

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

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

- (1) Pool Name and Code.
(2) Is all production from same source of supply? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No
(4) Measurement type: ☐ Metering ☐ Other (Specify)

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

- (1) Complete Sections A and E.

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

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

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

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Sandra Musallam TITLE: REGULATORY ENGINEER DATE: 02/21/2023

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

E-MAIL ADDRESS: SANDRA_MUSALLAM@OXY.COM

Revised March 23, 2017

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: LOST TANK 3 FEDERAL 001 & MULTIPLE **API:** 30-015-29638 & MULTIPLE
Pool: LOST TANK;DELAWARE, WEST & LOST TANK;WOLFCAMP **Pool Code:** 96582 & 97573

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

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

SANDRA MUSALLAM

Print or Type Name

Signature

02/21/2023

Date

713-366-5106

Phone Number

SANDRA_MUSALLAM@OXY.COM

e-mail Address

APPLICATION FOR POOL COMMINGLE**Commingle Proposal for Oil Production at the Lost Tank 3 Federal 1 Battery**

OXY USA INC requests approval for surface commingling of oil production at the Lost Tank 3 Federal 1 Battery (D-03-22S-31E). *This commingle request includes the current and future wells in the pools and leases listed below.*

Well to add:

POOL: LOST TANK; WOLFCAMP (97573)

BLM 12.5% NRI (NMNM417696)

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BPD)	GRAVITY API	GAS (MSCFD)	BTU /CF	WATER (BPD)
LOST TANK 3 FEDERAL 023	3001535354	E-03-22S-31E	Mar-2007	0	38.3	4	1247	0

Existing Wells:

POOL: LOST TANK; DELAWARE, WEST (96582)

BLM 12.5% NRI (NMNM417696)

WELL NAME	API	SURFACE LOCATION	DATE ONLINE	OIL (BPD)	GRAVITY API	GAS (MSCFD)	BTU /CF	WATER (BPD)
LOST TANK 3 FEDERAL 001	3001529638	D-03-22S-31E	Jun-1997	4	38.3	23	1299	16
LOST TANK 3 FEDERAL 002	3001529682	C-03-22S-31E	Jul-1997	2	38.3	4	1299	8
LOST TANK 3 FEDERAL 003	3001529859	F-03-22S-31E	Nov-1997	0	38.3	2	1299	0
LOST TANK 3 FEDERAL 004	3001530418	E-03-22S-31E	Nov-1998	2	38.3	32	1299	27

Process Description:

Lost Tank 3 Federal 23 Wolfcamp well flows to an individual heater-treater at the wellpad, where gas is separated from the fluid stream. After flowing through the individual heater-treater, oil and water are sent to the Lost Tank 3 Federal 1 battery header for separation, well testing and sales. Gas flows from the individual heater-treater to an orifice meter which serves as the BLM FMP, then sent to sales.

Production from Lost Tank 3 Federal Delaware wells (#1 – 4) flows directly to the facility header where it is combined with oil and water from Lost Tank 3 Federal 23. Production then flows to a three-phase production separator. The oil then flows to a heater-treater, then to three shared oil tanks for storage and sales through the LACT meter.

For testing purposes, the battery is equipped with a three-phase test separator. Oil flows to a heater-treater then is measured through a turbine meter. The gas flows to an orifice meter for measurement. The water flows to a turbine meter for measurement. All wells at the battery have been online for over 16 years and have an established production decline. They are individually tested at least once a month. Production is allocated to each well based on the aforementioned well tests.

Gas production for the Lost Tank 3 Delaware wells (#1 – 4) is sent from the production and test separators through an orifice meter, which serves as the gas BLM FMP, then sent to sales. Gas production is allocated back to each well based on the aforementioned well tests. Gas production from Lost Tank 3 Federal 23 Wolfcamp well is measured separately through the aforementioned gas FMP off the individual heater-treater. The gas commingle is handled through PLC 867A.

All produced water is sent to the Lost Tank disposal system.

Additional Application Components:

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

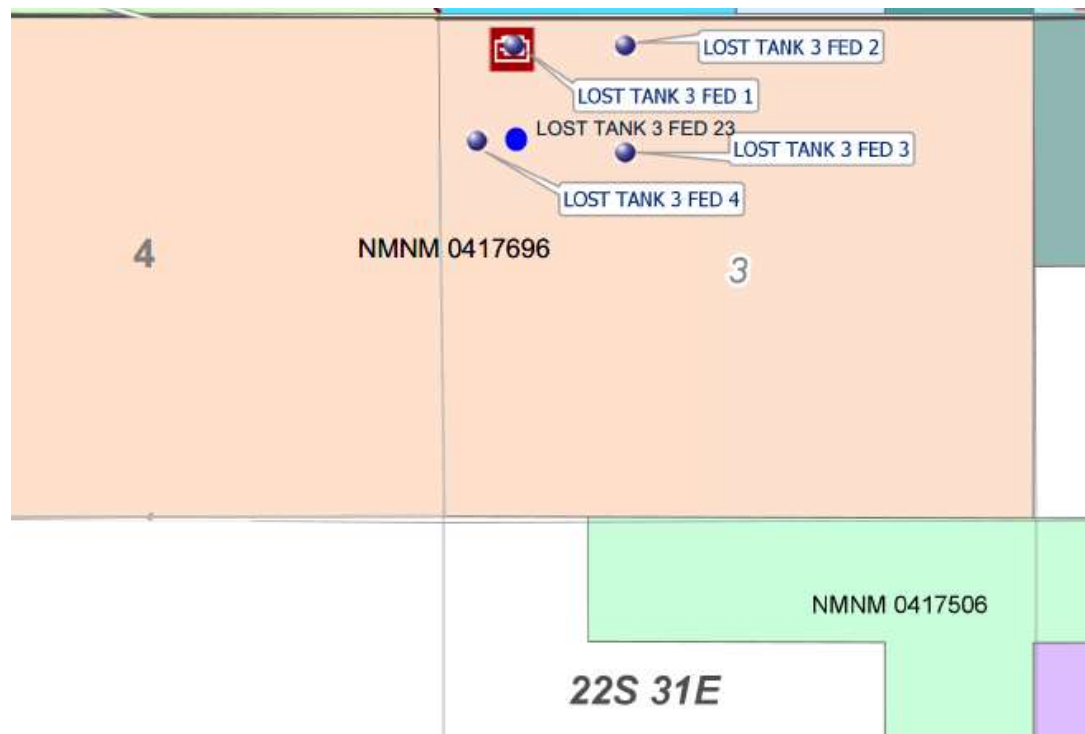
The oil and gas meters are calibrated on a regular basis per API, NMOCD and BLM specifications.

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.

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.

LOST TANK 3 FEDERAL 1 BATTERY
EDDY COUNTY, NEW MEXICO



LEASE: LOST TANK 3 FEDERAL #001 CTB
 API #: 3001529638
 LOCATED AT: SECTION 3 T22S R31E
 EDDY COUNTY, NEW MEXICO
 NMNM 0417696

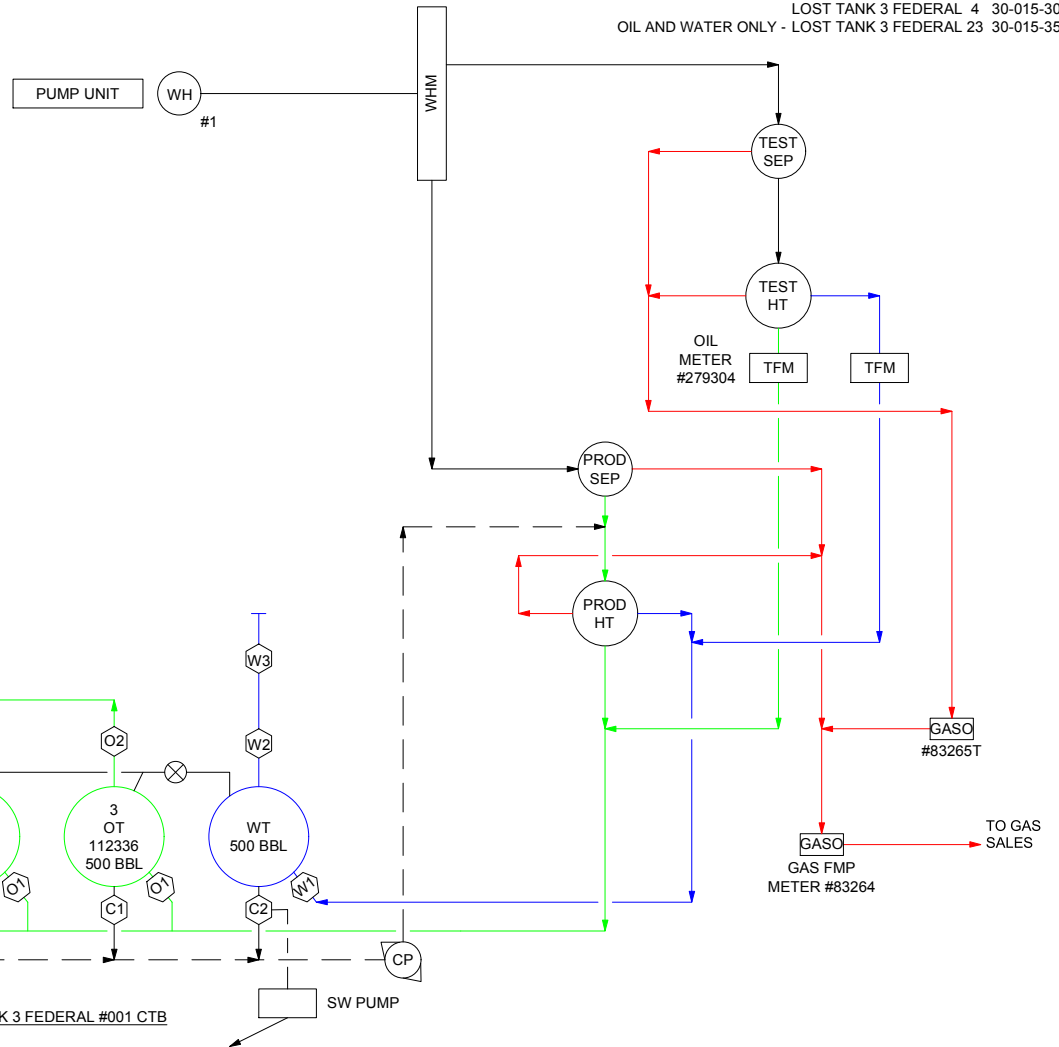
THIS LEASE IS SUBJECT TO THE SECURITY PLAN
 FOR THE CARLSBAD OPERATION. THE PLAN IS
 LOCATED AT:
 1502 W COMMERCE DR, CARLSBAD, NM 88220

I. SALES SYSTEM LOST TANK 3 FED 001:
 OIL:
 1. VALVE O2, O3 OPEN
 2. VALVE O1, C1 CLOSED
 OIL SALES TO TRUCK VIA LACT UNIT

WATER:
 TO TRUCK:
 1. VALVE W1, C2 CLOSED
 2. VALVE W2, W3 OPEN

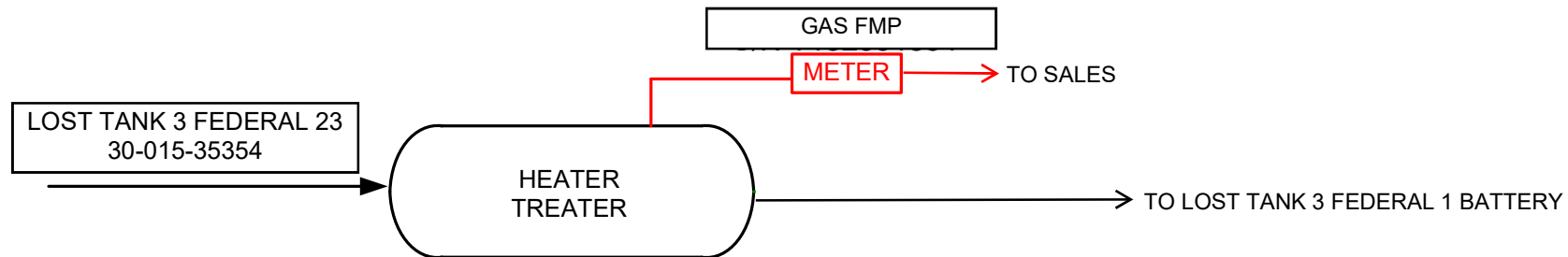
II. PRODUCTION PHASE LOST TANK 3 FED 001:
 1. VALVE O1, W1, C1, OR C2 OPEN
 2. VALVE O2, O3, W2, W3 CLOSED


LOST TANK 3 FEDERAL 1 30-015-29638
 LOST TANK 3 FEDERAL 2 30-015-29682
 LOST TANK 3 FEDERAL 3 30-015-29859
 LOST TANK 3 FEDERAL 4 30-015-30418
 OIL AND WATER ONLY - LOST TANK 3 FEDERAL 23 30-015-35354



LOST TANK 3 FEDERAL 001
 BATTERY

LOST TANK 3 FEDERAL 23
SATELLITE
E 03 T22S R31E



REVISION BLOCK					
	NO.	DATE	DESCRIPTION	BY	
———— PRODUCTION MIX	0		PRELIMINARY DRAFT	KAO	<u>PROCESS FLOW DIAGRAM</u> LOST TANK 3 FEDERAL 23
——— OIL	1		REVISION	JC	
—— GAS	2		COMMINGLE APPLICATION	TS	
—— WATER					
—— EQUIPMENT					

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 97573	Pool Name Lost Tank -WOLFCAMP
Property Code	Property Name LOST TANK "3" FEDERAL (DEEP)	Well Number 23
OGRID No. 17891	Operator Name POGO PRODUCING COMPANY	Elevation 3477'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	3	22-S	31-E		1405	NORTH	630	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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent</p> <p>Title</p> <p>05/24/05 Date</p>
<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=518357.9 N X=673286.4 E</p> <p>LAT.=32°25'25.78" N LONG.=103°46'18.27" W</p>	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 20, 2005</p> <p>Date Surveyed</p> <p>Signature & Seal Professional Surveyor</p> <p>GARY E. EDSON NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR 05.11.0684 12841</p>

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

RECEIVED

AUG 25 2010 State of New Mexico
Energy, Minerals & Natural Resources Department
NMOCD ARTESIA
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

☒ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-015-2963B	Pool Code 96582	Pool Name LOST TANK DELAWARE, WEST
Property Code 304875	Property Name LOST TANK 3 FEDERAL	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC.	Elevation

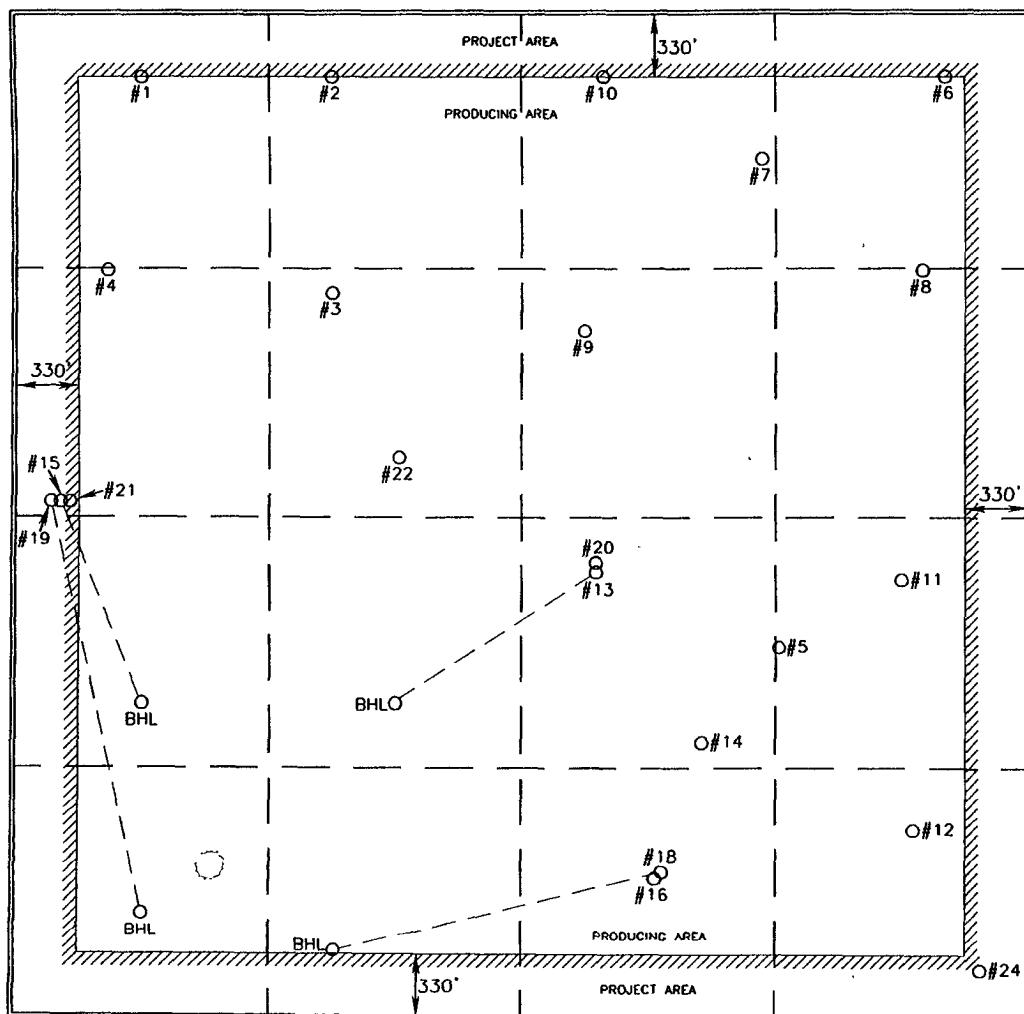
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	22 SOUTH	31 EAST, N.M.P.M.		330	north	660	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
Dedicated Acres 640	Joint or Infill Y	Consolidation Code	Order No.						

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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

David Stewart 8/22/10
Signature Date

David Stewart
Printed Name
david_stewart@oxy.com

SURVEYOR CERTIFICATION

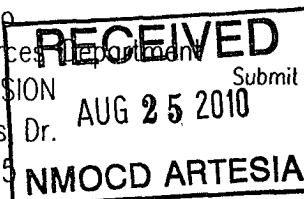
I hereby certify that the well location shown on this plat was located from field notes, actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.

NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
15079
AUGUST 3, 2010
Date of Survey
Signature of Professional Surveyor
Terry J. Noel 8/4/2010
Certificate Number 15079

WO# Lost Tank 3 Fed. (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29632	Pool Code 96582	Pool Name LOST TANK DELAWARE, WEST
Property Code 304875	Property Name LOST TANK 3 FEDERAL	Well Number 2
OGRID No. 16696	Operator Name OXY USA INC.	Elevation

Surface Location

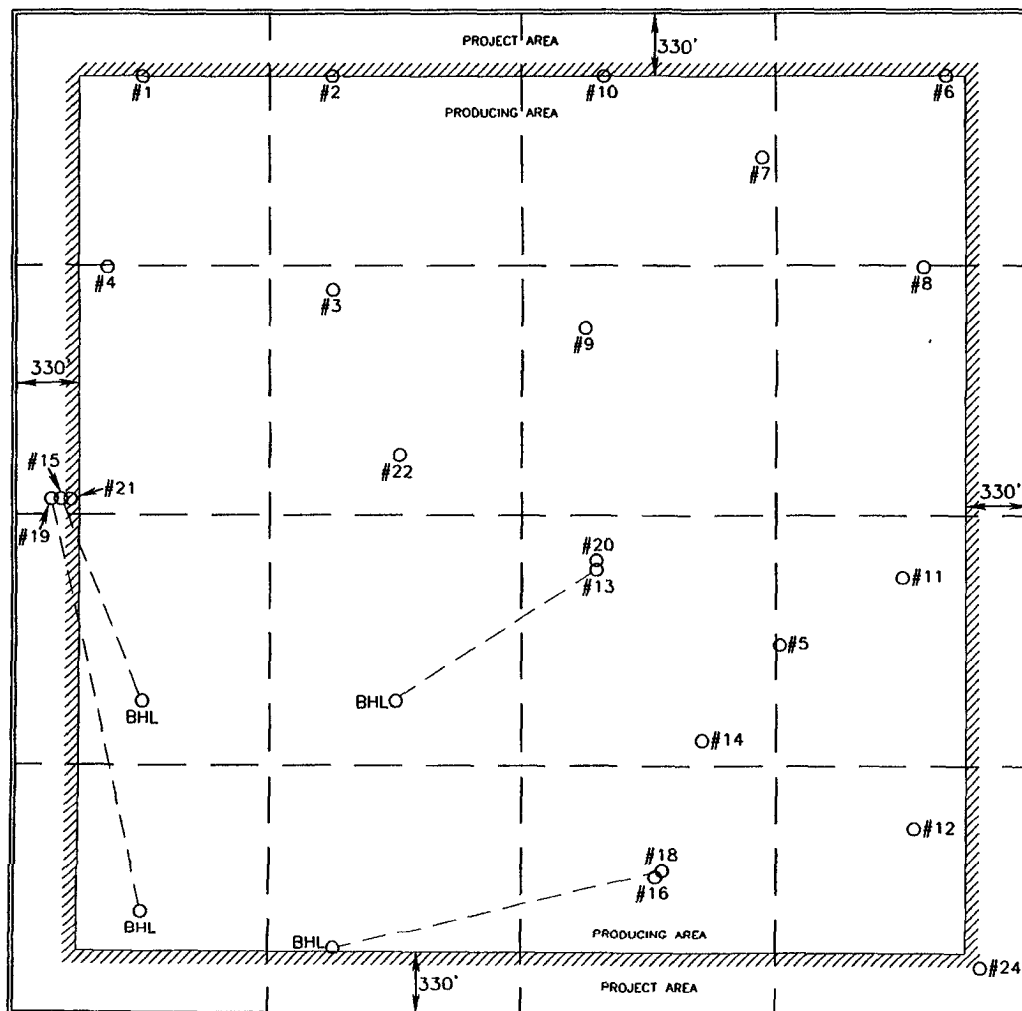
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	3	22 SOUTH	31 EAST, N.M.P.M.		330	north	1650	west	EDDY

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

Dedicated Acres 640	Joint or Infill Y	Consolidation Code	Order No.
-------------------------------	-----------------------------	--------------------	-----------

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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

David Stewart 8/22/10
Signature Date

David Stewart
Printed Name
david.stewart@oxy.com

SURVEYOR CERTIFICATION

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

DAVID J. ASH
15079
AUGUST 3, 2010
Date of Survey
Signature and Seal of Professional Surveyor
David J. Ash 8/4/2010
Certificate Number 15079

WO# Lost Tank 3 Fed. (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

RECEIVED
AUG 25 2010
NMOCD ARTESIA

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29859	Pool Code 96582	Pool Name LOST TANK DELAWARE, WEST
Property Code 304875	Property Name LOST TANK 3 FEDERAL	Well Number 3
OGRID No. 16696	Operator Name OXY USA INC.	Elevation

Surface Location

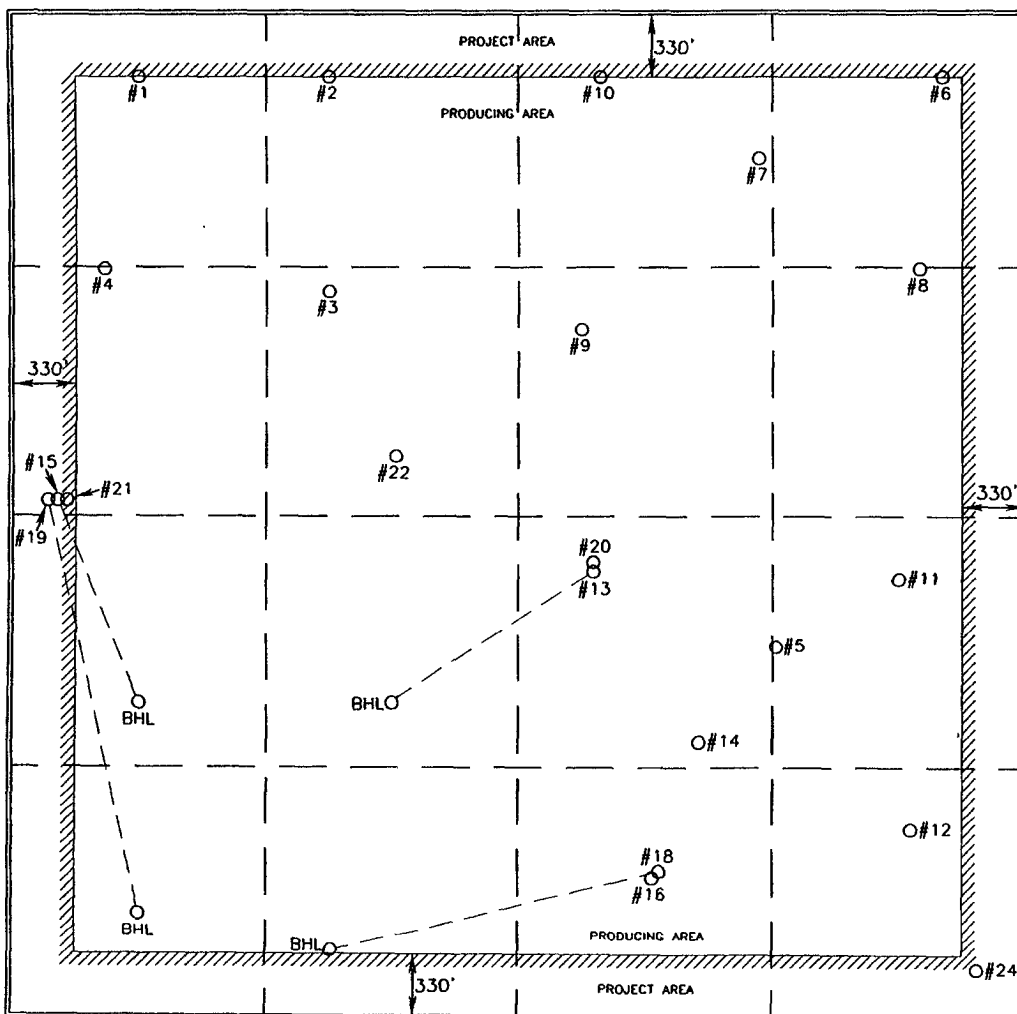
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	3	22 SOUTH	31 EAST, N.M.P.M.		1450	north	1650	west	EDDY

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

Dedicated Acres 640	Joint or Infill Y	Consolidation Code	Order No.
-------------------------------	-----------------------------	--------------------	-----------

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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

David Stewart
Signature Date

David Stewart
Printed Name
david.stewart@oxy.com

SURVEYOR CERTIFICATION

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

15079
AUGUST 3, 2010
Date of Survey
Signature and Seal of Professional Surveyor
James J. Noel 8/4/2010
Certificate Number 15079

WO# Lost Tank 3 Fed. (KA)

Form C-102
Revised October 12, 2005
Appropriate District Office
State Lease- 4 Copies
~~Fee Lease- 3 Copies~~
☒ AMENDED REPORT

ICATION PLARTESIA
NMOC

Surface LocationBottom Hole Location If Different From Surface

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640	Y		

OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Signature Dr. H. H. H. H. H. Date 12/10/10

David Stewart
Printed Name
david_stewart@oxy.com

SURVEYOR CERTIFICATION

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

Date of Survey _____

Signature and Seal of
Professional Engineer:

Terry J. Abel 8/4/2010
Certificate Number 15079

WO# Lost Tonk 3 Fed. (KA)

MAILED MARCH 13, 2023

To Company Name	To Name	To Address Line 1	To City	To State	To ZIP	Tracking Number
C/O CONSOLIDATED ASSET MANAGEMENT SERVICES	COERT AGENT I CO INC	910 LOUISIANA ST STE 2400	HOUSTON	TX	77002	_9414811898765830862983
FEDERAL GOVERNMENT ROYALTY	MINERALS MANAGEMENT SERVICE	620 E. GREENE STREET	CARLSBAD	NM	88220	_9414811898765830862976



**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: 713.366.5106
Sandra_Musallam@oxy.com

March 13, 2023

Re: Application for Pool Commingle Permit for Oil Production at the Lost Tank 3 Federal 1 Battery
in Eddy County, New Mexico

Dear Interest Owner:

This is to advise you that OXY USA INC is filing a surface commingle application for oil production at the Lost Tank 3 Federal 1 Battery. A copy of the application submitted to the Division is attached.

This request includes the current and future wells in the pools and leases listed in the attached application.

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

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

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

Respectfully,

A handwritten signature in black ink, appearing to read "SMusallam", written over a horizontal line.

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

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005601263

This is not an invoice**OXY USA INC**

5 GREENWAY PLAZA OFFICE 29.076

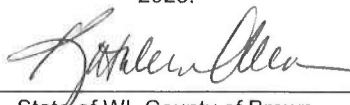
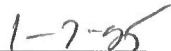
HOUSTON, TX 77046

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 in editions dated as follows:

02/21/2023

Legal Clerk

Subscribed and sworn before me this February 21,
2023:

State of WI, County of Brown
NOTARY PUBLIC

My commission expires

**Notice of Application for
Surface Commingling**

OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD for a surface commingle permit for oil production at Lost Tank 3 Federal 1 Battery. The facility is located in Eddy County in Section 03 T22S R31E. Wells going to the batteries are located in Eddy County in Section 03 T22S R31E. Production is from the Lost Tank; Delaware West and Lost Tank; Wolfcamp pools. 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 Sandra Musallam at (713) 366-5106.
#5601263, Current Argus,
February 21, 2023

Ad # 0005601263
PO #: Oil LT-3-1
of Affidavits 1

This is not an invoice

KATHLEEN ALLEN
Notary Public
State of Wisconsin

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Musallam, Sandra C](#); [Fortier, Eric](#)
Cc: [McClure, Dean, EMNRD](#); [Rikala, Ward, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Paradis, Kyle Q](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PC-1404
Date: Wednesday, May 22, 2024 4:48:22 PM
Attachments: [PC1404 Order.pdf](#)

NMOCD has issued Administrative Order PC-1404 which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-35354	Lost Tank 3 Federal Deep #23	E	3-22S-31E	97573
30-015-29638	Lost Tank 3 Federal #1	All	3-22S-31E	96582
30-015-29682	Lost Tank 3 Federal #2	All	3-22S-31E	96582
30-015-29859	Lost Tank 3 Federal #3	All	3-22S-31E	96582
30-015-30418	Lost Tank 3 Federal #4	All	3-22S-31E	96582

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. If you have any questions regarding this matter, please contact me.

Dean McClure

Petroleum Engineer, Oil Conservation Division

New Mexico Energy, Minerals and Natural Resources Department

(505) 469-8211

Musallam, Sandra C

From: TrackingUpdates@fedex.com
Sent: Friday, July 7, 2023 1:10 PM
To: Musallam, Sandra C
Subject: [EXTERNAL] FedEx Shipment 772659444007 Delivered

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

This tracking update has been requested by:

Company Name: Oxy Inc
Name: Sandra Musallam
E-mail: sandra_musallam@oxy.com

Our records indicate that the following shipment has been delivered:

Reference: BLM Lost Tank 3_1 & 4_1
Ship date: Jul 6, 2023
Signed for by: O.ORTIZ
Delivery location: CARLSBAD, NM
Delivered to: Receptionist/Front Desk
Delivery date: Fri, 7/7/2023 12:02 pm
Service type: FedEx Priority Overnight®
Packaging type: FedEx® Envelope
Number of pieces: 1
Weight: 0.50 lb.
Special handling/Services: Deliver Weekday
Standard transit: 7/7/2023 by 4:30 pm

Tracking number: 772659444007

Shipper Information	Recipient Information
Sandra Musallam	COMMINGLING MANAGER
Oxy Inc	BLM
5 Greenway Plaza ste. 110	620 E. GREENE
Houston	CARLSBAD
TX	NM
US	US
77046	88220

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 1:09 PM CDT on 07/07/2023.

All weights are estimated.

The shipment is scheduled for delivery on or before the scheduled delivery displayed above. FedEx does not determine money-back guarantee or delay claim requests based on the scheduled delivery. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx customer support representative.

To track the status of this shipment online, please use the following:

<https://www.fedex.com/apps/fedextrack/?action=track&tracknumbers=772659444007&language=en&opco=FX&clienttype=ivother>

Standard transit is the date and time the package is scheduled to be delivered by, based on the selected service, destination and ship date. Limitations and exceptions may apply. Please see the FedEx Service Guide for terms and conditions of service, including the FedEx Money-Back Guarantee, or contact your FedEx Customer Support representative.

© 2023 Federal Express Corporation. The content of this message is protected by copyright and trademark laws under U.S. and international law. You can access our privacy policy by searching the term on fedex.com. All rights reserved.

Thank you for your business.

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

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

ORDER NO. PC-1404

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 the oil production from the pools, leases, and wells identified in Exhibit A (“Application”).
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 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.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. 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.
6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

CONCLUSIONS OF LAW

8. 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, 19.15.12. NMAC, and 19.15.23. NMAC.
9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
11. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.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) NMAC and 19.15.12.10.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 oil production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to surface commingle oil production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

2. The allocation of oil production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
3. 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.

4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.
6. 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.
7. 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 in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
8. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after

the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil production to it, and the location(s) that commingling of its production will occur.

9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
10. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
11. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR (ACTING)**

DATE: 5/22/24

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: **PC-1404**
Operator: **Oxy USA, Inc. (16696)**
Central Tank Battery: **Lost Tank Federal 1 Battery**
Central Tank Battery Location: **UL D, Section 3, Township 22 South, Range 31 East**
Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
LOST TANK; DELAWARE, WEST	96582
LOST TANK; WOLFCAMP	97573

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 105445222 (0417696)	All	3-22S-31E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-35354	Lost Tank 3 Federal Deep #23	E	3-22S-31E	97573
30-015-29638	Lost Tank 3 Federal #1	All	3-22S-31E	96582
30-015-29682	Lost Tank 3 Federal #2	All	3-22S-31E	96582
30-015-29859	Lost Tank 3 Federal #3	All	3-22S-31E	96582
30-015-30418	Lost Tank 3 Federal #4	All	3-22S-31E	96582

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 204733

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 204733
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/22/2024