



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: 713.366.5109
Kathleen_Mowery@oxy.com

March 12, 2021

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Application for Pool Lease Commingle and Off-lease Measurement, Sales, & Storage for Wells at the Whomping Willow CTB in Eddy County, New Mexico

Dear Interest Owner:

This is to advise you that OXY USA INC is filing for a pool lease commingle and off-lease measurement, sales and storage for the Tails wells at the Whomping Willow CTB. 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 Kathleen Mowery at (713) 366-5109.

Respectfully,

OXY USA INC
Kathleen Mowery
Regulatory Engineer
Kathleen_Mowery@oxy.com

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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: TAILS CC 10 3 FEDERAL COM #026H & OTHERS **API:** 30-015-47959 & OTHERS
Pool: CEDAR CANYON; BONE SPRING & PIERCE CROSSING; BONE SPRING, EAST **Pool Code:** 11520 & 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

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.

KATHLEEN MOWERY
 Print or Type Name

Kathleen Mowery
 Signature

3/12/2021
 Date

713-366-5109
 Phone Number

KATHLEEN_MOWERY@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: 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
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) ALLOCATION BY 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: Kathleen Mowery TITLE: REGULATORY ENGINEER DATE: 3/12/2021
 TYPE OR PRINT NAME KATHLEEN MOWERY TELEPHONE NO.: 713-366-5109
 E-MAIL ADDRESS: KATHLEEN_MOWERY@OXY.COM

APPLICATION FOR POOL LEASE COMMINGLE & OFF LEASE MEASUREMENT, STORAGE, AND SALES Whomping Willow CTB – Tails Wells

OXY USA INC requests approval for a pool lease commingle and off-lease measurement for the wells listed below at the Whomping Willow facility in F-15-24S-29E.

Well Name	API	All Wells are Completed in Both Pools	Pool Codes
Tails CC 10 3 Federal Com #021H	30-015-47958	PIERCE CROSSING; BONE SPRING, EAST & CEDAR CANYON; BONE SPRING	96473 & 11520
Tails CC 10 3 Federal Com #022H	30-015-47957		
Tails CC 10 3 Federal Com #024H	30-015-47961		
Tails CC 10 3 Federal Com #025H	30-015-47960		
Tails CC 10 3 Federal Com #026H	30-015-47959		

Approval for a communitization agreement (CA) comprised of 12.51% NMNM 053373, 37.54% NMNM 081616, 12.51% NMNM 085891, 24.92% NMNM 059385 and 12.51% fee lease is pending approval.

Process Flow:

Production flows to one of two 8' x 20' three-phase production separators. Oil flows through a heat exchanger followed by a three phase stabilizer. It is then pumped through a LACT, which is the sales meter for royalty payment.

Oil and gas production will be allocated back to each well based on well test. For testing purposes, there are two permanent 6' x 20' three-phase test separators. Each test vessel will be equipped with oil turbine meters, gas orifice meters and water turbine meters.

Gas flows through an orifice meter off the three-phase separators. The meters are sales quality and continuously measure volumes. These meters serve as the final royalty allocation point for gas. A separate gas commingle will be filed for these wells.

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

Meters will be proved and calibrated according to current API, NMOCD and BLM standards.

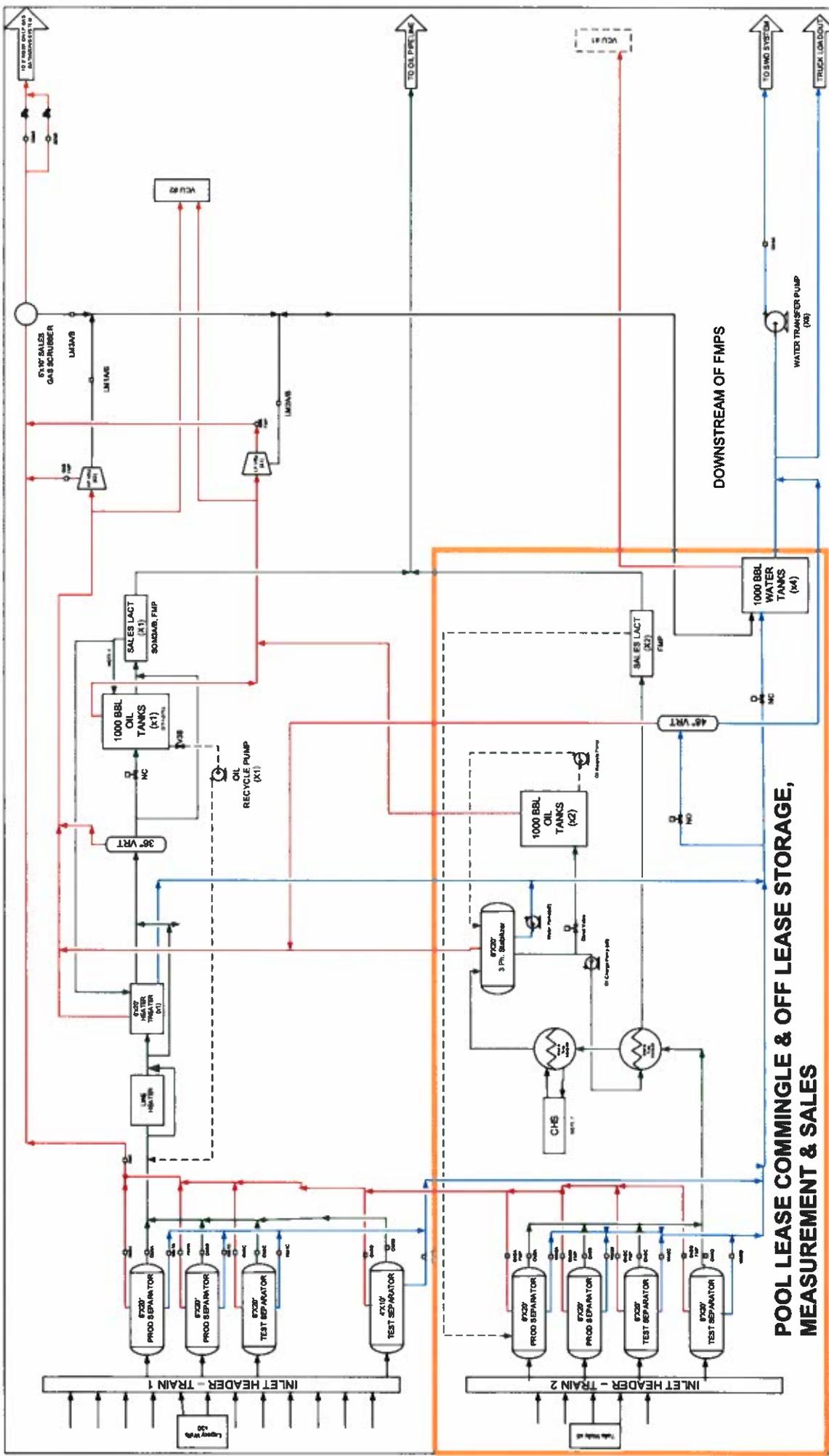
Additional Application Components:

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.

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.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It 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.



POOL LEASE COMMINGLE & OFF LEASE STORAGE, MEASUREMENT & SALES

NOTES:

- VIA VENT TO ATMOSPHERE
- LACT-LEASE AUTOMATED CUSTODY TRANSFER
- WRT- WATOR RECOVERY TOWER
- EQUIPMENT NOT INCLUDED ON RED INCLUDES CONTAINMENT SUMP/PUMP AND INSTRUMENT AIR SYSTEM
- ALL DOTTED EQUIPMENT INDICATE FUTURE EQUIPMENT
- GAS FRED. CENTRALIZED HEATING SYSTEM (CHE) - OIL VCL

LEGEND

WATER: WATER
 OIL: OIL
 GAS: GAS
 MIX: MIX
 RECYCLE: RECYCLE

WATER: WATER
OIL: OIL
GAS: GAS
MIX: MIX
RECYCLE: RECYCLE

REV	DESCRIPTION	DATE	BY	DESCRIPTION	DATE	BY	DESCRIPTION
A	DMPT	08/27/10	JR				
B	ER	01/22/11	en				
C	ER	2/11/2021	en				

FACILITY: WADWORTH WALLOW PROCESSING FACILITY		TYPE: CPF		ONEODY: TBD	
AREA	NEW MEXICO	TYPE	CPF	ONEODY	TBD
ASSET	PER	FACILITY	RESIDUALS	PER	0001
ASSET NUMBER	PER	FACILITY	RESIDUALS	PER	0001

OKY USA INC. - Permian Resources (Operator)

DISTRICT I
1625 N. FRENCH DR., HOBS, NM 88240
Phone: (575) 303-0101 Fax: (575) 303-0780

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1203 Fax: (575) 748-0730

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-0170 Fax: (505) 334-0170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96473/11520	320 ACRES PIERCE CROSSING BONE SPRING EAST/CEDAR CANYON BONE SPRING	Pool Name 960 ACRES
Property Code	Property Name TAILS CC 10_3 FEDERAL COM	Well Number 24H	
GRID No. 16696	Operator Name OXY USA INC.	Elevation 2942.9'	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	24-S	29-E		400	SOUTH	1740	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	3	24-S	29-E		20	NORTH	2530	EAST	EDDY

Dedicated Acres 1280	Joint or Infill y	Consolidation Code	Order No.
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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

PROPOSED BOTTOM HOLE LOCATION NAD83
Y=456310.2 N
X=653013.6 E
LAT.=32.253955° N
LONG.=103.972076° W

LTP NAD83
100' FSL & 2530' FEL
Y=456230.2 N
X=653014.2 E
LAT.=32.253736° N
LONG.=103.972075° W

1	Y=456329.9 N	X=655643.5 E
2	Y=453684.6 N	X=655669.1 E
3	Y=451030.3 N	X=655695.1 E
4	Y=448375.2 N	X=655608.2 E
5	Y=445720.2 N	X=655621.5 E
6	Y=445724.1 N	X=652967.9 E
7	Y=451032.4 N	X=652940.0 E
8	Y=456330.2 N	X=652902.2 E

FTP NAD83
100' FSL & 2530' FEL
Y=445823.9 N
X=653090.8 E
LAT.=32.225130° N
LONG.=103.971940° W

KOP NAD83
50' FSL & 2530' FEL
Y=445773.9 N
X=653091.2 E
LAT.=32.224992° N
LONG.=103.971939° W

SURFACE LOCATION NAD83
Y=446122.8 N
X=653879.4 E
LAT.=32.225944° N
LONG.=103.969387° W

PROPOSED BOTTOM HOLE LOCATION NAD27
Y=456251.0 N
X=611830.0 E
LAT.=32.253833° N
LONG.=103.971585° W

LTP NAD27
100' FSL & 2530' FEL
Y=456171.0 N
X=611830.6 E
LAT.=32.253613° N
LONG.=103.971585° W

1	Y=456270.7 N	X=614359.9 E
2	Y=453625.5 N	X=614385.5 E
3	Y=450971.2 N	X=614411.3 E
4	Y=448316.2 N	X=614424.5 E
5	Y=445661.3 N	X=614437.6 E
6	Y=445665.1 N	X=611784.0 E
7	Y=450973.3 N	X=611756.3 E
8	Y=456271.0 N	X=611718.6 E

FTP NAD27
100' FSL & 2530' FEL
Y=445765.0 N
X=611908.9 E
LAT.=32.225007° N
LONG.=103.971452° W

KOP NAD27
50' FSL & 2530' FEL
Y=445715.0 N
X=611907.3 E
LAT.=32.224689° N
LONG.=103.971451° W

SURFACE LOCATION NAD27
Y=446063.8 N
X=612695.6 E
LAT.=32.225821° N
LONG.=103.968898° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Janacek 10/20/2020
Signature Date

Stephen Janacek
Printed Name

Stephen_Janacek@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2019
Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/9/20
Certificate No. CHAD HARCROW 17777
W.O. #20-1174 DRAWN BY: AH

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-8161 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) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1229 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96473/11520	320 acres PIERCE CROSSING BONE SPRING EAST/ CEDAR CANYON BONE SPRING	Pool Name 960 acres
Property Code	Property Name TAILS CC 10_3 FEDERAL COM	Well Number 22H	
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2938.8'	

Surface Location

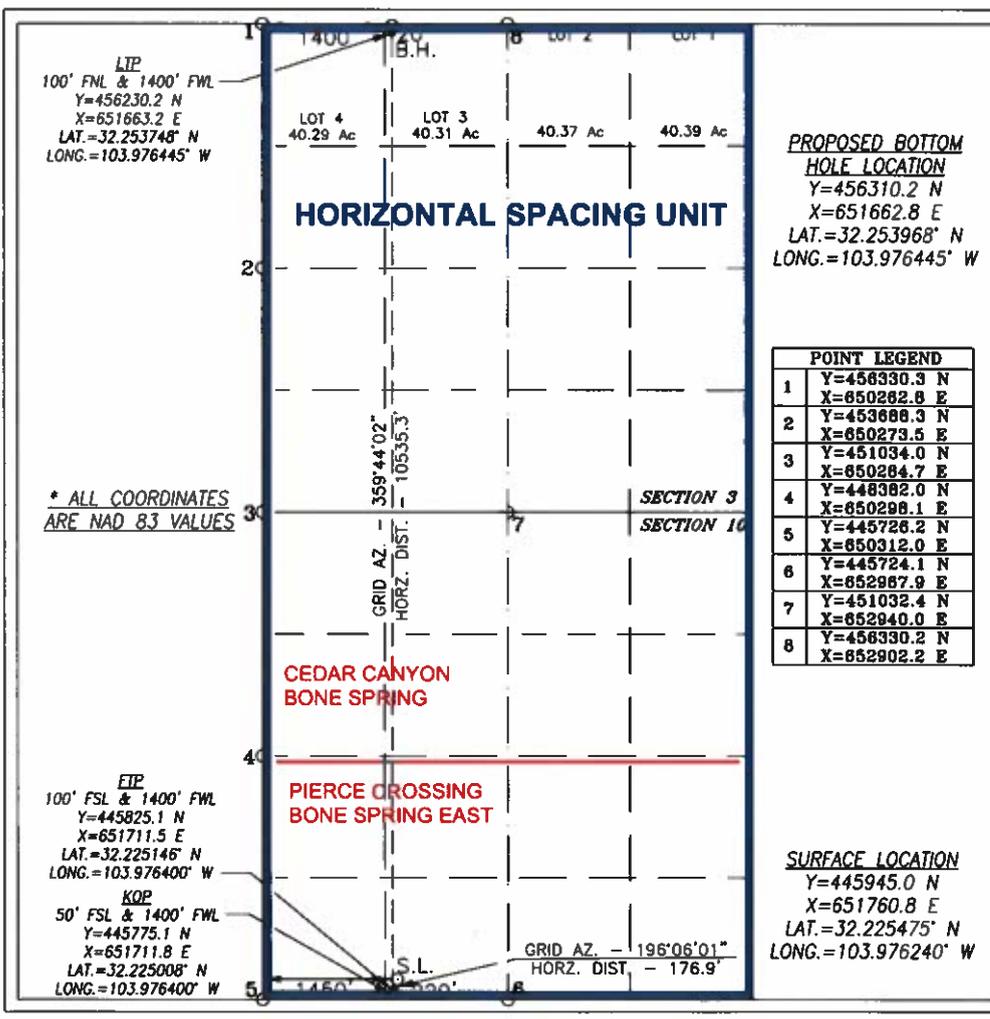
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	29-E		220	SOUTH	1450	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	3	24-S	29-E		20	NORTH	1400	WEST	EDDY

Dedicated Acres 1280	Joint or Infill y	Consolidation Code	Order No.
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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 herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Janacek 08/05/2020
Signature Date

Stephen Janacek
Printed Name

Stephen_Janacek@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2019
Date of Survey

Signature & Seal of Professional Surveyor

CHAD L. HARCROW
NEW MEXICO
LICENSED PROFESSIONAL SURVEYOR
17777

Chad Harcrow 10/25/19
Certificate No. CHAD HARCROW 17777
W.O. #19-1959 DRAWN BY: WN

DISTRICT I
1025 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0760

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) 334-6170 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
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Santa Fe, New Mexico 87505

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Revised August 1, 2011
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96473/11520	320 acres PIERCE CROSSING BONE SPRING EAST/CEDAR CANYON BONE SPRING	Pool Name	960 acres
Property Code	Property Name TAILS CC 10_3 FEDERAL COM		Well Number 21H	
OGRID No. 16696	Operator Name OXY USA INC.		Elevation 2942.8'	

Surface Location

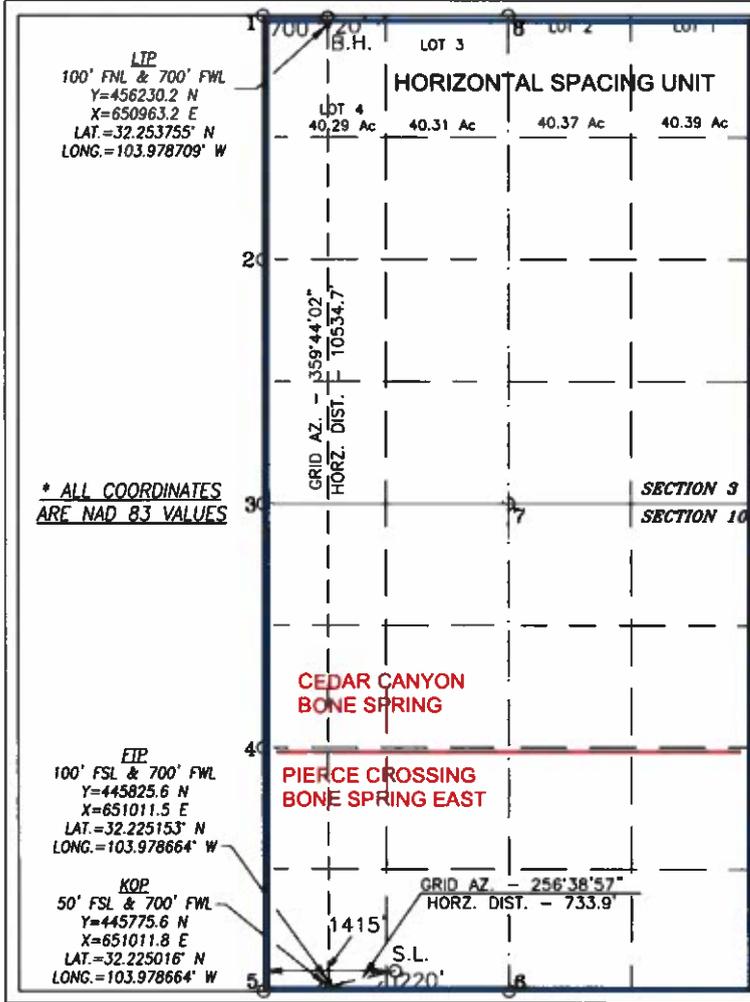
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	29-E		220	SOUTH	1415	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	24-S	29-E		20	NORTH	700	WEST	EDDY

Dedicated Acres 1280	Joint or Infill y	Consolidation Code	Order No.
--------------------------------	-----------------------------	--------------------	-----------

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PROPOSED BOTTOM HOLE LOCATION
Y=456310.2 N
X=650962.8 E
LAT.=32.253974° N
LONG.=103.978710° W

POINT LEGEND	
1	Y=456330.3 N X=650202.8 E
2	Y=453688.3 N X=650273.5 E
3	Y=451034.0 N X=650284.7 E
4	Y=448382.0 N X=650296.1 E
5	Y=445726.2 N X=650312.0 E
6	Y=445724.1 N X=652987.9 E
7	Y=451032.4 N X=652940.0 E
8	Y=456330.2 N X=652902.2 E

SURFACE LOCATION
Y=445945.1 N
X=651725.8 E
LAT.=32.225475° N
LONG.=103.976353° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Janacek 08/03/2020
Signature Date

Stephen Janacek
Printed Name

Stephen_Janacek@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2019
Date of Survey

Signature & Seal of Professional Surveyor

Chad Harcrow 10/25/19
Certificate No. CHAD HARCROW 17777
W.O. #19-1958 DRAWN BY: WN

DISTRICT I
1623 N. FRENCH DR., HOBBBS, NM 88240
Phone: (575) 393-9161 Fax: (575) 393-0720

DISTRICT II
511 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1883 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 11520/96473	920 ACRES CEDAR CANYON BONE SPRING/PIERCE CROSSING BONE SPRING EAST	Pool Name 360 ACRES
Property Code	Property Name TAILS CC 10_3 FEDERAL COM		Well Number 25H
GRID No. 16696	Operator Name OXY USA INC.		Elevation 2942.4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	24-S	29-E		400	SOUTH	1705	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	3	24-S	29-E		20	NORTH	1430	EAST	EDDY

Dedicated Acres 1280	Joint or Infill y	Consolidation Code	Order No.
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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

PROPOSED BOTTOM HOLE LOCATION NAD83
Y=456310.0 N
X=654113.6 E
LAT.=32.253945° N
LONG.=103.968517° W

LTP NAD83
100' FSL & 1430' FEL
Y=458230.0 N
X=654114.2 E
LAT.=32.253725° N
LONG.=103.968516° W

POINT LEGEND NAD83	
1	Y=456329.9 N X=655543.5 E
2	Y=456364.6 N X=655569.1 E
3	Y=451430.3 N X=655595.1 E
4	Y=448375.2 N X=655608.2 E
5	Y=445720.2 N X=655621.5 E
6	Y=445724.1 N X=652957.9 E
7	Y=451032.4 N X=652940.0 E
8	Y=466830.2 N X=652802.2 E

FTP NAD83
100' FSL & 1430' FEL
Y=445822.3 N
X=654190.8 E
LAT.=32.225115° N
LONG.=103.968383° W

KOP NAD83
50' FSL & 1430' FEL
Y=445772.3 N
X=654191.2 E
LAT.=32.224978° N
LONG.=103.968382° W

SURFACE LOCATION NAD83
Y=446122.7 N
X=653914.5 E
LAT.=32.225943° N
LONG.=103.969273° W

PROPOSED BOTTOM HOLE LOCATION NAD27
Y=456250.9 N
X=612930.0 E
LAT.=32.253822° N
LONG.=103.968028° W

LTP NAD27
100' FSL & 1430' FEL
Y=456170.9 N
X=612930.6 E
LAT.=32.253603° N
LONG.=103.968027° W

POINT LEGEND NAD27	
1	Y=456270.7 N X=614359.9 E
2	Y=453625.5 N X=614385.5 E
3	Y=450971.2 N X=614411.3 E
4	Y=448316.2 N X=614424.6 E
5	Y=445661.3 N X=614437.6 E
6	Y=445665.1 N X=611784.0 E
7	Y=450973.3 N X=611756.3 E
8	Y=456271.0 N X=611718.6 E

FTP NAD27
100' FSL & 1430' FEL
Y=445763.4 N
X=613007.0 E
LAT.=32.224992° N
LONG.=103.957894° W

KOP NAD27
50' FSL & 1430' FEL
Y=445713.4 N
X=613007.3 E
LAT.=32.224855° N
LONG.=103.967894° W

SURFACE LOCATION NAD27
Y=446063.8 N
X=612730.6 E
LAT.=32.225821° N
LONG.=103.968785° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Janacek 10/20/2020
Signature Date

Stephen Janacek
Printed Name

Stephen_Janacek@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2019
Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 9/9/20
Certificate No. CHAD HARCROW 17777
W.O. #20-1175 DRAWN BY: AH

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004614304

This is not an invoice

OXY USA INC

5 GREENWAY PLAZA OFFICE 29.076

HOUSTON, TX 77046

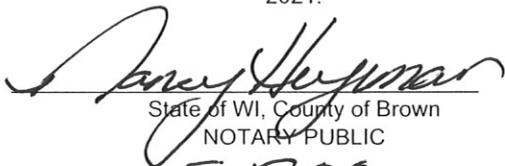
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

02/24/2021



Legal Clerk

Subscribed and sworn before me this February 24, 2021:



State of WI, County of Brown
NOTARY PUBLIC

5.15.23

My commission expires

Notice of Application for Off Lease Measurement, Storage and Sales

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for an Off Lease Measurement, Storage and Sales permit at the Whomping Willow CTB for the Tails wells, located in Eddy County, Section 10 T24S-R29E. Wells going to the aforementioned battery are located in Sections 10 and 3. Production is from the Cedar Canyon; Bone Spring and Pierce Crossing; Bone Spring, East.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the NMOCD may approve the application.

For questions pertaining to the application, please contact Kathleen Mowery at (713) 366-5109. #4614304, Current Argus, February 24, 2021

Ad # 0004614304
PO #:
of Affidavits 1

This is not an invoice

NANCY HEYRMAN
Notary Public
State of Wisconsin

NAME	ADDRESS	CITY	STATE	ZIP	TRACKING #	MAIL DATE
DEVON ENERGY PRODUCTION COMP LP	333 W SHERIDAN AVE	OKLAHOMA CITY	OK	73102	_9414811898765897008188	3/10/2021
VISION ENERGY INC	PO BOX 2459	CARLSBAD	NM	88220	_9414811898765897008133	3/10/2021
ENERSTAR RESOURCES O&G LLC	PO BOX 606	CARLSBAD	NM	88220	_9414811898765897008317	3/10/2021
BOB BLUNDELL JR	PO BOX 386	CARLSBAD	NM	88221	_9414811898765897008355	3/10/2021

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
TAILS CC 10_3	22H	300154795700X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	26H	300154795900X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	25H	300154796000X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	21H	300154795800X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	24H	300154796100X1	NMNM81616	NMNM81616	OXY USA

Procedure Description: OXY USA INC. requests authority for off-lease storage, measurement and sales at the Whomping Willow CTB for the attached wells. Please see attached documents for justification.

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Whomping_Willow_CTB___Tails_Map_20210302132344.pdf

OXY_USA_Inc_to_BLM_Letter_Whomping_Willow_CTB_Access_20210302132325.pdf

Whomping_Willow_Tails_BLM_Submittal_OLM_20210302132250.docx

Well Name	Well Number	US Well Number	Lease Number	Case Number	Operator
TAILS CC 10_3	22H	300154795700X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	26H	300154795900X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	25H	300154796000X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	21H	300154795800X1	NMNM81616	NMNM81616	OXY USA
TAILS CC 10_3	24H	300154796100X1	NMNM81616	NMNM81616	OXY USA

Operator Electronic Signature: MOWERY

Signed on: MAR 02, 2021 01:23 PM

Name: OXY USA INCORPORATED

Title: Regulatory Engineer

Street Address: 5 Greenway Plaza, Suite 110

City: Houston

State: TX

Phone: (713) 366-5716

Email address:

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: Jonathon W Shepard

BLM POC Phone: 5752345972

Disposition: Approved

Signature: Jonathon Shepard

BLM POC Title: Petroleum Engineer

BLM POC Email Address: jshepard@blm.gov

Disposition Date: 03/19/2021

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of October, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

- 1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, NMPM
 Section 3: Lots 1, 2, 3, 4, S/2N/2 & S/2
 Section 10: All

Eddy County, New Mexico

Containing **1,278.62** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Suite 110, Houston, Texas 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

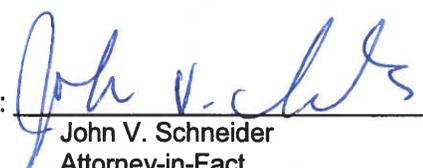
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

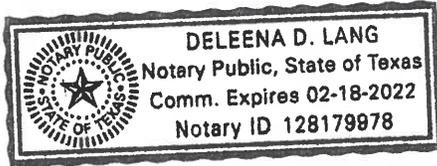
OXY USA INC.

DATE: 1/14/2021

BY: 
John V. Schneider
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the 14th day of January, 2021, by JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 053373, NMNM 081616, NMNM 059385 & FEE LEASE

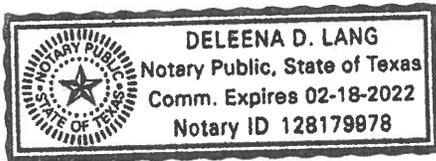
OXY USA INC.

DATE: 1/14/2021

BY: [Signature]
John V. Schneider
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the 14th day of January, 2021, by JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of OXY USA INC., a Delaware corporation, on behalf of said corporation.



[Signature]
Notary Public in and for the State of Texas

OPERATING RIGHTS & LESSEE OF RECORD OWNER FOR LEASE NMNM 085891

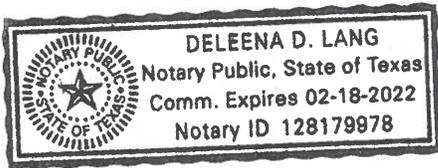
OXY Y-1 COMPANY

DATE: 1/14/2021

BY: *John V. Schneider*
John V. Schneider
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the 14th day of January, 2021, by JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of OXY Y-1 COMPANY., a New Mexico corporation, on behalf of said corporation.



Deleena D. Lang
Notary Public in and for the State of Texas

OPERATING RIGHTS & LESSEE OF RECORD OWNER FOR LEASE NMNM 085891

EOG RESOURCES INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____ of **EOG**
RESOURCES, INC., a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of Texas
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373
LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

DEVON ENERGY PRODUCTION COMPANY, LP

DATE: 10/15/20

BY: Catherine Lebsack ^{vb}

NAME: Catherine Lebsack

TITLE: Vice President

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on October 15, 2020, by Catherine Lebsack, as Vice President of **DEVON ENERGY PRODUCTION COMPANY, LP**, an Oklahoma limited partnership, on behalf of said limited partnership.



Kami Carroll
Notary Public in and for the State of OKLAHOMA
Notary's name Printed: KAMI CARROLL
Notary's commission expires: 8/7/22

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385, NMNM 081616 & NMNM 053373
LESSEE OWNER OF RECORD FOR LEASE NMNM 059385 & 053373

TAP ROCK RESOURCES, LLC

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by _____, as _____ of **TAP ROCK RESOURCES, LLC**, a _____ limited liability company, on behalf of said limited liability company.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385, NMNM 081616 & NMNM 053373

VISION ENERGY, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by _____, as _____ of Vision Energy, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373

ENERSTAR RESOURCES LTD CO.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____ of **ENERSTAR RESOURCES LTD
CO.**, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373

BOB BLUNDELL, JR.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
BOB BLUNDELL, JR.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASE NMNM 081616

MCNIC OIL & GAS PROPERTIES, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **MCNIC OIL & GAS PROPERTIES,
INC.**, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

COG OPERATING, LLC

DATE: 12/8/20

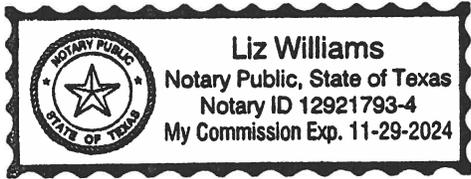
BY: [Signature]

NAME: Wade Parks

TITLE: Director of Operational Land

STATE OF Texas)
COUNTY OF Midland)

This instrument was acknowledged before me on December 8, 2020, by Wade Parks, as Director of Operational Land, of **COG OPERATING, LLC**, a Delaware limited liability company, on behalf of said limited liability company.



[Signature]
Notary Public in and for the State of TEXAS
Notary's name Printed: Liz Williams
Notary's commission expires: 11-29-24

OPERATING RIGHTS OWNER OF RECORD FOR LEASE NMNM 081616

CCS RESOURCES, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **CCS RESOURCES, INC.**, a
_____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

MBR RESOURCES, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **MBR RESOURCES, INC.**, a
_____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

SELF CERTIFICATION STATEMENT FOR COMMUNITIZATION AGREEMENT WORKING INTEREST

COMMUNITIZATION AGREEMENT: _____

I, the undersigned, hereby certify, on behalf of OXY USA Inc., the Operator under the captioned Communitization Agreement, that all working interest owners shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the true and correct owners of the leases committed to the Communitization Agreement, and the consents of the requisite working interest owners have been obtained.

I, further certify that the Communitization Agreement follows the standard form except for Sections 1 and 10.

BY:  (signature of officer)

NAME: John V. Schneider

TITLE: Attorney-In-Fact

Phone number: (713) 366-5330, email john.schneider@oxy.com

EXHIBIT "A"

Plat of communitized area covering 1,278.62 acres in Township 24 South, Range 29 East, Section 3 & 10, N.M.P.M., Eddy County, New Mexico.

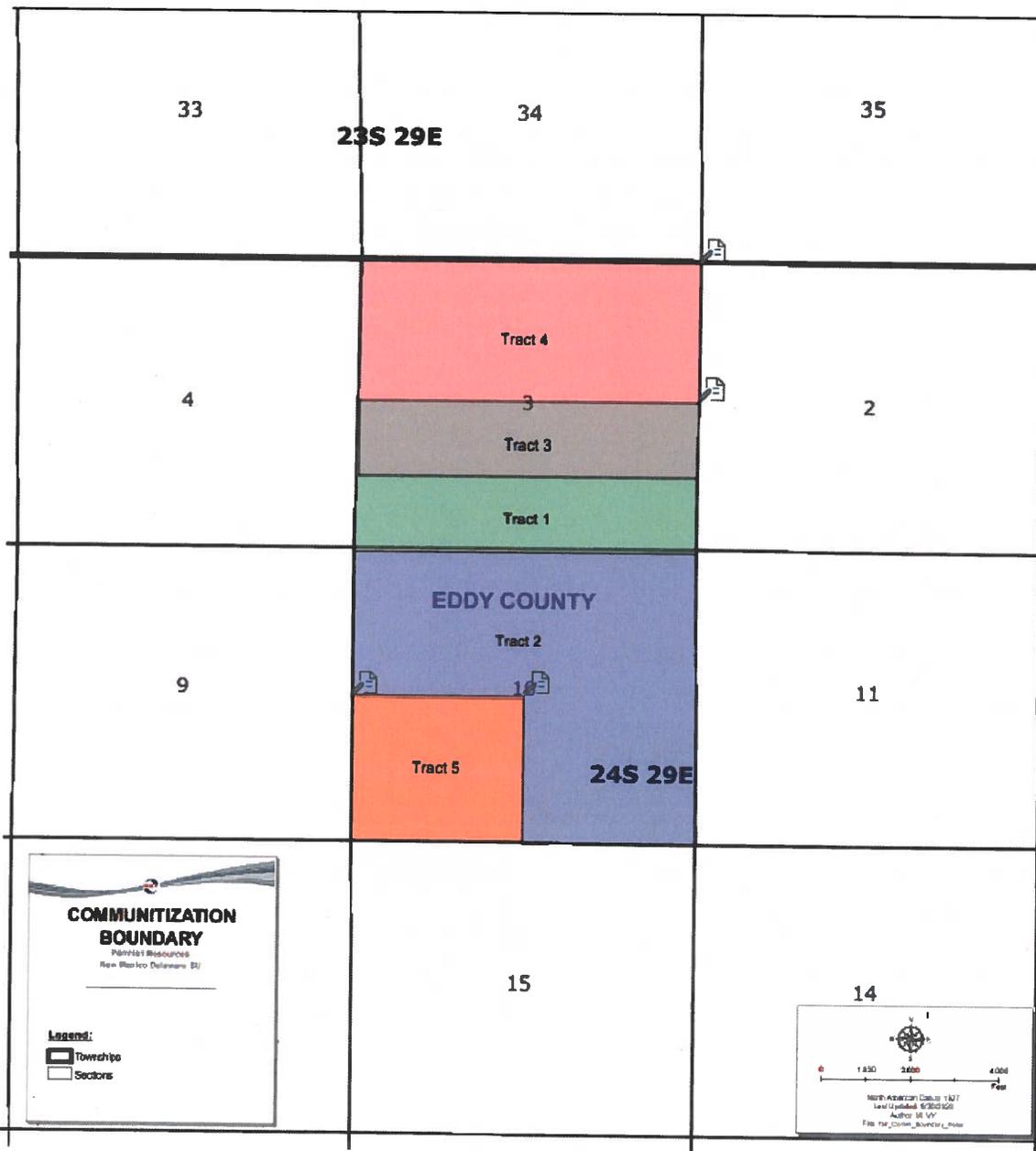


EXHIBIT "B"

To Communitization Agreement dated October 1, 2020 embracing the following described land in Section 3 & Section 10, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 053373

Description of Land Committed: Township 24 South, Range 29 East, Section 3: S/2S/2

Number of Acres: 160 acres

Current Lessee of Record: Tap Rock Resources, LLC

Name of Operating Rights Owners: Surface to 8,200' or Base of First Bone Spring, whichever is the shallower depth:
 OXY USA Inc. – 82.84085%
 Devon Energy Production Co. LP – 14.0%
 Enerstar Resources Ltd. Co. – 2.159150%
 Bob Blundell, Jr. – 1.0%

All depths below 8,200' or Base of First Bone Spring, whichever is the shallower depth:
 OXY USA Inc. – 96.84085%
 Enerstar Resources Ltd. Co. – 3.159150%

Tract No. 2

Lease Serial Number: NMNM 081616

Description of Land Committed: Township 24 South, Range 29 East, Section 10: N/2 & SE/4

Number of Gross Acres: 480 acres

Current Lessee of Record: MBR Resources Inc.
 Devon Energy Production Co. LP
 COG Operating LLC

Name of Working Interest Owners: Surface to 8,200' or base of First Bone Spring,
whichever is the shallower depth, as to the NE/4:
OXY USA Inc. – 59.29%
Tap Rock Resources, LLC – %
MCNIC Oil & Gas Properties Inc. – 30.71%
Vision Energy Inc. – 10.0%

All depths below 8,200' or base of First Bone
Spring as to the NE/4:
OXY USA Inc. – 52.7625%
MCNIC Oil & Gas Properties Inc. – 27.2375%
Vision Energy Inc. – 20.0%

Surface to 8,200' or base of First Bone Spring,
whichever is the shallower depth, as to the
N/2NW/4:
OXY USA Inc. – 30.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 10.0%

All depths below 8,200' or base of First Bone
Spring as to the N/2NW/4:
OXY USA Inc. – 20.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 20.0%

Surface to 8,200' or base of First Bone Spring,
whichever is the shallower depth, as to the
S/2NW/4:
OXY USA Inc. – 20.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 10.0%
Tap Rock Resources, LLC – 10.0%

All depths below 8,200' or base of First Bone
Spring as to the S/2NW/4:
OXY USA Inc. – 20.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 20.0%

All depths as to the SE/4:
OXY USA Inc. – 60.2625%
MCNIC Oil & Gas Properties Inc. – 39.7375%

Tract No. 3

Lease Serial Number: NMNM 059385

Description of Land Committed: Township 24 South, Range 29 East,
Section 3: N/2S/2

Number of Gross Acres: 160 acres

Current Lessee of Record: Tap Rock Resources, LLC

Name of Working Interest Owners: Surface to 8,200' or Base of First Bone Spring,
whichever is the shallower depth, as to NW/4SE/4:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

All depths below 8,200' or Base of First Bone Spring, whichever is the shallower depth, down to 14,130' as to NW/4SE/4:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

Surface to 8,200' or Base of First Bone Spring, whichever is the shallower depth, as to N/2SW/4 & NE/4SE/4:
OXY USA Inc. – 82.84085%
Devon Energy Production Co. LP – 14.0%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

All depths below 8,200' or Base of First Bone Spring, whichever is the shallower depth, down to 14,130' as to N/2SW/4 & NE/4SE/4:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

Tract No. 4

Lease Serial Number: NMNM 085891

Description of Land Committed: Township 24 South, Range 29 East,
Section 3: Lots 1, 2, 3 & 4 & S/2N/2

Number of Gross Acres: 318.62 acres

Current Lessee of Record: OXY Y-1 Company
EOG Resources, Inc.

Name of Working Interest Owners: OXY Y-1 Company – 4.0%
EOG Resources Inc. – 96.0%

Tract No. 5

Lease Serial No.: Fee

Description of Land Committed: Township 24 South, Range 29 East
SW/4 Section 10

Number of Gross Acres: 160 acres

Authority for Pooling: Lease contains pooling clause

Name and Percent of WI Owners: OXY USA Inc. – 100%

Lease No. 1

Lessor: D.S. Harroun, et al

Lease Owner: OXY USA Inc.

OXY Lease No.: 63021514

Date of Lease: 2/2/1972

Authority for Pooling: Lease contains pooling clause

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	12.5134911%
2	480.00	37.5404733%
3	160.00	12.5134911%
4	318.62	24.9190534%
<u>5</u>	<u>160.00</u>	<u>12.5134911%</u>
Total	1,278.62	100.0000000%

From: [McClure, Dean, EMNRD](#)
To: [Mowery, Kathleen S](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-751
Date: Tuesday, April 27, 2021 3:18:49 PM
Attachments: [PLC751 Order.pdf](#)

NMOCD has issued Administrative Order PLC-751 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	Location (NMPPM)	Pool Code
30-015-47958	Tails CC 10 3 Federal Com #21H	N-10-24S-29E	96473
			11520
30-015-47957	Tails CC 10 3 Federal Com #22H	N-10-24S-29E	96473
			11520
30-015-47961	Tails CC 10 3 Federal Com #24H	O-10-24S-29E	96473
			11520
30-015-47960	Tails CC 10 3 Federal Com #25H	O-10-24S-29E	96473
			11520
30-015-47959	Tails CC 10 3 Federal Com #26H	O-10-24S-29E	96473
			11520

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 OF OXY USA INC FOR
APPROVAL OF 1,278.62-ACRE NON-STANDARD
SPACING UNIT IN THE BONE SPRING FORMATION
COMPRISED OF ACREAGE SUBJECT TO PROPOSED
COMMUNITIZATION AGREEMENTS,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21540
ORDER NO. R-21606**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 3, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. OXY USA INC (“Oxy”) filed an application (“Application”) seeking approval of a 1,278.62-acre non-standard horizontal spacing unit for production from all Division-designated pools in the Bone Spring formation underlying all of Sections 3 and 10, Township 24 South, Range 29 East, NMPM Eddy County, New Mexico (“Spacing Unit”). The Spacing Unit will be initially dedicated to the following horizontal wells in the Bone Spring formation (“Wells”):
 - Tails CC 10_3 Federal Com #21H well (30-015-pending)
 - Tails CC 10_3 Federal Com #22H well (30-015-pending)
 - Tails CC 10_3 Federal Com #24H well (30-015-pending)
 - Tails CC 10_3 Federal Com #25H well (30-015-pending)
 - Tails CC 10_3 Federal Com #26H well (30-015-pending)
2. The Wells will be or have been drilled and completed in the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473).
3. Oxy appeared at hearing and presented evidence by affidavit.
4. The Spacing Unit is comprised of the following five (5) leases:
 - Federal Lease NMNM-053373 containing Section 3: S/2 S/2
 - Federal Lease NMNM-081616 containing Section 10: N/2 & SE/4
 - Federal Lease NMNM-059385 containing Section 3: N/2 S/2
 - Federal Lease NMNM-085891 containing Section 3: Lots 1, 2, 3 & 4 & S/2 N/2
 - Private Lease 63021514 containing Section 10: SW/4

5. Oxy is the designated operator under a Joint Operating Agreement covering federal leases.
6. The Bureau of Land Management (“BLM”) informed Oxy that it will approve a communitization agreement for the Bone Spring formation.
7. Oxy will consolidate facilities and commingling production from existing and future wells in the Spacing Unit to minimize surface disturbance.
8. The Wells will efficiently and effectively develop the Spacing Unit and will result in significant efficiencies due to the ability to consolidate surface facilities.
9. Oxy gave notice of the Application to operators and lessees, in the Spacing Unit, all affected parties in the tracts that adjoin the Spacing Unit, and BLM.
10. Oxy published notice of the Application and hearing in a newspaper of general circulation in Eddy County, New Mexico.
11. No other party appeared at the hearing or opposed granting the Application.

CONCLUSIONS OF LAW

12. OCD has jurisdiction to issue this Order pursuant to Section 70-2-18(C), NMSA 1978.
13. Oxy has met the notice requirements for approval of non-standard horizontal spacing units in accordance with 19.15.16.15(B)(5) NMAC.
14. OCD’s rules allow the approval of a non-standard horizontal spacing unit, after notice and opportunity for hearing, “if necessary to prevent waste or protect correlative rights” 19.15.16.15(B)(5)(a) NMAC.
15. Approval of the Spacing Unit promotes effective well spacing and allows Oxy to reduce surface disturbance, efficiently locate surface facilities, and reduce development costs, and therefore prevents waste and protects correlative rights.

ORDER

16. The Application to create a 1,278.62-acre non-standard horizontal spacing unit for production from all Division-designated pools in the Bone Spring formation underlying all of Section 3 and 10, Township 24 South, Range 29 East, NMPM Eddy County, New Mexico **is hereby approved.**
17. Oxy shall file amended Forms C-102 reflecting the correct acreage dedicated for each of the Wells.

18. OCD retains jurisdiction of this case for entry of such further orders as the Division may deem necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

AES/jag

Date: 2/11/2021

CASE NO. 21540
ORDER NO. R-21606

Page 3 of 3

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: PLC-751

Operator: Oxy USA, Inc. (16696)

Publication Date: 2/24/2021

Date Sent: 3/10/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
3/15/2021	DEVON ENERGY PRODUCTION COMP LP	9414811898765897008188	Delivered
3/15/2021	VISION ENERGY INC	9414811898765897008133	Delivered
3/12/2021	ENERSTAR RESOURCES O&G LLC	9414811898765897008317	Delivered
4/8/2021	BOB BLUNDELL JR	9414811898765897008355	Alert
	BLM	Online	

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY OXY USA, INC.**

ORDER NO. PLC-751

ORDER

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

FINDINGS OF FACT

1. Oxy USA, Inc. (“Applicant”) submitted a complete application to surface commingle and off-lease measure the oil production (“Application”) from the pools, leases, and wells identified in Exhibit A.
2. Applicant proposed a method to allocate the oil production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the leases to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. 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, 70-2-16, and 70-2-17, and 19.15.12 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
12. Commingling of oil production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
13. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
14. 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 surface commingle and off-lease measure oil production from the pools, leases, and wells identified in Exhibit A.
2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.
3. No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.
4. Applicant shall allocate the oil production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B.

5. The allocation of oil production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

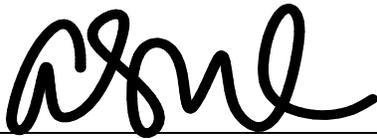
The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

6. 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.
7. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.
8. If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil production to less than if it had remained segregated, no later than sixty (60)

days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B via the OCD Fee Portal in accordance with 19.15.12.10(C)(4)(g) NMAC.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems 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: 4/27/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-751

Operator: Oxy USA, Inc. (16696)

Central Tank Battery: Whomping Willow Central Tank Battery

Central Tank Battery Location (NMPM): Unit F, Section 15, Township 24 South, Range 29 East

Gas Custody Transfer Meter Location (NMPM):

Pools

Pool Name	Pool Code
CEDAR CANYON; BONE SPRING	11520
PIERCE CROSSING; BONE SPRING, EAST	96473

Leases as defined in 19.15.12.7(C) NMAC

Lease	Location (NMPM)	
NMNM 053373	S/2 S/2	Sec 3-T24S-R29E
NMNM 081616	N/2, SE/4	Sec 10-T24S-R29E
NMNM 059385	N/2 S/2	Sec 3-T24S-R29E
NMNM 085891	N/2	Sec 3-T24S-R29E
Fee	SW/4	Sec 10-T24S-R29E

Wells

Well API	Well Name	Location (NMPM)	Pool Code	Train
30-015-47958	Tails CC 10 3 Federal Com #21H	N-10-24S-29E	96473	
			11520	
30-015-47957	Tails CC 10 3 Federal Com #22H	N-10-24S-29E	96473	
			11520	
30-015-47961	Tails CC 10 3 Federal Com #24H	O-10-24S-29E	96473	
			11520	
30-015-47960	Tails CC 10 3 Federal Com #25H	O-10-24S-29E	96473	
			11520	
30-015-47959	Tails CC 10 3 Federal Com #26H	O-10-24S-29E	96473	
			11520	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-751

Operator: Oxy USA, Inc. (16696)

Pooled Areas

Pooled Area	Location (NMPPM)	Acres	Pooled Area ID
CA BS BLM	All All	1278.62	A

Leases Comprising Pooled Areas

Lease	Location (NMPPM)	Acres	Pooled Area ID
NMNM 053373	S/2 S/2	160	A
NMNM 081616	N/2, SE/4	480	A
NMNM 059385	N/2 S/2	160	A
NMNM 085891	N/2	318.62	A
Fee	SW/4	160	A

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 21330

CONDITIONS OF APPROVAL

Operator:	OGRID:	Action Number:	Action Type:
OXY USA INC P.O. Box 4294 Houston, TX772104294	16696	21330	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.