

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: PO BOX 4294, HOUSTON, TX, 77210

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. _____
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

- (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)
- (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:  TITLE: REGULATORY ENGINEER DATE: 3/09/2021

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

E-MAIL ADDRESS: SANDRA_MUSALLAM@OXY.COM

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

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: CEDAR CANYON 27 28 FEDERAL #04211 **API:** 30-015-44435
Pool: PIERCE CROSSING:BONE SPRING, EAST **Pool Code:** 96473

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

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 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 OXY is only WIO, letter from OXY Land Negotiator attached

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

3/9/2021

 Date

 Signature

713-366-5106

 Phone Number

SANDRA_MUSALLAM@OXY.COM

 e-mail Address

APPLICATION FOR OFF LEASE MEASUREMENT, STORAGE, AND SALES Cedar Canyon 28-4 Phase 1 CTB Train #4 – Cedar Canyon 27 28 Federal #042H

OXY USA INC requests approval for off-lease measurement for oil production for the well listed below at the Cedar Canyon 28-4 Phase 1 CTB in K-28-24S-29E.

CA NMNM139611 – 87.5% NMNM094651 (BLM 12.5%) & 12.5% FEE

WELL NAME	API	SURFACE LOCATION	POOL	POOL CODE
CEDAR CANYON 27 28 FEDERAL #042H	30-015-44435	D-28-24S-29E	PIERCE CROSSING;BONE SPRING, EAST	96473

Process Flow

Production flows to a 6 X 20 three-phase separator. Oil then flows to oil storage tanks. It is then pumped through a LACT, which is the sales meter for royalty payment.

Gas flows through an orifice meter off the three-phase separator. The meter is sales quality and continuously measures volume. It serves as the final royalty allocation point. A separate gas commingle will be filed for Cedar Canyon 28 Fed Com #008H.

All water will be sent to the Cedar Canyon Water Disposal System.

Additional Application Components:

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

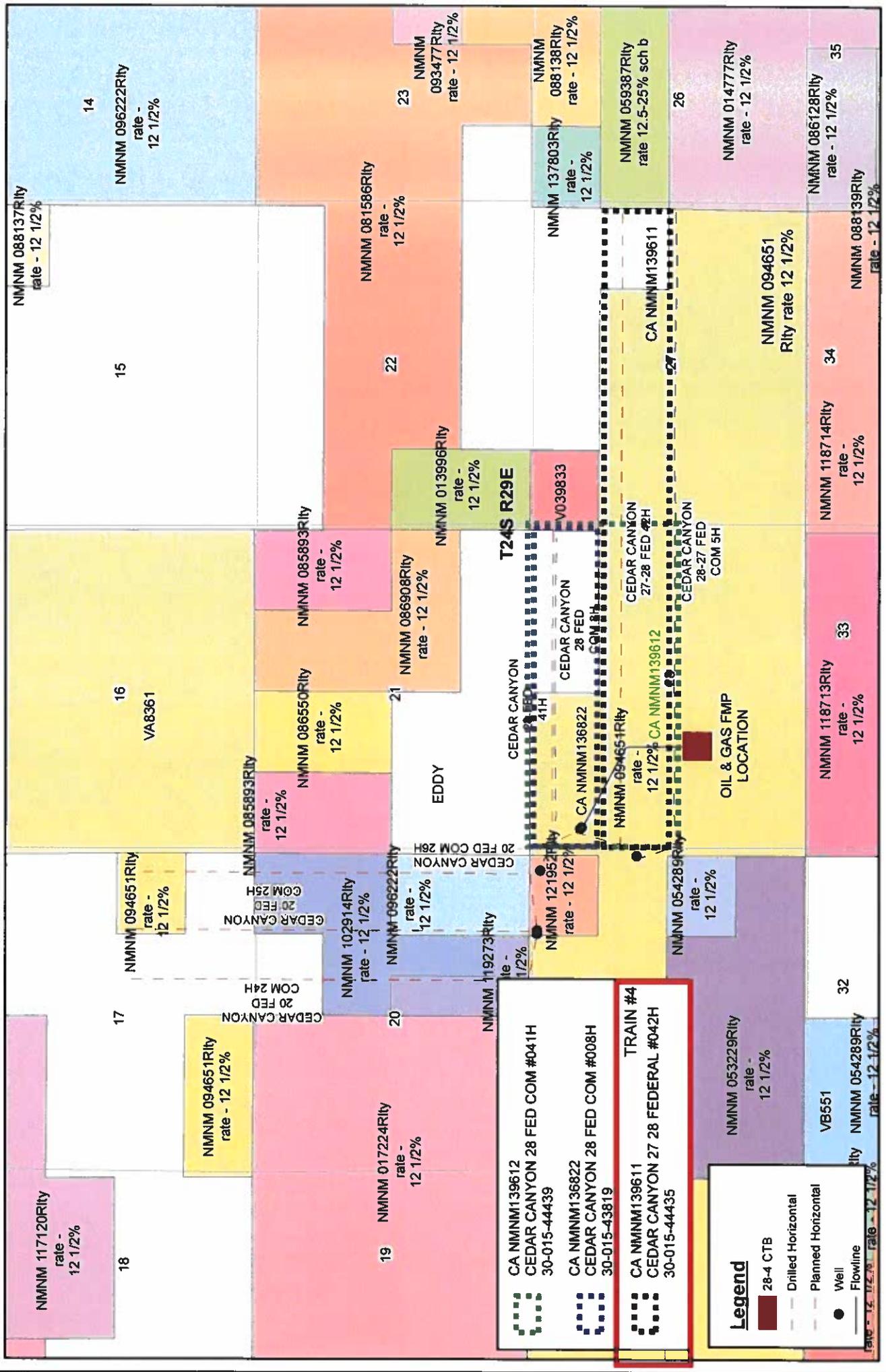
The meters will be proved and calibrated according to current API, BLM and NMOCD specifications.

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.

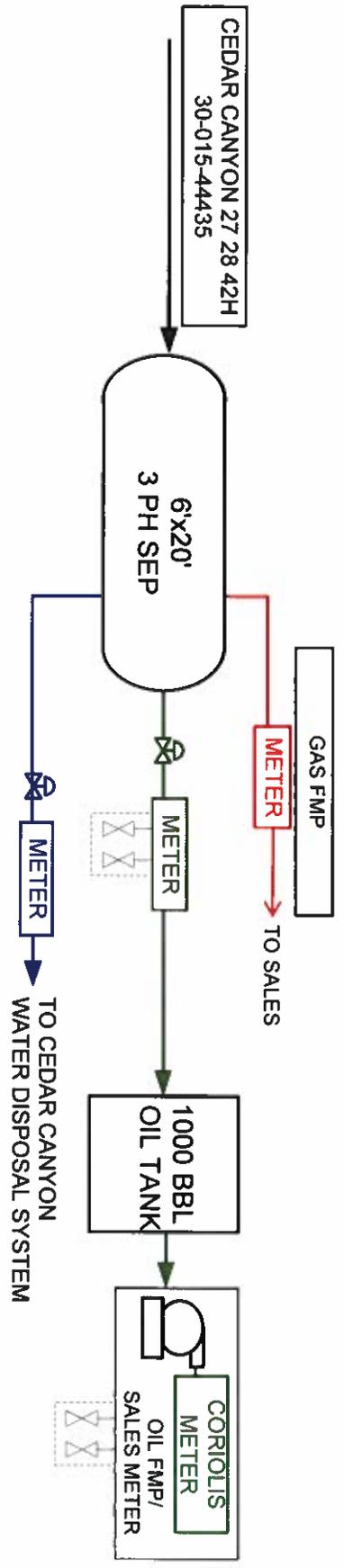
The off lease measurement application will be submitted separately for approval per NMOCD and BLM regulations.

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.

CEDAR CANYON 28-4 PHASE 1 CTB TRAIN #4 - CEDAR CANYON 27 28 FEDERAL #042H



CEDAR CANYON 28-4 PHASE 1 CTB
TRAIN 4
K 28 T24S R29E



REVISION BLOCK		NO.	DATE	DESCRIPTION	BY
PRODUCTION MIX		0		PRELIMINARY DRAFT	KAO
OIL		1		REVISION	JC
GAS		2		OFF LEASE MEASUREMENT APPLICATION	TS
WATER					
EQUIPMENT					



PROCESS FLOW DIAGRAM
CEDAR CANYON 27 28 42H

District 1
 1623 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 811 S. First St., Aramis, NM 88219
 Phone: (575) 734-1203 Fax: (575) 734-6720
 District III
 1000 Rio Grande Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-4170
 District IV
 1230 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3450 Fax: (505) 476-3452

State of New Mexico
 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

AMENDED REPORT
 As Drilled

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44435	Pool Code 96473	Pool Name Pierce Crossing Bone Springs East
Property Code 319584	Property Name CEDAR CANYON "27-28" FEDERAL	Well Number 42H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2947.8'

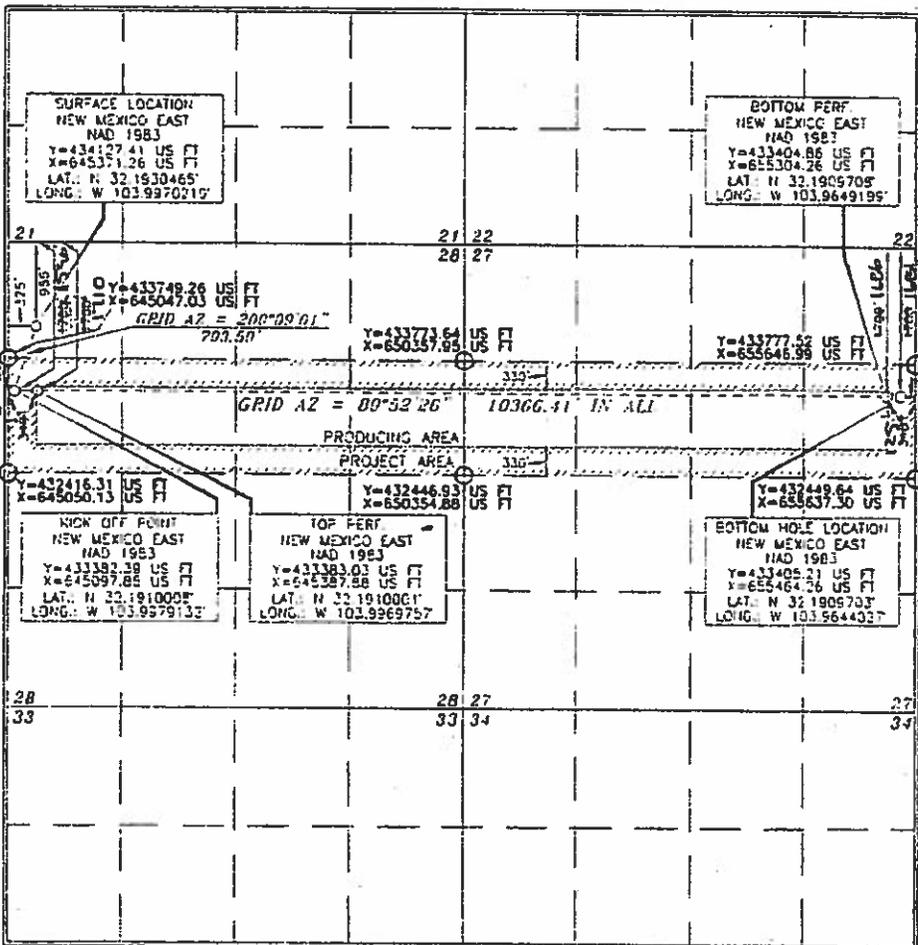
Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
D	28	24 SOUTH	29 EAST, N.M.P.M.		956'	NORTH	325'	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
H	27	24 SOUTH	29 EAST, N.M.P.M.		700' 1681'	NORTH	23'	EAST	EDDY
Dedicated Acres 320	Joint or Infill Y	Consolidation Code	Order No.	FTP-1710 FNL 306 FWL LTP-1686 FNL 125 FEL					

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the organization herein is a working interest or mineral interest interest in the land including the proposed lease, and that I have a right to drill this well at the location named in a structure with or without such a mineral or working interest, or as a subsidiary producing agreement or a royalty paying order.

Approved and signed by the division:
 Signature: *David Stewart* Date: **12/19**
 Printed Name: **David Stewart**
 E-mail address: **david_stewart@oxy.com**

SURVEYOR CERTIFICATION

I hereby certify that the information shown on this plat was prepared by me or under my direct supervision and that I am a duly licensed and qualified professional land surveyor in the State of New Mexico.

Signature and Title: *Terry J. Ass...* Date: **3/9/2017**
 Professional Surveyor
 License Number: **15079**

NEW MEXICO PROFESSIONAL LAND SURVEYORS
 JANUARY 24 2017

NO# 100421W-b-XY (Rev. B) (NA)



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 8, 2021

Re: **Off Lease Measurement Application for Wells at Cedar Canyon 28-4 CTB**

Sections 27 and 28, T24S R29E, Eddy County

Cedar Canyon 28 Federal Com #041H : 30-015-44439

Cedar Canyon 28 Federal Com #008H : 30-015-43819

Cedar Canyon 27 28 Federal #042H : 30-015-44435

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 an Off Lease Measurement permit for the wells listed above. This letter serves to notice you that OXY USA INC is the only Working Interest Owner for these wells.

Best Regards,

OXY USA INC.

Peter Van Liew
Senior Land Negotiator

From: AFMSS <blm-afmss-notifications@blm.gov>
Sent: Tuesday, March 9, 2021 6:06 AM
To: Hoffman, Kim <Kim_Hoffman@oxy.com>
Subject: [EXTERNAL] Well Name: CEDAR CANYON 27-28 FEDERAL COM, Well Number: 42H, Notification of Sundry Received

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

The Bureau of Land Management
Notice Of Intent Receipt

- Operator Name: **OXY USA INCORPORATED**
- Well Name: **CEDAR CANYON 27-28 FEDERAL COM**
- Well Number: **42H**
- US Well Number: **300154443500S1**
- Sundry ID: **1517590**

The BLM received your Notice Of Intent, Off-lease Measurement/Storage sundry on 03/09/2021. This is to notify you that we are processing your sundry.

You may contact the field office if you have any questions.

If we need more information we will contact you. Thank you.

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

Run Date/Time: 3/11/2021 14:13 PM

Page 1 Of 2

01 02-25-1920;041STAT0437;30USC181
 Case Type 318310: O&G COMMUNITIZATION AGRMT
 Commodity 459: OIL & GAS
 Case Disposition: AUTHORIZED

Total Acres:
 320.000

Serial Number
 NMNM 139611

Case File Juris:

Serial Number: NMNM-- - 139611

Name & Address		Int Rel	% Interest
BLM NMSO	301 DINOSAUR TRL	SANTA FE NM 875081560 OFFICE OF RECORD	0.000000000
OXY USA INC	5 GREENWAY PLZ STE 110	HOUSTON TX 770460521 OPERATOR	100.000000000

Serial Number: NMNM-- - 139611

Mer	Twp	Rng	Sec	S	Type	Nr	Suff	Subdivision	District/ Field Office	County	Mgmt Agency
23	0240S	0290E	027		ALIQ			S2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0240S	0290E	028		ALIQ			S2N2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMNM-- - 139611

Serial Number: NMNM-- - 139611

Act Date	Act Code	Action Txt	Action Remarks	Pending Off
01/01/2019	387	CASE ESTABLISHED		
01/01/2019	516	FORMATION	BONE SPRING;	
01/01/2019	868	EFFECTIVE DATE	/A/	
01/31/2019	580	PROPOSAL RECEIVED	CA RECD;	
12/31/2021	763	EXPIRES		

Serial Number: NMNM-- - 139611

Line Number	Remark Text
0001	/A/ RECAPITULATION EFFECTIVE 1/1/2019
0002	TR# LEASE SERIAL NO AC COMMITTED % INTEREST
0003	1 NMNM 094651 280.00 87.500
0004	2 FEE 30.00 9.375
0005	3 FEE 10.00 3.125
0006	TOTAL 320.00 100.000

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
(MASS) Serial Register Page

Run Date/Time: 3/11/2021 14:13 PM

Page 2 Of 2

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

From: [Engineer, OCD, EMNRD](#)
To: [Musallam, Sandra C](#)
Cc: [McClure, Dean, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James; kparadis@blm.gov](#); [Walls, Christopher](#)
Subject: Approved Administrative Order OLM-236
Date: Wednesday, March 31, 2021 3:23:47 PM
Attachments: [OLM236 Order.pdf](#)

NMOCD has issued Administrative Order OLM-236 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPM)	Pool Code
30-015-44435	Cedar Canyon 27 28 Federal #42H	D-28-24S-29E	96473

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY OXY USA, INC.**

ORDER NO. OLM-236

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Oxy USA, Inc. (“Applicant”) submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to off-lease measure oil and gas production from the wells, pool, and lease identified in Exhibit A.
2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC.
3. Applicant shall measure the commingled oil at a central tank battery described in Exhibit A in accordance with 19.15.18.15 NMAC or 19.15.23.8 NMAC.

4. Applicant shall measure the commingled gas at a central delivery point described in Exhibit A in accordance with 19.15.19.9 NMAC, provided however that if the gas is flared, regardless whether OCD has granted an exception pursuant to 19.15.18.12(B) NMAC, Applicant shall report the gas in accordance with 19.15.18.12(F) NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
6. OCD retains jurisdiction and reserves the right to modify or revoke this Order if it is deemed necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR

AS/dm

DATE: 3/31/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-236

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Cedar Canyon 28 4 Phase 1 Central Tank Battery

Central Tank Battery Location (NMPM): Unit K, Section 28, Township 24 South, Range 29 East

Gas Custody Transfer Meter Location (NMPM): Unit K, Section 28, Township 24 South, Range 29 East

Pools

Pool Name	Pool Code
PIERCE CROSSING; BONE SPRING, EAST	96473

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)
CA BS NMNM 139611	S/2 N/2
	S/2 N/2

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-44435	Cedar Canyon 27 28 Federal #42H	D-28-24S-29E	96473	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 20206

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
OXY USA INC P.O. Box 4294 Houston, TX772104294	16696	20206	C-107B

OCD Reviewer	Condition
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval.