

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



CENTRAL TANK BATTERY

Administrative Order CTB-844

December 26, 2017

OXY USA Inc
Attention: Mr. Robert Wilson

OXY USA Inc (OGRID 16696) is hereby authorized to surface commingle oil production from the Pierce; Bone Spring, East Pool (Pool code 96473) from the following diversely owned state leases located in Township 25 South, Range 29 East, Eddy County, New Mexico.

Lease:	Case No. 15869; Hearing Order R-14528	
Description:	Lot 1, Lot 2, Lot 3, Lot 4 (N/2 N/2 equivalent) of Section 1, and Lot 1, Lot 2, Lot 3, Lot 4 (N/2 N/2 equivalent) of Section 2, all in Township 25 South, Range 29 East	
Wells:	Corral Fly 02 01 State Well No. 021H	API 30-015-44507
	Corral Fly 02 01 State Well No. 022H	API 30-015-44508
Lease:	Case No. 15870; Hearing Order R-14529	
Description:	S/2 N/2 of Section 1, and S/2 N/2 of Section 2, all in Township 25 South, Range 29 East	
Well:	Corral Fly 02 01 State Well No. 023H	API 30-015-44509
Lease:	Case No. 15871; Hearing Order R-14530	
Description:	N/2 S/2 of Section 1, and N/2 S/2 of Section 2, all in Township 25 South, Range 29 East	
Wells:	Corral Fly 02 01 State Well No. 024H	API 30-015-44510
	Corral Fly 02 01 State Well No. 025H	API 30-015-44512
Lease:	Case No. 15870; Hearing Order R-Pending	
Description:	S/2 SW/4 of Section 1, and S/2 S/2 of Section 2, all in Township 25 South, Range 29 East	
Well:	Corral Fly 02 01 State Well No. 026H	API 30-015-44513

The combined project area for these wells includes Lot 1, Lot 2, Lot 3, Lot 4 (N/2 N/2 equivalent), S/2 N/2, and S/2 SW/4 of Section 1, and Lot 1, Lot 2, Lot 3, Lot 4 (N/2 N/2 equivalent), S/2 N/2, and S/2 S/2 of Section 2, all in Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil production from the wells detailed above shall be measured and sold at the Corral 02 01 Central Tank Battery (CTB), located in Lot 3/Unit C of Section 2, Township 25 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 prior to Range 1 of decline shall be measured separately. Wells that are in Range 1 of decline shall be measured with a combination of metering and well testing, and shall be tested at least three times a month. 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. However, none of the subject wells have been drilled, and the wells shall be initially measured separately.

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

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

This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe. 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.

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 – Artesia
New Mexico State Land Office – Oil, Gas, and Minerals