

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



September 27, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-483
Administrative Application Reference No. pMAM1724945293

OXY USA, Inc.
Attention: Ms. Sandra Mussallam

Pursuant to your application received on September 6, 2017, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools:

PIERCE CROSSING; BONE SPRING, EAST	(96473)
CORRAL DRAW; BONE SPRING	(96238)
PURPLE SAGE; WOLFCAMP (GAS)	(98220)

and from wells, and their associated leases and pools identified in Attachment No. A and made part of this order. These wells are located on federal leases in Township 24 South, Range 29 East, NMPM, Eddy 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 Range 1 of decline shall be measured separately. 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.

OXY USA, Inc. shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a test separator is removed.

Cedar Canyon 21 Battery

The commingled oil and gas production from the wells in Attachment A for the Cedar Canyon 21 Battery shall be measured and sold at the Cedar Canyon 21 Battery (Cedar Canyon 21 CTB)

located in Unit P of Section 21, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Initially, all of the wells shall be continuously metered for oil and gas production, because the wells are in Range 1 decline as specified in Hearing Order R-14299. The Cedar Canyon 21 CTB shall have a minimum of three permanent test separators.

The Cedar Canyon 21 CTB shall be a Facility Measurement Point (FMP) for oil production for all wells in this administrative application.

Cedar Canyon 23-3H Battery


The commingled oil and gas production from the wells in Attachment A for the Cedar Canyon 23-3H Battery shall be measured at the Cedar Canyon 23-3H Central Tank Battery (Cedar Canyon 23-3H CTB) located in in Unit I of Section 22, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. The Cedar Canyon 23-3H CTB will be equipped with a total of eight three-phase separators initially, and two of them will be removed once the wells have declined sufficiently below Range 1 decline, as specified in Hearing Order R-14299. The gas will be measured at the Cedar Canyon 23-3H CTB, which will be the Facility Measurement Point for those wells. Lastly, after the oil production is measured, it will flow to the Cedar Canyon 21 CTB where it will be sold.

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

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

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

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


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Artesia
Bureau of Land Management – Carlsbad

Attachment A

Attachment A: Cedar Canyon wells

OXY						
CEDAR CANYON 23-3H BATTERY						
Well Name	API	Surface Location	Project Area	Pool	Pool Name	Range
Cedar Canyon 22 Fed 21H	30-015-43642	I-22-24S-29E	S/2 N/2 SEC 22	96473	Pierce Crossing; Bone Spring E	1
Cedar Canyon 23-24 Fed 31H	30-015-44179	A-22-24S-29E	N/2 N/2 SEC 23, N/2 NW/4 SEC 24	96473	Pierce Crossing; Bone Spring E	1
Cedar Canyon 23-24 Fed 32H	30-015-44180	A-22-24S-29E	S/2 N/2 SEC 23, S/2 NW/4 SEC 24	96473	Pierce Crossing; Bone Spring E	1
Cedar Canyon 22 Fed Com 4H	30-015-43708	I-22-24S-29E	N/2 S/2 SEC 22	96473	Pierce Crossing; Bone Spring E	1
Cedar Canyon 23 Fed 3H	30-015-43290	I-22-24S-29E	N/2 S/2 SEC 23, N/2 SW/4 SEC 24	96473	Pierce Crossing; Bone Spring E	1
Cedar Canyon 23 Fed 4H	30-015-43281	H-22-24S-29E	S/2 N/2 SEC 23, S/2 NW/4 SEC 24	96473	Pierce Crossing; Bone Spring E	3
Cedar Canyon 23 Fed 5H	30-015-43282	A-22-24S-29E	N/2 N/2 SEC 23, N/2 NW/4 SEC 24	96473	Pierce Crossing; Bone Spring E	3
Cedar Canyon 23 Fed Com 6H	30-015-44095	I-22-24S-29E	S/2 SEC 23, SW/4 SEC 24	96473	Pierce Crossing; Bone Spring E	1
Cedar Canyon 23 Fed Com 33H	30-015-44074	I-22-24S-29E	S/2 SEC 23, SW/4 SEC 24	96473	Purple Sage; Wolfcamp	1

CEDAR CANYON 21 BATTERY						
Well Name	API	Surface Location	Project Area	Pool	Pool Name	Range
Cedar Canyon 22 Fed Com 5H	30-015-43758	M-22-24S-29E	N/2 S/2 SEC 22	96238	Corral Draw; Bone Spring	1
Cedar Canyon 21 Fed Com 22 H	30-015-44190	E-21-24S-29E	S/2 N/2 SEC 21	96238	Corral Draw; Bone Spring	1
Cedar Canyon 21 Fed Com 23 H	30-015-44191	E-21-24S-29E	S/2 N/2 SEC 21	96238	Corral Draw; Bone Spring	1
Cedar Canyon 21 Fed Com 21 H	30-015-44181	A-21-24S-29-E	N/2 N/2 SEC 21	96238	Corral Draw; Bone Spring	1
Cedar Canyon 21-22 Fed Com 32H	30-015-44176	E-21-24S-29E	N/2 SEC 21, N/2 Sec 22	96473	Purple Sage; Wolfcamp	1
Cedar Canyon 21 Fed Com 31H	30-015-44182	A-21-24S-29-E	N/2 SEC 21	98220	Purple Sage; Wolfcamp	1

Range is the stage of decline of each well based on parameters specified in Hearing Order R-14299