

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

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-43140
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMNM19199
7. Lease Name or Unit Agreement Name CAL MON 35 FEDERAL
8. Well Number 41H
9. OGRID Number 16696
10. Pool name or Wildcat COTTON 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 D : 250 feet from the N line and 710 feet from the W line
Section 35 Township 23S Range 31E 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: SURFACE POOL COMMINGLE ☒

SUBSEQUENT REPORT OF:

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

OTHER: PL-1310 ☐

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 of a surface pool commingle at the Cal Mon 35 Fed 41H battery. Wells feeding the battery are Cal Mon 35 Fed 171H (API 30-015-44269) and Cal Mon 35 Fed 41H (API 30-015-43140). The oil production will be measured through a LACT, which will serve as the Facility Measurement Point (FMP). Production will then be allocated to each well based on well test and the amount of hours the well was operating in a given month. Gas production will be separated and measured through an Oxy check meter, which will serve as the FMP. All water will be sent to the Cal Mon 5 salt water disposal well (SWD). The BLM's interest, 12.5%, is identical in all wells.

**Recommend Approval with stipulation + LACT Applicant provide sundry notice when test separator removed.*

Spud Date:

Rig Release Date:

Subject Like Approval BLM

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

SIGNATURE Sandra Musallam TITLE REGULATORY ENGINEER DATE 10/27/2017

Type or print name SANDRA MUSALLAM E-mail address: sandra_musallam@oxy.com PHONE: 713-366-5106

For State Use Only

APPROVED BY: David R. Chace TITLE Division Director DATE 11/1/17
Conditions of Approval (if any):

Revised March 23, 2017

RECEIVED: 10/31/2017	REVIEWER: RAM	TYPE: PL	APP NO: DMAM1730429934
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & 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

Applicant: OXY USA INC **OGRID Number:** 16696
Well Name: CAL MON 35 FEDERAL 41H **API:** 30-015-43140
Pool: COTTON DRAW; BONE SPRING **Pool Code:** 13367

WC-015 G-08 5233102C; WOLF CAMP

98123

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

PL

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
B. ☐ Royalty, overriding royalty owners, revenue owners
C. ☐ Application requires published notice
D. ☐ Notification and/or concurrent approval by SLO
E. ☒ Notification and/or concurrent approval by BLM
F. ☐ Surface owner
G. ☐ For all of the above, proof of notification or publication is attached, and/or,
H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete
☐ Application Content Complete

- 3) 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.

SANDRA MUSALLAM

Print or Type Name

Sandra Musallam

Signature

10/27/2017

Date

713-366-5106

Phone Number

SANDRA_MUSALLAM@OXY.COM

e-mail Address

APPLICATION FOR POOL COMMINGLE

Commingle proposal for Cal-Mon 35 Federal 41H Battery

OXY USA INC requests approval of a surface pool commingle at the Cal-Mon 35 Federal 41H battery. The wells feeding the battery are listed below.

The oil production will be measured through a LACT (S/N 14465558, Lat 32.2674 Long -103.754), which will serve as the Facility Measurement Point (FMP). Production will then be allocated to each well based on well test and the amount of hours the well was operating in a given month.

Gas production will be separated and measured through an Oxy check meter (S/N 117149, Lat 32.2674 Long -103.754), which will serve as the FMP.

All water will be sent to the Cal Mon 5 salt water disposal well (SWD).

A detailed process description can be found below. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications.

The BLM's interest, 12.5%, is identical in all wells.

Well	API	Location	Date Online	BOPD	OIL GRAVITY	MSCFD	BTU/cf	BWPD
POOL: WILDCAT WOLFCAMP (98236) - NMNM19199								
Cal Mon 35 Fed 171H	30-015-44269	D-35-T23S-R31E	Est. 10/25/2017	505#	44	902#	1300	1396#
POOL: COTTON DRAW; BONE SPRING (13367) - NMNM19199								
Cal Mon 35 Fed 41H	30-015-43140	D-35-T23S-R31E	Est. 10/25/2017	694#	43	1369#	1250	877#

Each of the two wells at the Cal-Mon 35 Federal 41H battery will have a dedicated 6' X 20' three-phase separator. Each vessel will be equipped with oil turbine meters (S/N 74546 & S/N 75067), gas orifice meters (S/N 109658 & S/N 119217), and water turbine meters (S/N 2089268717 & S/N 72627). Oil production will flow through a 6' X 20' heater treater then sent to three oil storage tanks. It will then be pumped through a LACT (FMP, S/N 14465558) and trucked to sales.

Each well will be tested daily prior to Range 1 of decline, and will be tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells will be tested at least twice per month, then will be tested at least once per month during Range 3 of decline, as specified in Hearing Order R-14299.

Gas will be sent from the separators to a gas scrubber. It will then flow through an Oxy check meter (S/N 117149), which will serve as the gas FMP for the purpose of royalty payment, then sent to sales.

All water from the Cal Mon 35 Federal 41H Battery will be sent to the Cal Mon 5 SWD for disposal.

Additional Application Components:

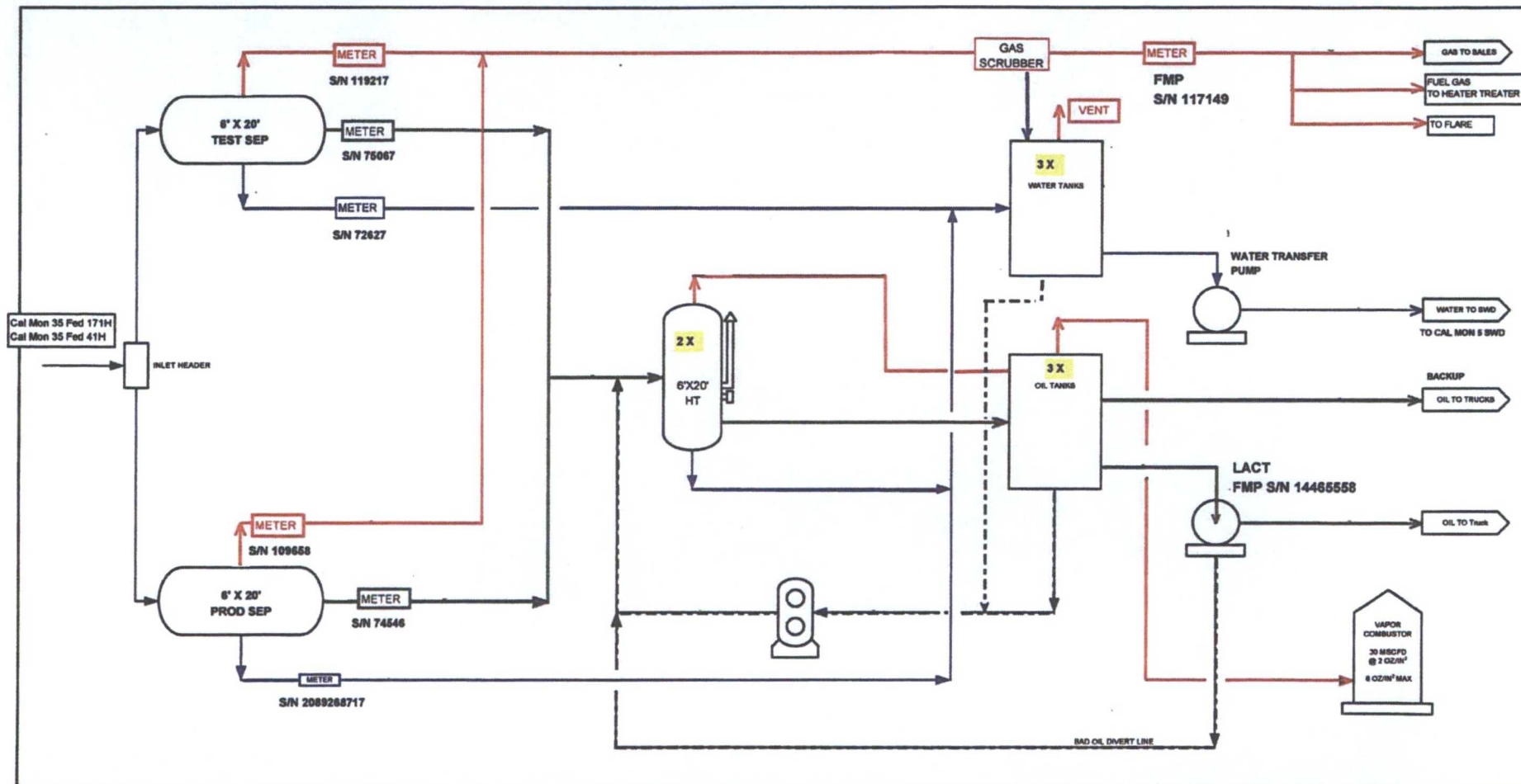
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

The working interest, royalty interest and overriding royalty interest owners are identical, so notice was not required.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

After completion of facility modifications, OXY will provide BLM with an updated facility diagram.

Commingleing this production is the most effective means of producing the reserves. OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

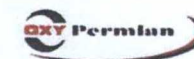


LEGEND

REVISION BLOCK

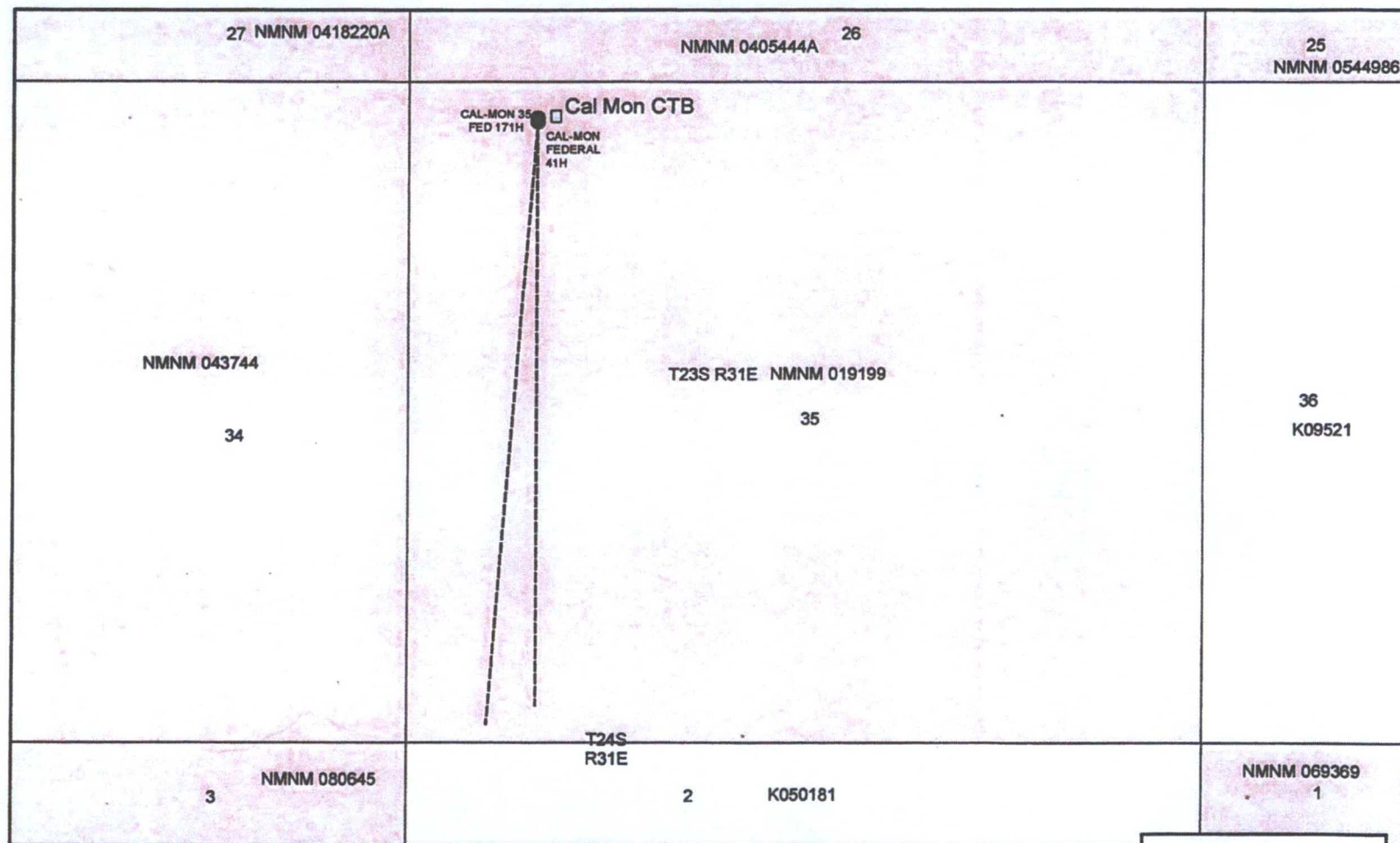
ENGINEERING RECORD

NO.	DATE	DESCRIPTION	BY	CHK	APP	BY	DATE
0	10/30/17					DRN:	
						DES:	
						CHK:	
						APP:	
						AFE:	



PROCESS FLOW DIAGRAM
CAL MON 35 FED 41H
CTB

Cal Mon CTB T23S R31E



Legend

----- Lateral

● Well

CalMon CTB



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas
77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.215.7541 Fax: 713.985.1873
Stacy_Rojas@oxy.com

October 25, 2017

Re: **Commingle Application For Cal Mon 35 Federal 41H Battery:**

Cal Mon 35 Federal 171H
Sec. 35, T23S-R31E
Wildcat Wolfcamp (98236)

Cal Mon 35 Federal 41H
Sec. 35, T23S-R31E
Cotton Draw; Bone Spring (13367)

To Whom It May Concern:

OXY USA Inc., as Operator, will be filing an application with the New Mexico Oil Conservation Division for approval of the above mentioned commingle project. This letter serves to notice you that the operator and interest owners are identical for the wells listed above.

Best Regards,

OXY USA Inc.

Stacy Rojas
Land Negotiator Advisor
Email: stacy_rojas@oxy.com
Office: 713/215-7541
Cell: 832/541-6125

District 1
 1221 N. French Dr., Hobbs, NM 88240
 Phone: (505) 393-4141 Fax: (505) 393-4720
 District 2
 3117 E. First St., Artesia, NM 88210
 Phone: (505) 345-1283 Fax: (505) 345-9720
 District 3
 1000 East Avenue Road, Artesia, NM 87410
 Phone: (505) 334-6170 Fax: (505) 334-6170
 District 4
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico **NM OIL CONSERVATION**
 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

APR 05 2017

RECEIVED

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-43140	Pool Code 13367	Pool Name Cotton Draw Base Spring
Property Code 314855	Property Name CAL-MON "35" FEDERAL	Well Number 41H.
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3456.2'

Surface Location

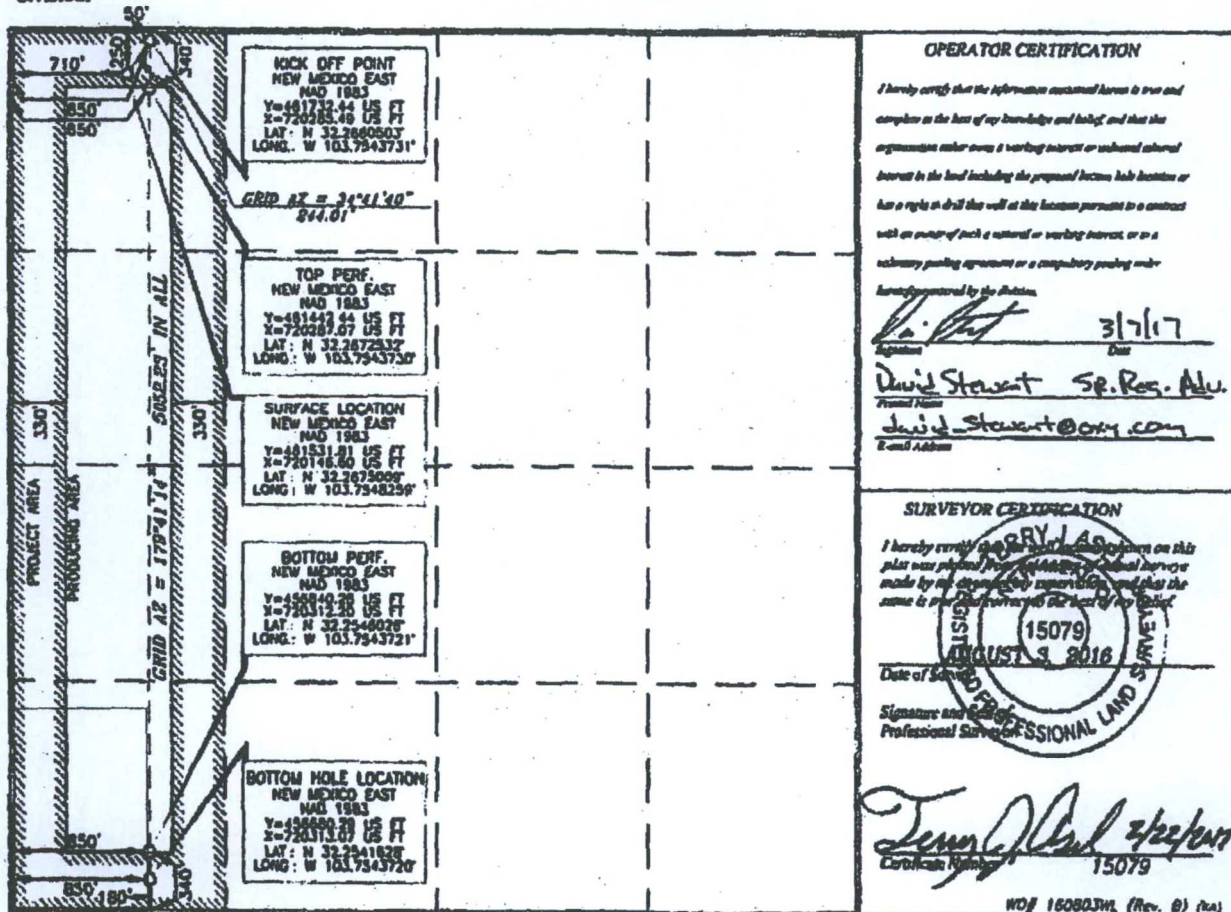
UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
D	35	23 SOUTH	31 EAST, N.M.P.M.		250'	NORTH	710'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
M	35	23 SOUTH	31 EAST, N.M.P.M.		180'	SOUTH	850'	WEST	EDDY

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



Well	API	Pool Code	Pool	Location	lease
Cal Mon 35 Fed 171H	30-015-44269	98236	WILDCAT WOLFCAMP	D-35-T23S-R31E	NMNM 19199
Cal Mon 35 Fed 41H	30-015-43140	13367	COTTON DRAW; BONE SPRING	D-35-T23S-R31E	NMNM 19199



OXY USA WTP Limited Partnership / OXY USA INC /
OCCIDENTAL PERMIAN LTD
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294
Direct: 713.366.5106
Sandra_Musallam@oxy.com

October 30, 2017

Re: Production of Wells Going to Cal Mon 35 Federal 41H Battery

Lease: NM 19199
Eddy County, New Mexico

Dear Mr. McMillan:

Regarding the submitted commingle application for Cal Mon 35 Federal 41H Battery, the production decline of all of the wells going to the battery are in accordance with the production decline presented in Order R-14299.

For questions regarding this application, please contact me at (713) 366-5106.

Respectfully,

OXY USA INC
Sandra Musallam
Regulatory Engineer
Sandra_musallam@oxy.com