

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMNM86024

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
CYPRESS 34 FEDERAL 11H

2. Name of Operator  
OXY USA WTP LP  
Contact: JENNIFER A DUARTE  
E-Mail: jennifer\_duarte@oxy.com

9. API Well No.  
30-015-42920

3a. Address  
PO BOX 4294  
HOUSTON, TX 77210

3b. Phone No. (include area code)  
Ph: 713-513-6640

10. Field and Pool, or Exploratory  
CEDAR CANYON BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 34 T23S R29E

11. County or Parish, and State  
EDDY COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Off-Lease Measuremen
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

OXY USA WTP LP respectfully request permission to utilize the location of the Goodnight 27 Federal #4H well pad, to construct a Central Tank Battery for the Cypress 34 Federal #10H and Cypress 34 Federal #11H wells. The Cypress 34 Federal wells will be the only wells that will produce into this battery at this time. Their production will be from the same lease and the same formation. Attached you will find a detailed description of the process flow at the CTB location, the facility diagrams and lease maps to support this request. Should you have any additional questions or need any additional information, please feel free to contact me at any time.

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

SEP 10 2015

RECEIVED

Accepted for record  
NMOC  
JED 9/23/2015

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #294584 verified by the BLM Well Information System  
For OXY USA WTP LP sent to the Carlsbad  
Committed to AFMSS for processing by DEBORAH HAM on 04/20/2015 ()

Name (Printed/Typed) JENNIFER A DUARTE Title REGULATORY SPECIALIST

Signature (Electronic Submission) Date 03/11/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By J. D. Whitlock Title LIEP Date 9/3/15

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

## APPLICATION FOR CENTRAL TANK BATTERY, OFF LEASE MEASUREMENT, SALES & STORAGE

### Off Lease Measurement, Sales and Storage Proposal for Goodnight 27-4 CTB:

Proposal for Cypress 34 Federal #10H and Cypress 34 Federal #11H to produce to Goodnight 27-4 CTB.

OXY USA WTP LP is requesting approval for Central Tank Battery, Off Lease Measurement, Sales, & Storage from the following wells:

#### Pool: Cedar Canyon Bone Spring (11520)

WELL NAME	LEASE #	API #	LOCATION	BOPD	GRAVITY	MSCFD	BTU
Cypress 34 Federal #10H	NMNM086024	PENDING APPROVAL	34-T23S-29E	510*	40*	1,100*	1257*
Cypress 34 Federal #11H	NMNM086024	30-015-42920	34-T23S-29E	510*	40*	1,100*	1257*

A map is enclosed showing the Federal leases and well locations in Section 34, T23S, R29E. The BLM's Royalty Interest rate is 12.5% for all wells.

#### Oil & Gas metering:

The central tank battery is located on the well pad for the Goodnight 27 Federal #4H located at Sec. 27 T23S-R29E on Federal lease NMNM105557 in Eddy County, New Mexico. All of the production from the Cypress 34 Federal #10H and Cypress 34 Federal #11H wells will come into a production header with isolation lines to route the Cypress 34 Federal #10H and Cypress 34 Federal #11H to a test and production separators.

Production from the Cypress 34 Federal #10H and Cypress 34 Federal #11H will be routed into the three phase production separator where the oil will be allocated on a daily basis through the turbine meter with prover loops (\*S/N) located downstream of the three phase separator. Gas from the production separator will be metered at the Goodnight 27 Federal #4H gas meter (\*S/N) upstream of the sales meter.

All wells will be tested monthly through a designated test separator for allocation purposes. Oil will be allocated on a daily basis through the turbine meter with prover loops (\*S/N). The gas will be routed through the test meter (\*S/N). Gas production will be allocated on a daily basis based on monthly well test using the subtraction method (subtract the test meter volume from the sale meter volume) by utilizing the Goodnight 27 Federal #4H test gas meter (\*S/N) downstream of the test separator. The gas production from the production equipment and the test gas meter will commingle and flow through Oxy's production check meter (\*S/N) and go through the custody transfer meter for Regency (\*S/N) in Sec. 27 T23S-R29E approximately 0.1 miles north of the Goodnight 27 Federal #4H Central Tank Battery.

All meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

Oil from both three phase separators will be combined into a common heater treater and sent to 1000 bbl oil tanks. Oil will be sold through a LACT meter with a Micro Motion Coriolis Meter (\*S/N). The common heater treater is used as low-pressure process equipment, and the gas production off of the heater treater will be sold and metered at Oxy's Production check meter (\*S/N) directly upstream of the Regency sales meter. Coriolis meter is not affective on oil dump due to entrained gas in the oil which will cause a false reading. Therefore, a Coriolis meter is only used at LACT.

A vapor combustor unit is installed on location for air requirements, therefore there is no gas production through a VRU.

Produced water from all wells will be transferred to the Cypress 33 Federal #1H in Section 33 T23S R29E. The produced water is then transferred from the Cypress 33 Federal #1H battery to the Harroun 15-3 SWD in Section 15 T24S R29E.

#### Process and Flow Descriptions:

The flow of production is shown in detail on enclosed facility diagram and map which shows the lease boundaries, Communitization agreement boundaries, location of wells, facility, and gas sales meter. The commingling of this production is the most effective means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

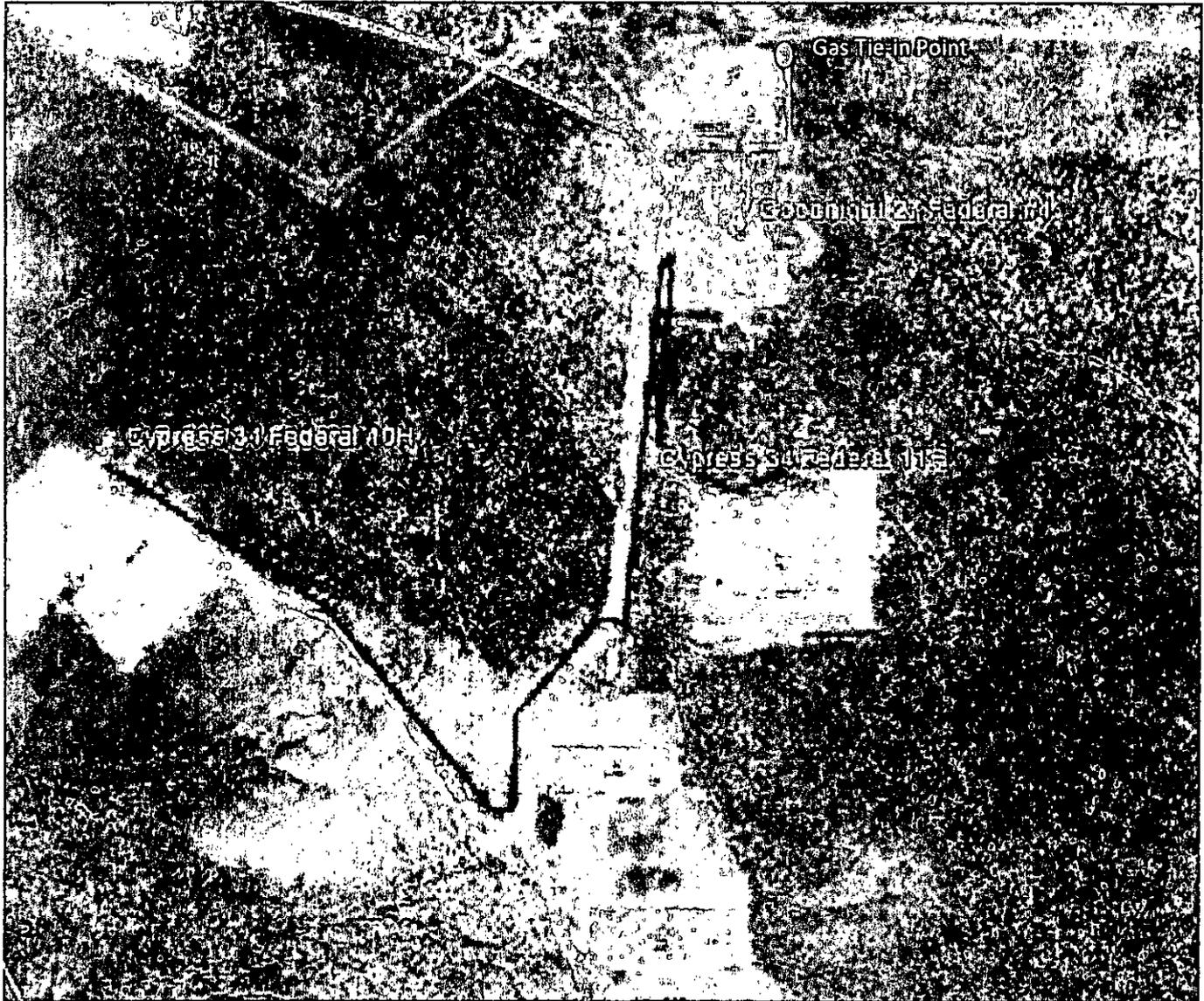
OXY USA WTP LP understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. These applications will be submitted separately for approval per NMOCD and BLM regulations.

The BLM and NMOCD will be notified of any future changes in the facilities.

\*Accurate and true information to be provided upon completion and installation.

Signed:   
Printed Name: Jennifer Duarte  
Title: Regulatory Specialist  
Date: March 10, 2015

**Cypress 34 Federal #10H & #11H – Off-lease Measurement, Storage and Sales.**



Flowline from well locations to CTB are in Green.

Flowline from CTB to Gas Sales point is in Red.

27

Federal Lease NMNM 105557

GOODNIGHT

'27'

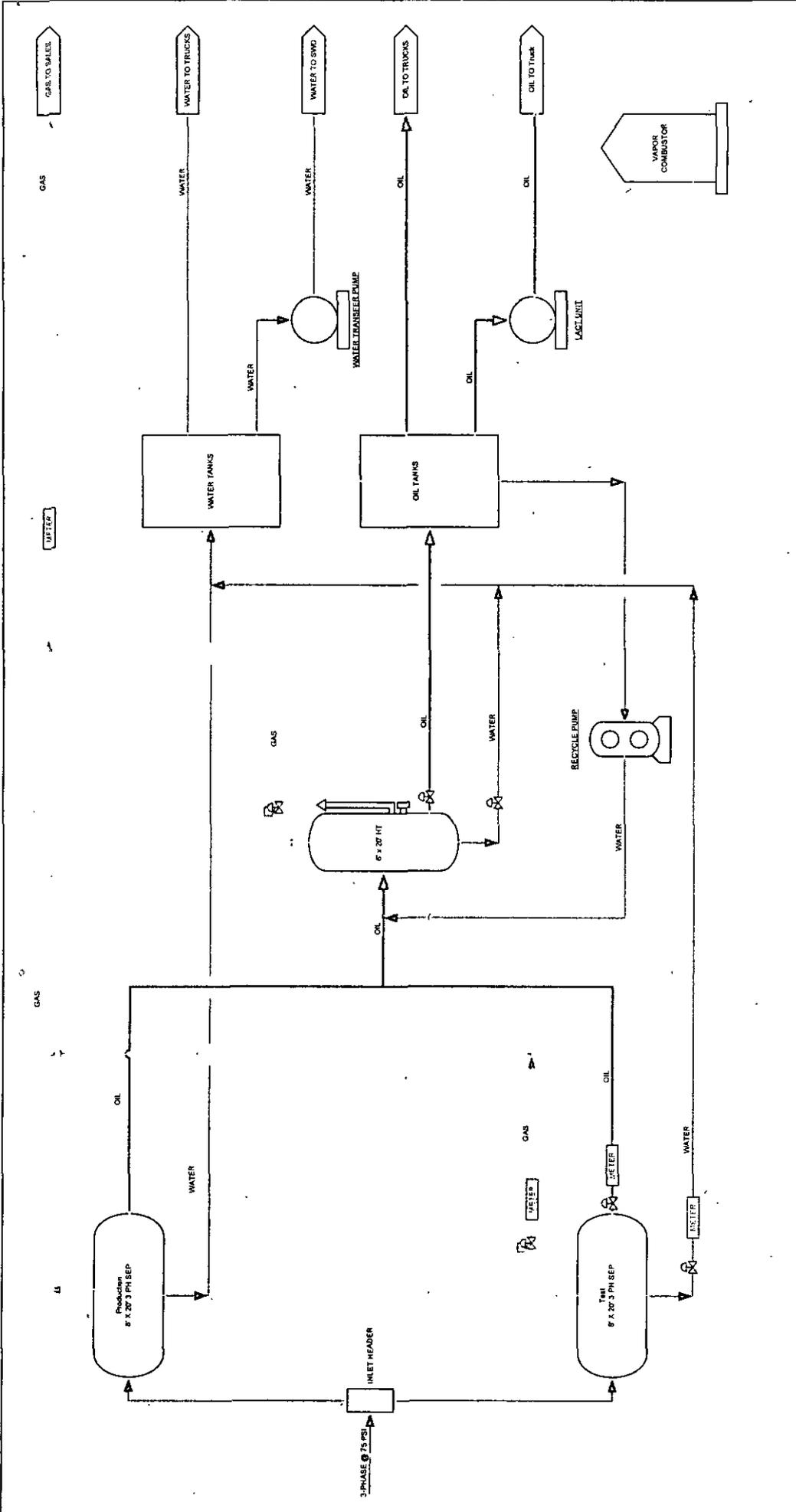
FEDERAL #4H

CYPRESS 34

FEDERAL #10H

CYPRESS 34

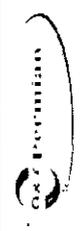
FEDERAL #11H



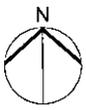
REVISION BLOCK		ENGINEERING RECORD	
NO.	DATE	BY	DATE
0	12/30/14	KAD	12/30/14
		CHK: KAD	DES:
			CHK:
			APP:
			AFE:

LEGEND	
---	PRODUCTION MIX
---	OIL
---	GAS
---	WATER
---	EQUIPMENT



PROCESS FLOW DIAGRAM  
GOODNIGHT 27-4 CTB



GOODNIGHT 27-4 CTB

250'

190'

150'

100'

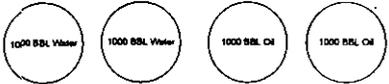


Goodnight 27-4H Well

190'

350'

Access Road



LACT



Electrical Panel Rack

6 x 20  
3-Phase Production Separator

8 x 20  
3-Phase Tail Separator

Production Header

RP

TP

HT

WCU

45'

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

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**01 02-25-1920;041STAT0437;30USC181ETSEQ**  
**Case Type 311211: O&G LSE SIMO PUBLIC LAND**  
**Commodity 459: OIL & GAS**  
**Case Disposition: AUTHORIZED**

**Total Acres** 1,440.000  
**Serial Number** NMNM-- - 086024

**Serial Number: NMNM-- - 086024**

Name & Address			Int Rel	% Interest
EXXONMOBIL OIL CORP	PO BOX 4358	HOUSTON TX 772104358	OPERATING RIGHTS	0.000000000
EXXONMOBIL OIL CORP	PO BOX 4358	HOUSTON TX 772104358	LESSEE	100.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
PENWELL ENERGY INC	600 N MARIENFELD #1100	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000

**Serial Number: NMNM-- - 086024**

Mer Twp	Rng	Sec	STyp	SNr SUFF	Subdivision	District/Field Office	County	Mgmt Agency
23	0230S	0290E	028	ALIQ	W2E2,W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0230S	0290E	033	ALIQ	N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0230S	0290E	034	ALIQ	ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

**Serial Number: NMNM-- - 086024**

Act Date	Code	Action	Action Remark	Pending Office
10/22/1973	387	CASE ESTABLISHED	SPAR52;	
05/01/1974	496	FUND CODE	05;145003	
05/01/1974	530	RLTY RATE - 12 1/2%		
05/01/1974	868	EFFECTIVE DATE		
03/27/1976	500	GEOGRAPHIC NAME	UDEFINED FLD;	
03/27/1976	510	KMA CLASSIFIED		
06/15/1976	315	RENTAL RATE DET/ADJ	\$2.00;	
09/13/1976	512	KMA EXPANDED		
06/27/1990	209	CASE CREATED BY SEGR	OUT OF NMNM19848;	
06/27/1990	232	LEASE COMMITTED TO UNIT	NMNM82520X;LAGUNA SAL	
06/27/1990	647	MEMO OF LAST PROD-ALLOC	NMNM19848;	
12/02/1992	974	AUTOMATED RECORD VERIF		CM/JS
12/21/1992	963	CASE MICROFILMED	CNUM 569,689	JMV
12/29/1992	111	RENTAL RECEIVED	\$1440.00;11/710305	
04/16/1993	111	RENTAL RECEIVED	\$1440.00;21/179895	
04/19/1994	111	RENTAL RECEIVED	\$1440.00;21/185920	
08/01/1994	235	EXTENDED	THRU 08/01/96;	
08/01/1994	336	UNIT AGRMT TERMINATED	NMNM82520X;LAGUNA SAL	
04/24/1995	084	RENTAL RECEIVED BY ONRR	\$1440.00;21/000000500	
04/24/1996	084	RENTAL RECEIVED BY ONRR	\$1440.00;21/000000503	
10/24/1996	974	AUTOMATED RECORD VERIF	GAG;	
04/21/1997	084	RENTAL RECEIVED BY ONRR	\$2880.00;21/000000506	
05/29/1997	932	TRF OPER RGTS FILED	EXXON/PENWELL ENE	
07/08/1997	933	TRF OPER RGTS APPROVED	EFF 06/01/97;	
07/08/1997	974	AUTOMATED RECORD VERIF	MV/MV	
01/15/1998	575	APD FILED		
02/23/1998	576	APD APPROVED	#1 COCHITI "28" FED	
04/17/1998	084	RENTAL RECEIVED BY ONRR	\$2880.00;21/000000508	
10/29/1998	650	HELD BY PROD - ACTUAL	/1/	
01/14/1999	643	PRODUCTION DETERMINATION	/1/	
01/14/1999	658	MEMO OF 1ST PROD-ACTUAL	/1/COCHITI 28 FED 1;	
01/25/1999	899	TRF OF ORR FILED		

**NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM**

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
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02/10/1999	932	TRF OPER RGTS FILED	PENWELL/CONCHO
02/26/1999	933	TRF OPER RGTS APPROVED	EFF 03/01/99;
02/26/1999	974	AUTOMATED RECORD VERIF	JLV
05/19/2000	940	NAME CHANGE RECOGNIZED	EXXON/EXXON MOBIL
06/02/2000	932	TRF OPER RGTS FILED	CONCHO/EXXON MOBIL
08/23/2000	933	TRF OPER RGTS APPROVED	EFF '07/01/00;
08/23/2000	974	AUTOMATED RECORD VERIF	MV/MV
06/04/2007	899	TRF OF ORR FILED	1
06/04/2007	899	TRF OF ORR FILED	2
09/28/2007	899	TRF OF ORR FILED	1
05/01/2008	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1
06/13/2008	933	TRF OPER RGTS APPROVED	EFF 06/01/08;
06/13/2008	974	AUTOMATED RECORD VERIF	LR
10/16/2008	626	RLTY REDUCTION DENIED	
01/08/2009	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1
03/02/2009	933	TRF OPER RGTS APPROVED	EFF 02/01/09;
03/02/2009	974	AUTOMATED RECORD VERIF	ANN
04/02/2010	899	TRF OF ORR FILED	1
03/01/2013	246	LEASE COMMITTED TO CA	CA NM130318

**Serial Number: NMNM-- - 086024**

Line Nr	Remarks
0002	NMNM86024 IS EXTENDED AS LONG AS NMNM19848 EXISTS.
0003	BONDED OPERATORS/LESSEES/TRANSFEREES
0004	08/23/2000 - EXXON MOBIL CORP ES0534/NW
0005	06/13/2008 - OXY USA INC - ES0136 - N/W;
0006	03/02/2009 - OXY USA INC - ES0136 - N/W;

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Off-Lease/Off Communitization Agreement Measurement, Sales, and Storage**

**Conditions of Approval: Oxy USA Incorporated  
Cypress 34 Federal 10H and 11H  
NM86024 3001542920 and 3001543076**

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A. No gas may be vented/flared without proper measurement and prior approval. Any gas vented must be flared.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments and/or product accountability.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease/off-CA measurement from various sources is a privilege which is granted to lessees/operators for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.