

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



November 28, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-490
Administrative Application Reference No. pMAM17307305098

OXY USA, Inc.
Attention: Ms. Sandra Musallam

Pursuant to your application received on November 3, 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)
PIERCE CROSSING; BONE SPRING	(50371)
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.

The combined surface commingling project area for these wells includes the S/2 Section 27, S/2 N/2 and S/2 of Section 28, and entire Section 29, all in Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

The oil and gas production from these wells listed as part of this application shall be measured and sold from the Cedar Canyon 28 Federal 4 Central Tank Battery (CTB), located in Unit K, Section 28, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

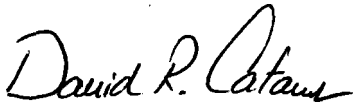
OXY USA, Inc. shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a test separator is removed.

For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

This administrative order supersedes Administrative Order PC-1310, issued on January 27, 2017. This administrative order adds the Purple Sage; Wolfcamp (Gas) Pool, and additional leases.

This approval is subject to like approval from Bureau of Land Management 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

Well Name	API	Project Area	Pool	Pool Code	Range
Cedar Canyon 27 Federal 6H	30-015-43232	N/2 S/2 Sec. 27	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 27 Federal 7H	30-015-43233	S/2 S/2 Sec. 27	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 28 Federal 6H	30-015-43234	N/2 S/2 Sec. 28	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 28 Federal 7H	30-015-43238	S/2 S/2 Sec. 28	PIERCE CROSSING; BONE SPRING, EAST	96473	3
Cedar Canyon 28 Federal 9H	30-015-44016	S/2 N/2 Sec. 28	PIERCE CROSSING; BONE SPRING, EAST	96473	2
Cedar Canyon 29 Federal Com 2H	30-015-42992	N/2 N/2 Sec. 29	PIERCE CROSSING;BONE SPRING	50371	2
Cedar Canyon 29 Federal 3H	30-015-42993	N/2 S/2 Sec. 29	PIERCE CROSSING;BONE SPRING	50371	2
Cedar Canyon 29 Federal 21H	30-015-43601	S/2 N/2 Sec. 29	PIERCE CROSSING;BONE SPRING	50371	2
Cedar Canyon 27-28 Fed Com 43H	30-015-44437	S/2 Sec.27 and S/2 Sec. 28	PURPLE SAGE;WOLFCAMP (GAS)	98220	1
Cedar Canyon 27-28 Fed Com 44H	30-015-44438	S/2 Sec.27 and S/2 Sec. 28	PURPLE SAGE;WOLFCAMP (GAS)	98220	1
Cedar Canyon 29 Fed Com 24H	30-015-44521	N/2 S/2 Sec. 29	PIERCE CROSSING;BONE SPRING	50371	1
Cedar Canyon 29 Fed Com 25H	30-015-44522	N/2 S/2 Sec. 29	PIERCE CROSSING;BONE SPRING	50371	1
Cedar Canyon 29 Federal 26H	30-015-44523	S/2 S/2 Sec. 29	PIERCE CROSSING;BONE SPRING	50371	1