH | 1603' | 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 |
|-----------------|-----------|-----------------|--------------------------|-----------|---------------|------------------|---------------|----------------|-------------|
| D | 15 | 24 SOUTH | 29 EAST, N.M.P.M. | | 180' | NORTH | 940' | WEST | EDDY |
| Dedicated Acres | | Joint or Infill | Consolidation Code | Order No. | | | | | |

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.



OPERATOR CERTIFICATION

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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

SURVEYOR CERTIFICATION

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.

Date of Survey _____

Signature and Seal of Professional Surveyor _____

Terry J. Paul 5/17/2016
Certificate Number 15079

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
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Phone: (505) 334-6178 Fax: (505) 334-6170
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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 30-015-4388 | Pool Code 96473 | Pool Name Pierre Crossing Boesprong, etc |
| Property Code | Property Name CEDAR CANYON "22-15" FEE | Well Number 32H |
| OGRID No. | Operator Name OXY USA INC. | Elevation 2925.8' |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 22 | 24 SOUTH | 29 EAST, N.M.P.M. | | 1108' | NORTH | 1633' | 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 |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| C | 15 | 24 SOUTH | 29 EAST, N.M.P.M. | | 180' | NORTH | 2260' | WEST | EDDY |

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

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 undivided 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 heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> | | | |
| <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes or 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>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>15079 MAY 3, 2016</p> <p>Tommy J. Paul 5/10/2016 Certificate Number 15079</p> <p>WO# 160503WL-b (KA)</p> | | | |

Cedar Canyon 22 Off-Lease Measurement Working Interest Owner Notification

| Owner | Address | City | St | Zip | Tracking no |
|------------------------------------|-----------------------------|---------|----|-------|--------------------------|
| Mobil Producing Texas & New Mexico | PO BOX 951027 | DALLAS | TX | 77252 | 7014 1820 0000 2715 1438 |
| GD McKinney INVESTMENTS LP | 300 N MARIENFELD SUITE 1100 | MIDLAND | TX | 79701 | 7014 1820 0000 2715 1421 |
| Wayne/Linda Newkumet | PO BOX 11330 | MIDLAND | TX | 79702 | 7014 1820 0000 2715 1414 |
| B. Jack Reed | 506 CHARISMATIC | MIDLAND | TX | 79705 | 7014 1820 0000 2715 1407 |
| Leopard Petroleum LP | 4200 FAIRWOOD | MIDLAND | TX | 79707 | 7014 1820 0000 2715 1469 |
| DRW Energy, LLC | 4107 TANFORAN | MIDLAND | TX | 79707 | 7014 1820 0000 2715 1452 |
| Beryl Oil & Gas, LP | 6707 PEBBLE COURT | MIDLAND | TX | 79707 | 7014 1820 0000 2715 1445 |
| M'Lissa L .McKinney Schoening | 300 N MARIENFELD SUITE 1100 | MIDLAND | TX | 79701 | 7014 1820 0000 2715 1476 |