

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.***Carlsbad Field Office**
ArtesiaPage Serial No.
NMNM19199**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	6. If Indian, Allottee or Tribe Name
2. Name of Operator OXY USA INCORPORATED Contact: SANDRA MUSALLAM E-Mail: SANDRA_MUSALLAM@OXY.COM	7. If Unit or CA/Agreement, Name and/or No.
3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521	8. Well Name and No. Multiple--See Attached
3b. Phone No. (include area code) Ph: 713-366-5106	9. API Well No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached	10. Field and Pool or Exploratory Area WILDCAT-WOLFCAMP WOLFCAMP
	11. County or Parish, State EDDY COUNTY, NM

12. CHECK THE 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"/> Hydraulic Fracturing	<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 Surface Commingling
	<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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 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).

NM OIL CONSERVATION
ARTESIA DISTRICT

DEC 19 2017

Accepted for record - NMOCD
12-20-17

RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #393515 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 11/14/2017 (18PP0254SE)	
Name (Printed/Typed) SANDRA MUSALLAM	Title REGULATORY ENGINEER
Signature (Electronic Submission)	Date 10/30/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>J.D. Whitlock</u>	Title <u>TLPET</u>	Date <u>12/13/17</u>
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 <u>CFO</u>

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #393515 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM19199	NMNM19199	CAL-MON 35 FEDERAL 41H	30-015-43140-00-X1	Sec 35 T23S R31E NWNW 250FNL 710FWL 32.267378 N Lat, 103.754341 W Lon
NMNM19199	NMNM19199	CAL-MON 35 FEDERAL 171H	30-015-44269-00-X1	Sec 35 T23S R31E NWNW 280FNL 710FWL 32.267418 N Lat, 103.754829 W Lon

32. Additional remarks, continued

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.

CAL MON 35 FEDERAL 171H - API 30-015-44269
CAL MON 35 FEDERAL 41H - API 30-015-43140

APPLICATION FOR POOL COMMINGLE

Commingling 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#

#Estimated Production

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:

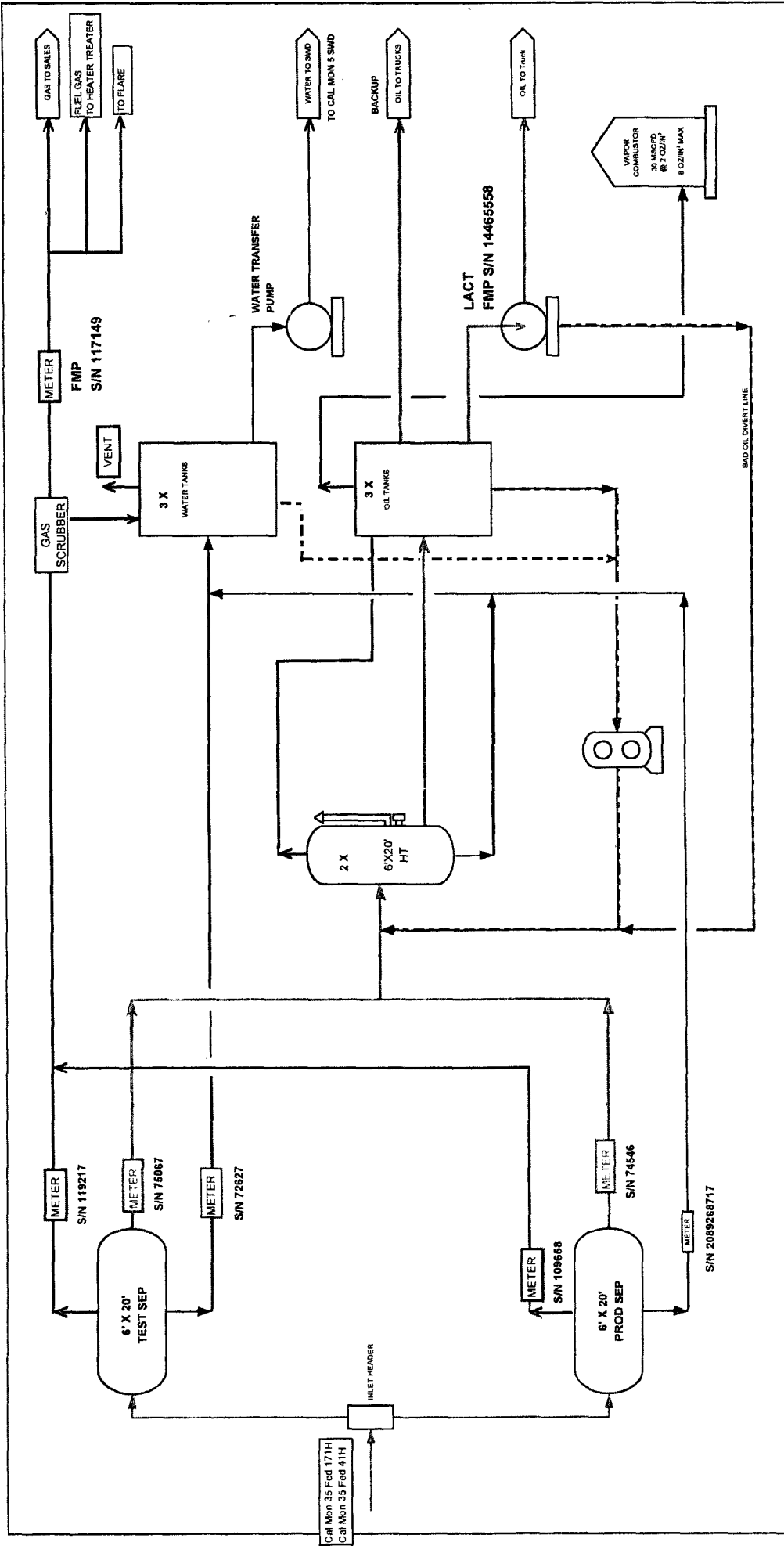
The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well and battery locations.

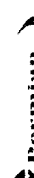
The working interest, royalty interest and overriding royalty interest owners are identical, so notice was not required.

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.

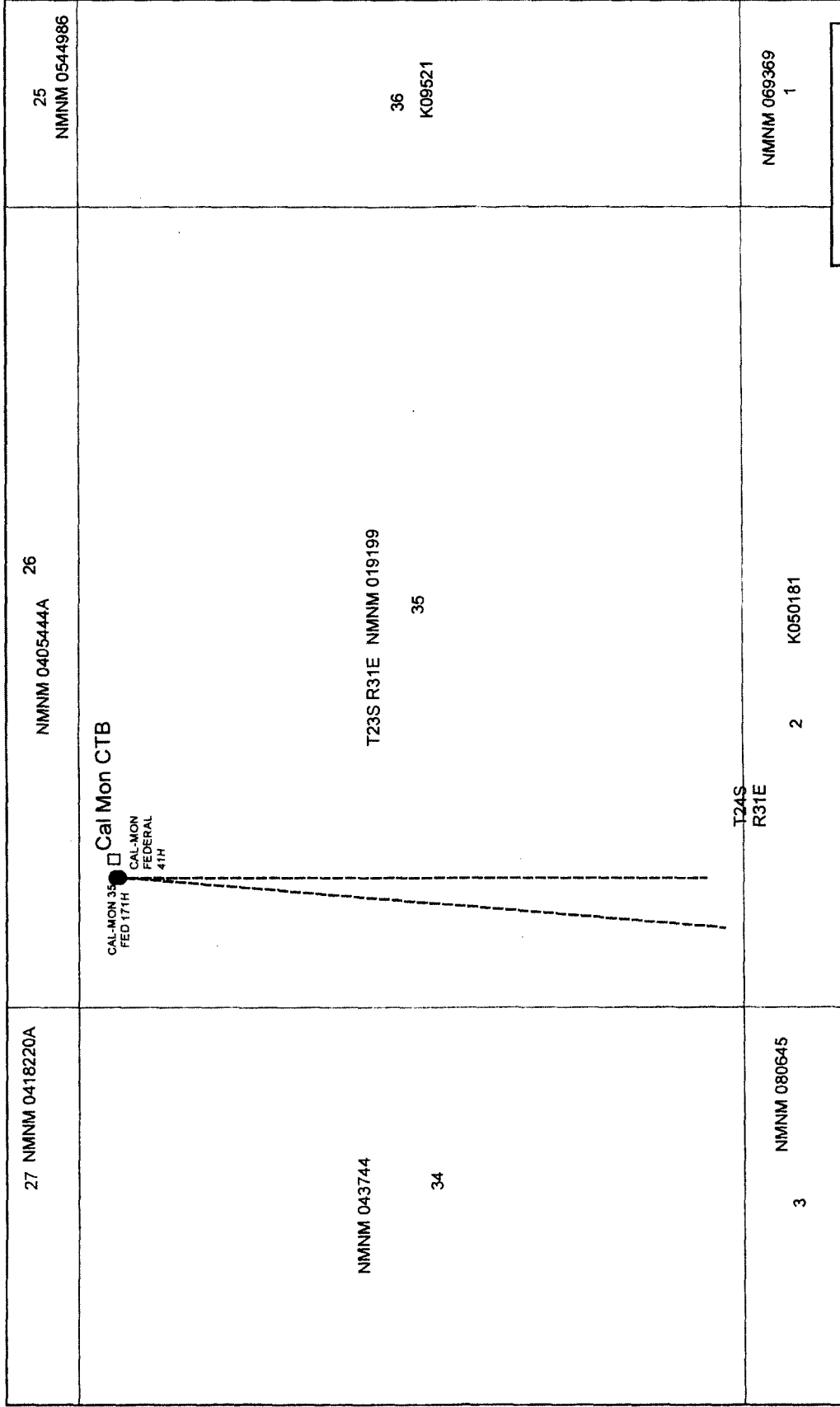
After completion of facility modifications, OXY will provide BLM with an updated facility diagram.

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.



LEGEND				REVISION BLOCK					ENGINEERING RECORD					
				NO.	DATE	DESCRIPTION			BY	CHK	APP	BY	DATE	PROCESS FLOW DIAGRAM CAL MON 35 FED 41H CTB
				0	10/30/17							DRN:		
												DES:		
												CHK:		
												APP:		
												AFE:		

Cal Mon CTB T23S R31E



Legend

Lateral

●

Well

□

CalMon CTB

**Economic Justification Worksheet
Cal Mon 35 Federal 171H & 41H**

WELLS	BOPD	OIL GRAVITY @ 60	VALUE/BBL	MCFD	DRY BTU	VALUE/MCF
Cal Mon 35 Fed 171H	505	44	\$49.00/bbl	902	1300	\$2.98/mcf
Cal Mon 35 Fed 41H	694	43		1369	1250	

Production Numbers are Estimates

Economic Combined Production

	BOPD	WEIGHTED OIL GRAVITY @ 60	VALUE/BBL	MCFD	WEIGHTED DRY BTU	VALUE/MCF
BATTERY						
Cal Mon 35 CTB	1199	43.4	\$49.00/bbl	2271	1270	\$2.98/mcf

PRODUCTION IS ESTIMATED - WELLS JUST COMPLETED

BLM Royalty is 12.5% for all wells

As per our oil purchase contract, all production is sold as sweet crude and paid on a flat 40 API gravity rate.

As per our gas purchase contract, all production is sold from gas processing plant at same value.



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

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

Run Time: 10:15 AM

Page 1 of 2

Run Date: 10/13/2017

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

640.000

NMNM-- - 019199

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 019199

Name & Address			Int Rel	% Interest
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS	0.000000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	LESSEE	100.000000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
PXP PRODUCING CO LLC	717 TEXAS ST STE 2100	HOUSTON TX 770022753	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 019199

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	02305	0310E	035	ALIQ	ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 019199

Act Date	Code	Action	Action Remark	Pending Office
07/23/1973	888	DRAWING HELD		
09/10/1973	237	LEASE ISSUED		
10/01/1973	496	FUND CODE	05;145003	
10/01/1973	530	RLTY RATE - 12 1/2%		
10/01/1973	868	EFFECTIVE DATE		
12/10/1973	393	DEC ISSUED	LEASE CANCELLED	
01/07/1974	120	APPEAL FILED		
01/10/1974	042	CASE SENT TO	IBLA;	
07/29/1974	149	CASE RECEIVED FROM	IBLA;	
07/29/1974	361	DEC AFFIRMED		
08/26/1974	148	LITIGATION FILED	CIV 74-411	
08/07/1975	491	LITIGATION COMPLETED	CIV 74-411	
03/13/1978	817	MERGER RECOGNIZED	MISSION/GETTY OIL	
03/13/1978	817	MERGER RECOGNIZED	SKELLY OIL/GETTY OIL	
07/24/1978	909	BOND ACCEPTED	EFF 07/24/78;WY0405	
08/01/1983	140	ASGN FILED	(1)GETTY/CAL-MON	
08/01/1983	140	ASGN FILED	(2)CAL-MON/POGO	
08/12/1983	139	ASGN APPROVED	(1)EFF 09/01/83;	
08/12/1983	139	ASGN APPROVED	(2)EFF 09/01/83;	
12/27/1983	235	EXTENDED	THRU 09/30/85;	
09/10/1984	111	RENTAL RECEIVED	\$0;84-85	
04/15/1985	932	TRF OPER RGTS FILED		
08/11/1985	650	HELD BY PROD - ACTUAL		EB
09/20/1985	111	RENTAL RECEIVED	\$320.00;1YR/85-86	
09/20/1985	963	CASE MICROFILMED/SCANNED	CNUM 553,744	AC
08/18/1986	933	TRF OPER RGTS APPROVED	EFF 05/01/85;	
08/20/1986	963	CASE MICROFILMED/SCANNED	CNUM 553,744	AD
12/07/1987	932	TRF OPER RGTS FILED		
03/11/1988	933	TRF OPER RGTS APPROVED	EFF 01/01/88;	
05/03/1988	974	AUTOMATED RECORD VERIF		GLC/VG
05/05/1988	932	TRF OPER RGTS FILED		
05/24/1988	933	TRF OPER RGTS APPROVED	EFF 06/01/88;	
05/24/1988	974	AUTOMATED RECORD VERIF		AR/MT

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

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

Cal-Mon 35 Federal 41H 3001543140, Cal-Mon 35 Federal 171H 3001544269

**Oxy USA WTP LP
December 12, 2017**

**Condition of Approval
Surface Pool Commingling of lease production**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
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.
4. 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.
5. Approval for combining production from various sources is a privilege which is granted to lessees 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.
6. Gas measurement for allocation must be measured as per Onshore Order #5 or 43 CFR 3175 and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33".
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.