

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



October 25, 2018

Surface Commingling Order PLC-525

OXY USA INC.
Attention: Ms. Elizabeth Velasco

Pursuant to your application received on October 4, 2018, OXY USA, Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production and off-lease measure from the following pools:

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

and from the following diversely owned state wells and leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease:	Pending Refried Beans CC 15 16 State Com Well No. 13H State Communitization Agreement.		
Description:	S/2 N/2 and N/2 S/2 of Section 15, and the S/2 NE/4, SE/4 NW/4, NE/4 SW/4 and B/2 SE/4 of Section 16, all in Township 24 South, Range 29 East		
Wells:	Refried Beans CC 15 16 State Com Well No. 13H	API 30-015-45216	
	Refried Beans CC 15 16 State Com Well No. 12H	API 30-015-45215	
	Refried Beans CC 15 16 State Com Well No. 14H	API 30-015-45217	
Pool:	Pierce Crossing; Bone Spring, East		
Lease:	Pending Whomping Willow CC 15 16 Sate Com Well No. 44H State Communitization Agreement.		
Description:	S/2 of Section 15, and the S/2 of Section 16, all in Township 24 South, Range 29 East		
Well:	Whomping Willow CC 15 16 State Com Well No. 44H	API 30-015-45218	
Pool:	Purple Sage; Wolfcamp (Gas)		

The commingled oil production from the wells detailed above shall be measured and sold at the Whomping Willow Central Tank Battery (CTB), located in Unit F of Section 15, 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 prior to Range 1 of decline shall be tested daily. 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, all wells subject to this administrative application have no production.

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.

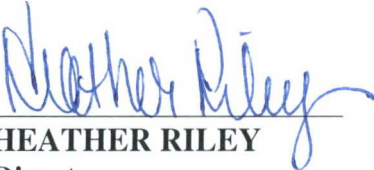
OXY USA, Inc. shall provide a Sundry Notice to the Engineering Bureau in Santa Fe when a test separator is removed.

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.

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


HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Artesia
New Mexico State Land Office – Oil, Gas, and Minerals