

MAR 05 2019 4:08:25

Revised March 23, 2017

RECEIVED: 03/04/2019	REVIEWER:	TYPE: PLC	APP NO: DMAM 14064 30623
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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: CYPRESS 34 FEDERAL #10H & MULTIPLE **API:** 30-015-43076
Pool: CEDAR CANYON;BONE SPRING **Pool Code:** 11520

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

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

Date

3/4/19

713-366-5106

Phone Number

SANDRA_MUSALLAM@OXY.COM

e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: OXY USA INC

OPERATOR ADDRESS: 5 GREENWAY PLAZA SUITE 110, HOUSTON TX 77046

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-385A
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
SEE ATTACHED					

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify) WELL TEST

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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: 3/4/19

TYPE OR PRINT NAME SANDRA MUSALLAM TELEPHONE NO.: 713-366-5106

E-MAIL ADDRESS: SANDRA_MUSALLAM@OXY.COM

**APPLICATION FOR POOL AND LEASE COMMINGLE, OFF-LEASE MEASUREMENT, SALES AND STORAGE:
CYPRESS 34 FEDERAL 1, CYPRESS 33 FEDERAL 1, GOODNIGHT 27 FEDERAL 1 AND GOODNIGHT 27 FEDERAL 4 BATTERIES**

OXY USA INC requests to amend previously approved NMOCD commingle application, PLC-385A. Wells from Goodnight 27 Federal 1 Battery will be sent to Goodnight 27 Federal 4 Battery – the batteries are located adjacent to each other. To reduce OXY's footprint, equipment from Goodnight 27 Federal 1 Battery will be removed.

Process flow at Cypress 33 Federal 1 Battery and Cypress 34 Federal 1 Battery will remain unchanged from the previously approved commingle permit.

GOODNIGHT 27 FEDERAL 4 BATTERY

Wells to be added; previously went to Goodnight 27 Federal 1 Battery:

Federal Lease NMNM105557 (12.5% Royalty Rate). POOL: LAGUNA SALADO; BONE SPRING, SOUTH (96857)

Well Name	First Oil Production	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Goodnight 27 Federal #1H	07/26/2007	N-27-23S-29E	30-015-22157	4	43.7	70	1240
Goodnight 27 Federal #2H	10/24/2008	L-27-23S-29E	30-015-36137	15	43.8	143	1300
Goodnight 27 Federal #3H	02/13/2012	M-27-23S-29E	30-015-39220	17	43.5	156	1250

Federal Lease NMNM105557 (12.5% Royalty Rate). POOL: HARROUN RANCH; DELAWARE, NE (96878)

Well Name	First Oil Production	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Goodnight 27 Federal #4H	04/14/2012	N-27-23S-29E	30-015-39142	28	43.3	99	1280
Goodnight 27 Federal #5H	01/16/2013	M-27-23S-29E	30-015-39431	20	43.7	87	1215

Federal Lease NMNM103603 (12.5% Royalty Rate). POOL: LAGUNA SALADO; BONE SPRING, SOUTH (96857)

Well Name	First Oil Production	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Goodnight 26 Federal #1H	08/18/2012	A-26-23S-29E	30-015-40007	23	41.1	89	1275

Existing Wells:

Federal Lease NMNM86024 (12.5% Royalty Rate). POOL: CEDAR CANYON; BONE SPRING (11520)

Well Name	First Oil Production	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Cypress 34 Federal #10H	09/29/2015	D-34-23S-29E	30-015-43076	35	44.5	172	1290
Cypress 34 Federal #11H	04/03/2015	C-34-23S-29E	30-015-42920	34	42.7	252	1300

Federal Lease NMNM86024 (12.5% Royalty Rate). POOL: WC-015 G-07 S242903I; UPPER WOLFCAMP (98214)

Well Name	First Oil Production	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Cypress 34 Federal #12H	12/28/2016	1-03-24S-29E	30-015-43849	121	45.7	310	1313

Federal CA NMNM135945 Lease (NMNM86024 & NMNM19848) (12.5% Royalty Rate). POOL: CEDAR CANYON; BONE SPRING (11520)

Well Name	First Oil Production	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Cypress 33 Federal Com #8H	02/28/2016	D-33-23S-29E	30-015-43075	52	44.0	291*	1313
Cypress 33 Federal Com #9H	07/03/2016	N-28-23S-29E	30-015-43751	118	44.8	253	1390

*Based on well tests

The production from each well will flow through a common three phase 8'x 20' production separator. The oil will flow to three tanks and then be measured through a Coriolis meter (S/N *) before being sent to two tanks with combined production from all facilities referenced in this application. The aforementioned Coriolis meter will be used for oil allocation purposes. Oil from Cypress 33 Federal 1 Battery and Cypress 34 Federal 1 Battery is also measured through a Coriolis meter at each respective battery before being sent to Goodnight 27 Federal 4 Battery oil tanks.

The combined production from all referenced facilities will be sent through a pipeline LACT meter (S/N 14674021), which will serve as the oil FMP for all wells listed in this application.

For testing purposes, the battery is equipped with two three-phase 6'x 20' test separators. Both separators have turbine meters for oil (S/N 64086, S/N 440482), water (S/N 64079, S/N 442065) and an orifice meter for gas (S/N 14922T, S/N 696922T). All Bone Spring and Wolfcamp wells have been on production for over two years and are in Range 3 of decline. The wells can be reasonably expected to have a decline rate of less than 5 percent per month, as specified in Hearing Order R-14299. All Delaware wells have been on production for over 6 years and have a stable decline. Therefore, all wells will be tested at least once per month for a minimum of 24 hours. Oil will be allocated back to each well from the battery Coriolis meter, based on well tests.

Gas production will be metered by one of two Oxy check meters (S/N 14922PS or S/N 14922S) and sent to Energy Transfer Company sales meter (S/N 57324 located on the edge of Goodnight 27-1 battery at SE/4 SW/4 Section 27 T23S R29E), which will serve as the gas FMP for the Goodnight 27-1 and Goodnight 27-4 facilities. Gas for lift operations will be pulled downstream of Oxy check meter (S/N 14922P) prior to compression. The Cypress 34-10H and 34-11H will share an electric compressor, located at 34-10H well pad. The Cypress 34-12H has a dedicated gas driven compressor, located at the 34-12H well pad. The Cypress 34-10H (S/N 14943I), Cypress 34-11H (S/N 14946I) and Cypress 34-12H (S/N 14995I) will each have meters to measure the amount of gas used for lift operations. Lift gas will be measured using aforementioned meters. Estimated volume ranges from 400 MCFPD to 1,200 MCFPD. Fuel gas for compression is approximately 25 MCFPD based on manufacturer's published usage rate.

Water is sent to the Cypress 33-1 battery where it is metered, then sent to the Cedar Canyon Water Disposal Distribution System.

CYPRESS 33 FEDERAL 1 BATTERY

Process flow remains unchanged from PLC-385A

Federal Lease NMNM86024 (12.5% Royalty Rate). POOL: LAGUNA SALADO; BONE SPRING, SOUTH (96857)

Well Name	First Oil Production	Location	API
*Cypress 28 Federal #1H	03/12/2010	M-28-23S-29E	30-015-37249
Cypress 28 Federal #2H	05/24/2010	L-28-23S-29E	30-015-37331
Cypress 28 Federal #3H	03/25/2011	D-28-23S-29E	30-015-38287
Cypress 28 Federal #4H	12/12/2011	E-28-23S-29E	30-015-39330

*Gas Lift detail on facility diagram

Federal Lease NMNM86024 (12.5% Royalty Rate). POOL: HARROUN RANCH; DELAWARE, NE (96878)

Well Name	First Oil Production	Location	API
Cypress 28 Federal #6H	05/01/2015	N-28-23S-29E	30-015-41138

Federal Lease CA NMNM135945 (NMNM86024 & NMNM 19848) (12.5% Royalty Rate). POOL: CEDAR CANYON; BONE SPRING (11520)

Well Name	First Oil Production	Location	API
Cypress 33 Federal #1H	09/19/2008	P-33-23S-29E	30-015-36321
Cypress 33 Federal #2H	03/17/2010	A-33-23S-29E	30-015-37308
Cypress 33 Federal #3H	08/09/2009	I-33-23S-29E	30-015-36987
Cypress 33 Federal #4H	07/27/2010	H-33-23S-29E	30-015-37368
Cypress 33 Federal Com #5H	03/27/2013	A-33-23S-29E	30-015-40768

Cypress 33 Federal Com #6H	01/05/2014	A-33-23S-29E	30-015-41557
*Cypress 33 Federal Com #7H	01/13/2015	C-33-23S-29E	30-015-42616
Cypress 33 Federal Com #10H	N/A	C-04-24S-29E	30-015-44096

*Gas Lift detail on facility diagram

CYPRESS 34 FEDERAL 1 BATTERY

Process flow remains unchanged from PLC-385A

Federal Lease NMNM86024 (12.5% Royalty Rate). POOL: CEDAR CANYON; BONE SPRING (11520)

Well Name	First Oil Production	Location	API
Cypress 34 Federal #1	11/03/2006	P-34-23S-29E	30-015-35053
Cypress 34 Federal #2H	06/23/2007	F-34-23S-29E	30-015-35413
Cypress 34 Federal #3H	09/17/2007	K-34-23S-29E	30-015-35692
Cypress 34 Federal #4H	05/09/2008	D-34-23S-29E	30-015-35742
Cypress 34 Federal #5H	09/28/2007	C-34-23S-29E	30-015-35693
Cypress 34 Federal #8H	06/01/2013	O-34-23S-29E	30-015-39430
Cypress 34 Federal #9H	06/06/2014	P-34-23S-29E	30-015-42088

Federal Lease NMNM86024 (12.5% Royalty Rate). POOL: NASH DRAW; DELAWARE, SW (97148)

Well Name	First Oil Production	Location	API
Cypress 34 Federal #6H	04/28/2011	M-34-23S-29E	30-015-38366
Cypress 34 Federal #7H	05/17/2012	C-34-23S-29E	30-015-39219

Federal CA NMNM124616 Lease (NMNM103141 & NMNM103604) (12.5% Royalty Rate). POOL: CEDAR CANYON; BONE SPRING (11520)

Well Name	First Oil Production	Location	API
Goodnight 35 Federal #2H	08/31/2009	D-35-23S-29E	30-015-36373

Additional Application Components:

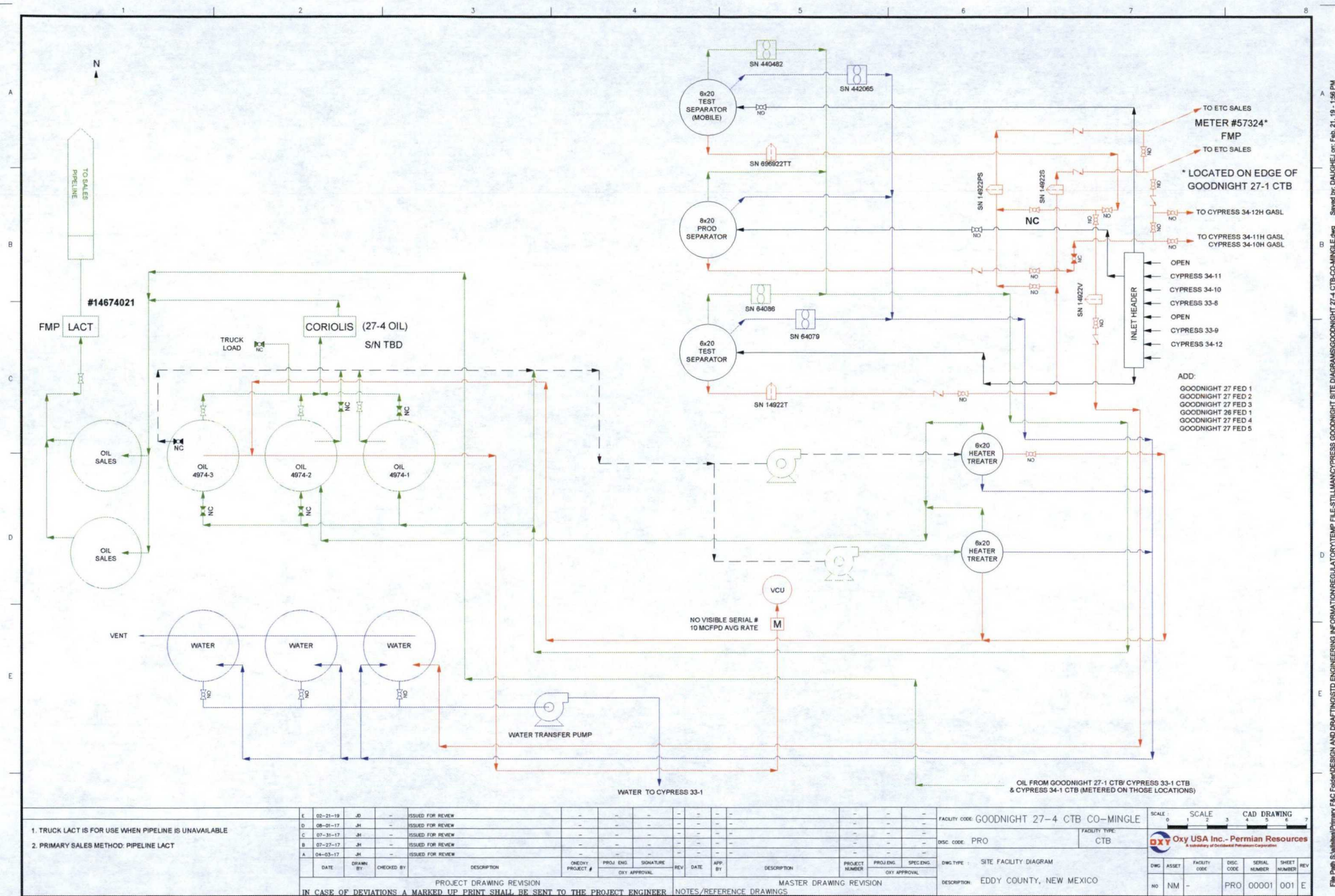
The flow of production is shown in detail on the enclosed facility diagrams. Also enclosed is a map detailing the lease boundaries, well and battery locations.

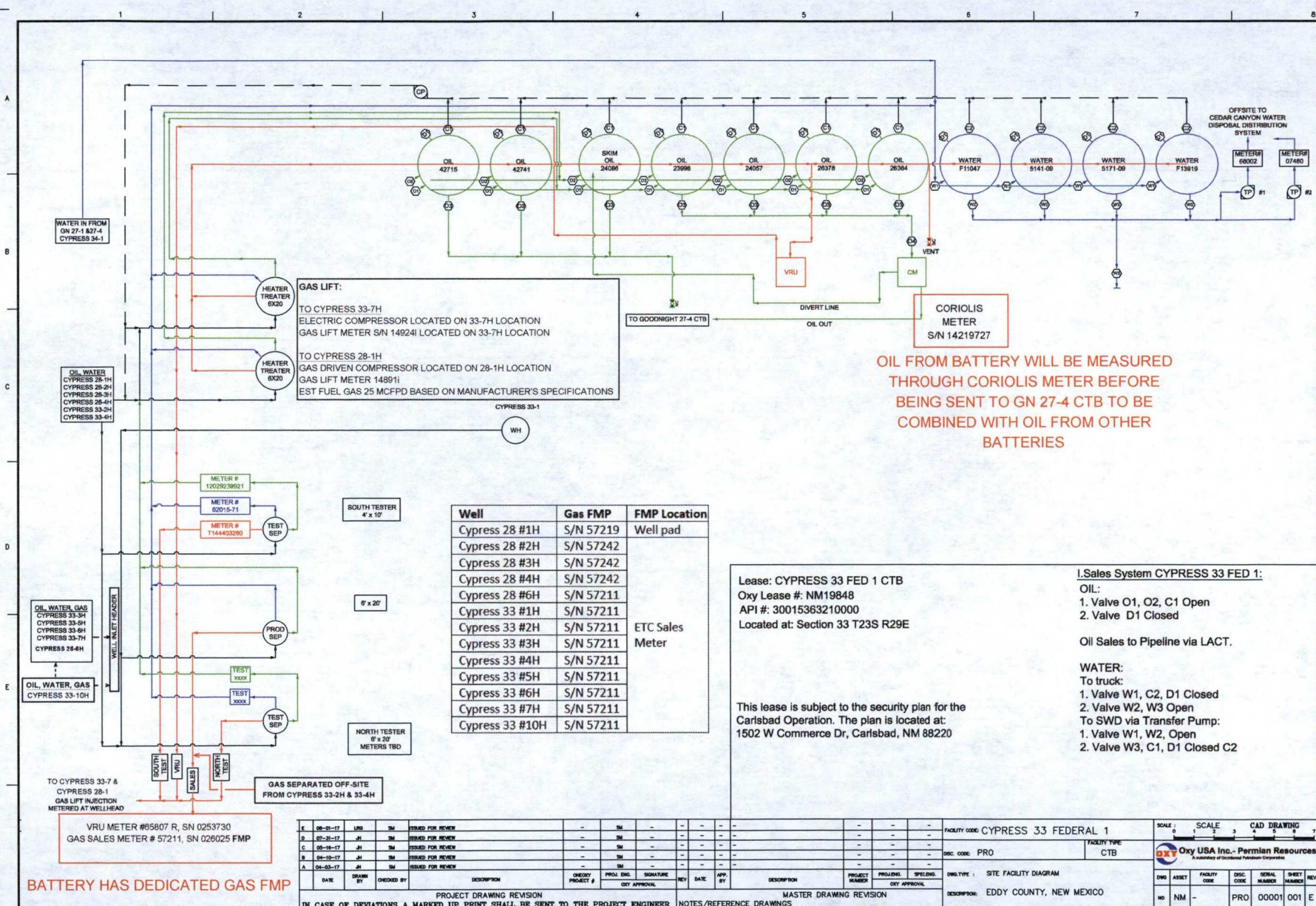
Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests to maintain the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail.

The oil and gas meters will be calibrated on a regular basis per API, BLM and NMOCD specifications.

Commingling 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.





Well	Gas FMP	FMP Location
Cypress 28 #1H	S/N 57219	Well pad
Cypress 28 #2H	S/N 57242	
Cypress 28 #3H	S/N 57242	
Cypress 28 #4H	S/N 57242	
Cypress 28 #6H	S/N 57211	ETC Sales Meter
Cypress 33 #1H	S/N 57211	
Cypress 33 #2H	S/N 57211	
Cypress 33 #3H	S/N 57211	
Cypress 33 #4H	S/N 57211	
Cypress 33 #5H	S/N 57211	
Cypress 33 #6H	S/N 57211	
Cypress 33 #7H	S/N 57211	
Cypress 33 #10H	S/N 57211	


Lease: CYPRESS 33 FED 1 CTB
Oxy Lease #: NM19848
API #: 30015363210000
Located at: Section 33 T23S R29E

This lease is subject to the security plan for the Carlsbad Operation. The plan is located at: 1502 W Commerce Dr, Carlsbad, NM 88220

I. Sales System CYPRESS 33 FED 1:

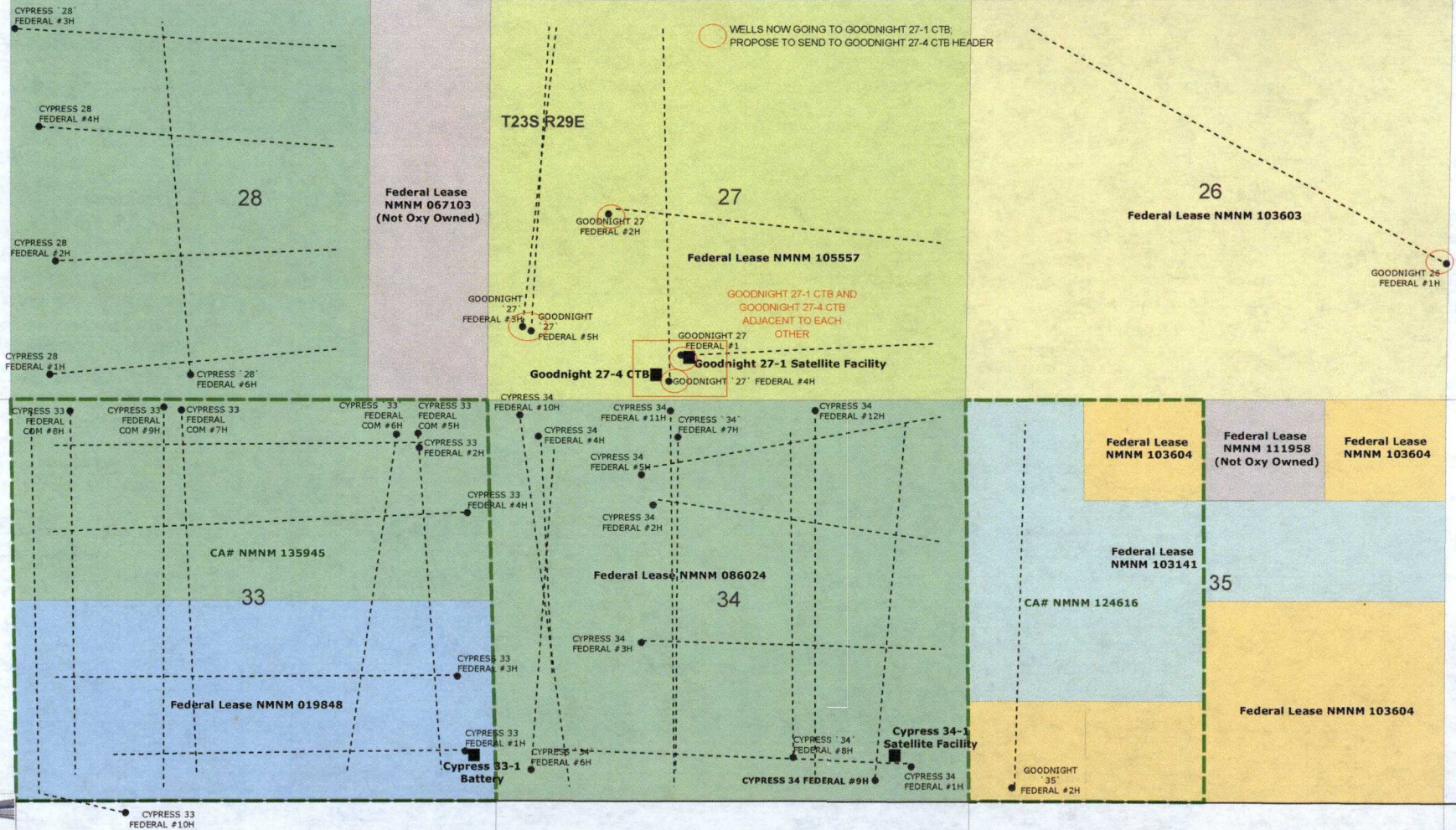
- OIL:**
1. Valve O1, O2, C1 Open
2. Valve D1 Closed
- Oil Sales to Pipeline via LACT.**
- WATER:**
To truck:
1. Valve W1, C2, D1 Closed
2. Valve W2, W3 Open
To SWD via Transfer Pump:
1. Valve W1, W2, Open
2. Valve W3, C1, D1 Closed C2

E 08-05-17 JH SM ISSUED FOR REVIEW														-- SM --													
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SCALE : 0 1 2 3 4 5 6 7		SCALE		CAD DRAWING	
		Oxy USA Inc. - Permian Resources			
A subsidiary of Occidental Petroleum Corporation					
DWG	ASSET	FACILITY CODE	DISC. CODE	SERIAL NUMBER	SHEET NUMBER
NO	NM	-	PRO	00001	001

Township 23 South, Range 29 East Eddy County, New Mexico

PROPOSE TO DECOMMISSION GN 27-1 CTB AND
SEND WELLS TO GN 27-4 CTB HEADER FOR
SEPARATION AND MEASUREMENT



North American Datum 1927
Last Updated: May 2, 2017
Author: A.Cordas
File: Conestoga_Cypress_20170417

- Well
- Lateral
- Facility

Goodnight 27-4 CTB Production Data**Cypress 33 Fed Com 8H****30-015-43075**

	Oil (bbl)	*Gas (MCF)	Water (bbl)
Jul-2018	1856	0	0
Aug-2018	1474	0	0
Sep-2018	1400	0	0
Oct-2018	1041	0	0
Nov-2018	1511	0	7873
Dec-2018	1428	0	8040

*to be reallocated

Cypress 33 Fed Com 9H**30-015-43751**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	2451	8076	0
Aug-2018	2574	7585	0
Sep-2018	2380	6733	0
Oct-2018	1800	3626	0
Nov-2018	4619	6414	8654
Dec-2018	6382	10787	9881

Cypress 34 Fed 10H**30-015-43076**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	1060	5039	7742
Aug-2018	1142	3158	7830
Sep-2018	1128	9165	7383
Oct-2018	947	4551	6603
Nov-2018	904	4727	5917
Dec-2018	1073	4026	4655

Cypress 34 Fed 11H**30-015-42920**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	1029	4943	6854
Aug-2018	1133	5990	7030
Sep-2018	1121	8716	6350
Oct-2018	833	9080	5376
Nov-2018	1017	8421	5663
Dec-2018	937	7911	5682

Cypress 34 Fed 12H**30-015-43849**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	3119	7486	0
Aug-2018	3023	5326	0
Sep-2018	3751	6756	0
Oct-2018	3872	12102	0
Nov-2018	3515	9070	12256
Dec-2018	3835	13501	13243

Wells from Goodnight 27-1 CTB to be sent to Goodnight 27-4 CTB - Production Data**Goodnight 26-1H****30-015-40007**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	923	5497	0
Aug-2018	342	2755	921
Sep-2018	1	0	4
Oct-2018	250	590	3273
Nov-2018	601	1377	4575
Dec-2018	711	858	1256

Goodnight 27-1H**30-015-22157**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	126	4128	0
Aug-2018	126	2548	606
Sep-2018	167	1726	485
Oct-2018	83	1607	142
Nov-2018	118	1439	282
Dec-2018	72	1336	37

Goodnight 27-2H**30-015-36137**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	432	5886	0
Aug-2018	543	5033	1681
Sep-2018	455	3291	883
Oct-2018	319	2454	330
Nov-2018	182	1639	352
Dec-2018	0	0	0

Goodnight 27-3H**30-015-39220**

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	532	6479	0
Aug-2018	527	6387	2665
Sep-2018	459	3734	1598
Oct-2018	618	3847	1116
Nov-2018	461	4141	1331
Dec-2018	523	3724	1262

Goodnight 27-4H

30-015-39142

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	871	4768	0
Aug-2018	398	1619	2796
Sep-2018	655	1998	3438
Oct-2018	738	1950	1884
Nov-2018	818	2714	4444
Dec-2018	944	2840	4040

Goodnight 27-5H

30-015-39431

	Oil (bbl)	Gas (MCF)	Water (bbl)
Jul-2018	714	5320	0
Aug-2018	489	2660	5574
Sep-2018	549	1542	3489
Oct-2018	339	1307	2274
Nov-2018	546	1689	4673
Dec-2018	581	1781	3345



**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

March 4, 2019

Re: Request for Pool and Lease Commingling, Off-lease Measurement, Sales, & Storage for the
Cypress 34 Federal #1 Battery, Cypress 33 Federal #1 Battery & Goodnight 27 Federal #4
Battery

Leases: NM 19848, NM 86024, NM 103141, NM 103603, NM 103604, NM 105557
Lea County, New Mexico

Dear Interest Owner:

This is to advise you that OXY USA INC is filing an application to amend previously approved
NMOCD surface commingle permit PLC 385A. A copy of the application submitted to the Division is
attached.

Any objections or requests for a hearing regarding this application must be submitted to the New
Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

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.

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

Respectfully,

OXY USA INC
Sandra Musallam
Regulatory Engineer – Compliance Lead
Sandra_Musallam@oxy.com

OWNER NAME_1	ADDRESS_1	CITY_1	STATE_1	ZIP_1	TRACKING NUMBERS	MAILING DATE
MINERALS MANAGEMENT SERVICE	PO BOX 25627	DENVER	CO	80225	File through WIS	03.04.2019
COMPOUND PROPERTIES LLC	P O BOX 2990	RUIDOSO	NM	88355	7018 1830 0000 8832 2436	
EXXON MOBIL CORPORATION	22777 SPRINGWOODS VILLAGE PKWY	SPRING	TX	77389	7018 1830 0000 8832 2443	
GROOMS,BRIAN T	2700 S WOODLANDS VILLAGE BLVD	FLAGSTAFF	AZ	86001	7018 1830 0000 8832 2450	
HINKLE II,ROLLA R	P O BOX 2292	ROSWELL	NM	88202	7018 1830 0000 8832 2467	
HINKLE III,ROLLA R	P O BOX 2292	ROSWELL	NM	88202	7018 1830 0000 8832 2474	
HINKLE,MADISON M	P O BOX 2292	ROSWELL	NM	88202	7018 1830 0000 8832 2481	
HINKLE,MARJORIE WOODUL	303 COAL DRIVE	RUIDOSO	NM	88345	7018 1830 0000 8832 2498	
NUEVO SEIS LIMITED PARTNERSHIP	PO BOX 2588	ROSWELL	NM	88202	7018 1830 0000 8832 2504	
ONE ELEVEN MINERAL PARTNERSHIP	1901 N AKARD STREET	DALLAS	TX	75201	7018 1830 0000 8832 5017	
PRIMAVERA RESOURCES INC	1901 N AKARD STREET	DALLAS	TX	75201	7017 3380 0000 9737 7316	
SCHERTZ,CAYLE A	PO BOX 2588	ROSWELL	NM	88202	7017 3380 0000 9737 7323	
SCHERTZ,KEENAN C	PO BOX 2588	ROSWELL	NM	88202	7017 3380 0000 9737 7330	
SCHERTZ,MORRIS E & HOLLY K	P O BOX 2588	ROSWELL	NM	88202	7017 3380 0000 9737 7347	
WALL,WOODY W & MARLA L	P O BOX 278	ALTO	NM	88312	7017 3380 0000 9737 7354	
WIGGINS,CHARLES R	P O BOX 10862	MIDLAND	TX	79702	7017 3380 0000 9737 7361	
OXY USA INC	P O BOX 27570	HOUSTON	TX	77227	N/A	
ALLAR COMPANY	P O BOX 1567	GRAHAM	TX	76450	7017 3380 0000 9737 7378	
CORNERSTONE FAMILY TRUST	P O BOX 558	PEYTON	CO	80831	7017 3380 0000 9737 7217	
CROWNROCK MINERALS LP	PO BOX 51933	MIDLAND	TX	79710	7017 3380 0000 9737 7224	
DEVON ENERGY PRODUCTION CO LP	P O BOX 843559	DALLAS	TX	75284	7017 3380 0000 9737 7231	
HIGHLAND TEXAS ENERGY COMPANY	7557 RAMBLER ROAD	DALLAS	TX	75231	7017 3380 0000 9737 7248	
LIMPINBEAR FAMILY PRTRNSHP LTD	1050 17TH ST SUITE 2460	DENVER	CO	80265	7017 3380 0000 9737 7255	
MORSE FAMILY SECURITY TRUST	410 17TH ST SUITE 1150	DENVER	CO	80202	7017 3380 0000 9737 7262	
CHEVRON U S A INC	P O BOX 730436	DALLAS	TX	75373	7017 3380 0000 9737 7279	



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: 713.366.5249
Justin_Morris@oxy.com

June 27, 2017

Re: Production of Wells Going to Cypress 34 Federal #1 Battery, Cypress 33 Federal #1 Battery,
Goodnight 27 Federal #1 Battery and Goodnight 27 Federal #4 Battery

Leases: NM 19848, NM 86024, NM 103141, NM 103603, NM 103604, NM 105557
Lea County, New Mexico

Dear Mr. McMillan:

Regarding the submitted commingle application for Cypress 34 Federal #1 Battery, Cypress 33 Federal #1 Battery, Goodnight 27 Federal #1 Battery and Goodnight 27 Federal #4 Battery, the production decline of the wells 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,

A handwritten signature in black ink that reads 'Sandra Musallam'.

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

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



July 6, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-385-A
Administrative Application Reference No pMAM1716346030

OXY USA, Inc.
Attention: Mr. Justin Morris

Pursuant to your application received on June 2, 2017, OXY USA, Inc (OGRID 16698) is hereby authorized to surface commingle oil and gas production from the following pools.

CEDAR CANYON, BONE SPRING	(11520)
LAGUNA SALADO, BONE SPRING, SOUTH	(96857)
HARROUN RANCH; DELAWARE, NE	(96878)
PURPLE SAGE, WOLFCAMP (GAS)	(98220)
NASH DRAW; DELAWARE, SW	(97148)

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 23 South Range 29 East, NMPM, Eddy County, New Mexico. Further, the oil and gas production from each of the wells shall be measured and sold from their respective surface facilities listed in Attachment A.

The commingled oil gas production from the wells in Attachment A for the Goodnight 27-1 Battery shall be measured and sold at the Goodnight 27-1 Satellite Facility central tank battery (Goodnight 27-1 CTB) in Unit O of Section 27, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil gas production from the wells in Attachment A for the Goodnight 27-4 Battery shall be measured and sold at the Goodnight 27-4 central tank battery (Goodnight 27-4 CTB) in Unit N of Section 27, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil gas production from the wells in Attachment A for the Cypress 33-1 Battery shall be measured and sold at the Cypress 33-1 Satellite Facility central tank battery (Cypress 33-1 CTB) in Unit P of Section 33, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

The commingled oil gas production from the wells in Attachment A for the Cypress 34-1 Battery shall be measured and sold at the Cypress 34-1 Satellite Facility central tank battery (Cypress 34-

1 CTB) in Unit P of Section 34, Township 23 North, Range 29 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

All oil production shall be sold at the at the Goodnight 27-4 CTB, after oil production is measured at their respective CTB.

Gas production shall be measured and sold at their respective CTB.

Goodnight 27-1 CTB Production:

It is understood that the test separator and meters are designed to accurately measure production from the well with the highest production rate. In addition, the hyperbolic behavior of the oil production from the wells listed in Attachment A dedicated to this CTB have stabilized into the Range 3 portion of the decline as described in Hearing Order R-14299, with a decline rate of less than 5 percent. Therefore, these wells shall be tested monthly.

Goodnight 27-4 CTB Production:

It is understood that the test separator and meters are designed to accurately measure production from the well with the highest production rate. In addition, the hyperbolic behavior of the oil production from the wells, listed in Attachment A dedicated to this CTB have stabilized into the Range 3 portion of the decline as described in Hearing Order R-14299, with a decline rate of less than 5 percent, with the exception of the Cypress 33 Federal Well No. 9H and Cypress 34 Federal Well No. 12H. Therefore, these wells shall be tested monthly.

The Cypress 33 Federal Well No. 9H and Cypress 34 Federal Well No. 12H are in Range 2 of decline, and as a result shall be tested at least twice a month.

Goodnight 33-1 CTB Production:

It is understood that the test separator and meters are designed to accurately measure production from the well with the highest production rate. In addition, the hyperbolic behavior of the oil production from the wells, listed in Attachment A dedicated to this CTB have stabilized into the Range 3 portion of the decline as described in Hearing Order R-14299, with a decline rate of less than 5 percent, with the exception of the Cypress 33 Federal Com. Well No. 10H Therefore, these wells shall be tested monthly.

The Cypress 33 Federal Com. Well No. 10H shall be continuously metered, when it is in peak production. When the well declines to Range 1 decline, it shall be tested 3 times a month, twice a month during Range 2 decline, and at least once a month during Range 3 decline.

Goodnight 34-1 CTB Production

It is understood that the test separator and meters are designed to accurately measure production from the well with the highest production rate. In addition, the hyperbolic behavior of the oil production from the wells listed in Attachment A dedicated to this CTB have stabilized into the

Range 3 portion of the decline as described in Hearing Order R-14299, with a decline rate of less than 5 percent. Therefore, these wells shall be tested monthly.

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.

This Order supersedes Administrative Order PLC-385, issued on November 8, 2013. This Order adds the new wells, new pools, and approves measurement methods based on Hearing Order R-14299, issued on February 14, 2017.

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