

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
**- 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

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify \_\_\_\_\_

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners

- [B] ☐ Offset Operators, Leaseholders or Surface Owner

- [C] ☐ Application is One Which Requires Published Legal Notice

- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

- [F] ☐ Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] 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.**

Jennifer Duarte  
 Print or Type Name

Signature

Regulatory Specialist  
 Title

03/06/2014  
 Date

Jennifer\_duarte@oxy.com  
 e-mail Address

- CTB  
 - Oxy USA INC  
 16696  
 Wells  
 - Copperhead 18  
 State #002H  
 30-025-41460

REC'D - 7 A.M. 11:20  
 - Copperhead 18  
 State #003H  
 30-025-41461  
 - Copperhead 18  
 State #004H  
 30-025-41462

- Copperhead 18  
 State #005H  
 30-025-41463

POU  
 - Triple X, Bone  
 Springs, West  
 96674

CTB-712



**OXY USA Inc.**  
**Occidental Permian Ltd.**  
Subsidiaries of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston TX 77046-0506  
PO Box 27757, Houston TX 77227-7757

Mark E. Hodge, CPL, Land Negotiator Consultant  
Office: 713.366-5226  
E-mail: Mark\_Hodge@oxy.com

April 7, 2014

Michael A. McMillan  
New Mexico Oil Conservation Division  
Engineering and Geological Services Bureau  
1220 South St. Francis Dr., Santa Fe NM 87505

Re: Copperhead 18 State #2H, #3H, #4H, and #5H wells  
Working Interest Ownership Percentages  
Section 18, T24-S, R-33-E  
Lea County, New Mexico

Mr. McMillan:

Please note that the Working Interest Ownership Percentages for each of the captioned wells is as follows:

30.00% OXY USA Inc.  
47.00% Chevron Midcontinent, L.P. ✓  
11.50% The Allar Company  
5.75% Talus, Inc.  
5.75% Twin Montana, Inc.

Please advise if I can assist further.

Thank you,

Mark E. Hodge

RECEIVED OGD  
2014 APR -8 A 10:25

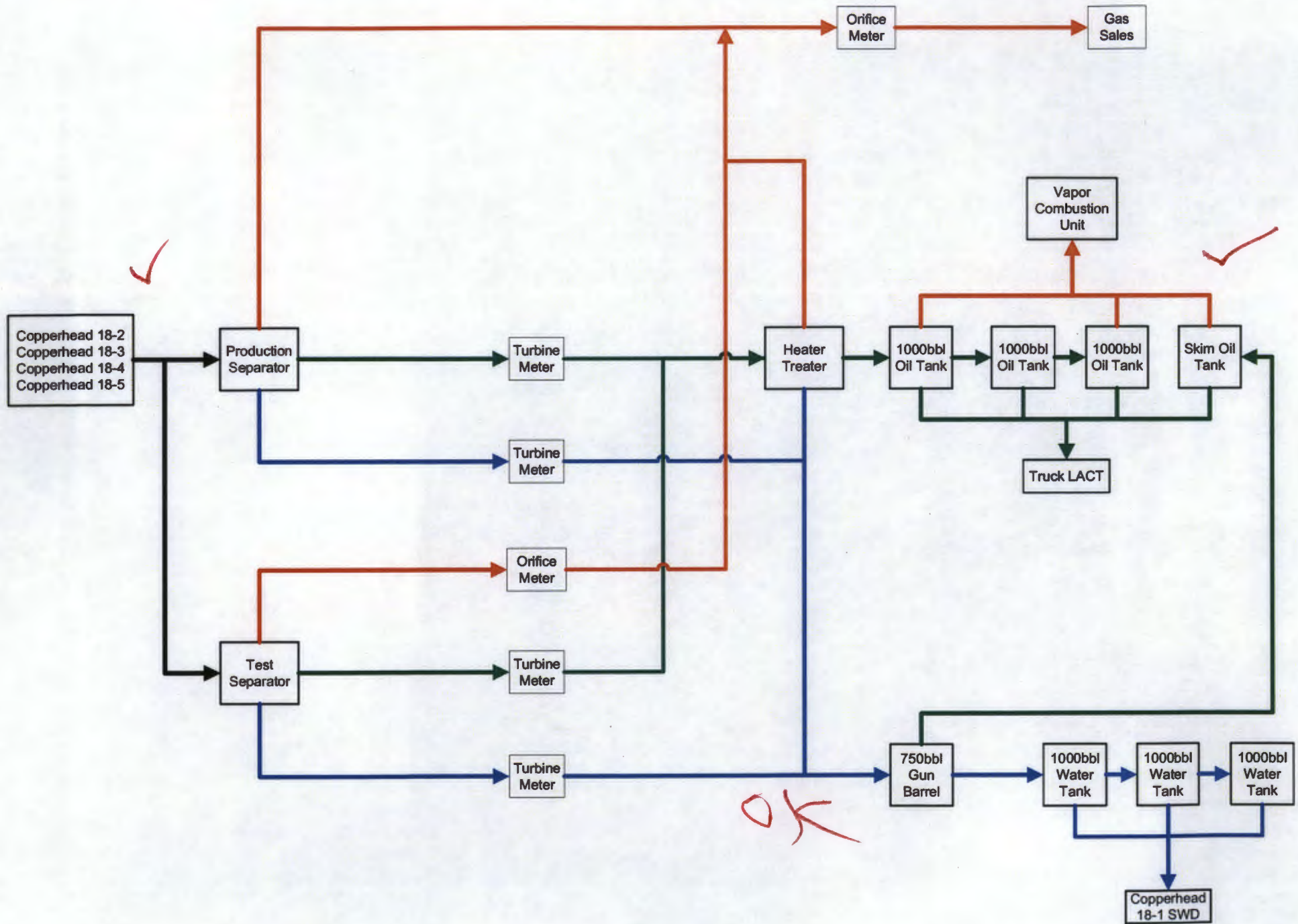
## **Copperhead 18 Battery Commingle Information**

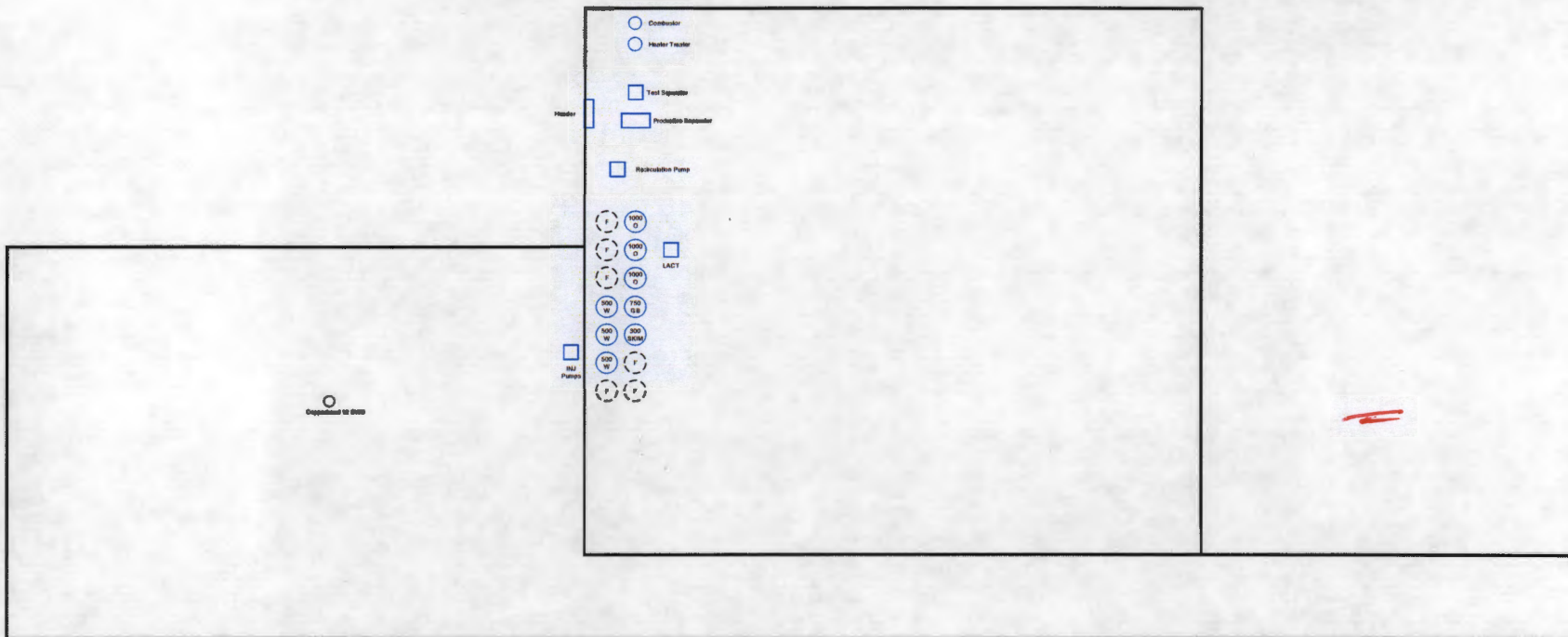
1. Well Name: Copperhead 18 State #002H
  - a. API: 30-025-41460
  - b. Location: T24S R33E, Section 18
  
2. Well Name: Copperhead 18 State #003H
  - a. API: 30-025-41461
  - b. Location: T24S R33E, Section 18
  
3. Well Name: Copperhead 18 State #004H
  - a. API: 30-025-41462
  - b. Location: T24S R33E, Section 18
  
4. Well Name: Copperhead 18 State #005H
  - a. API: 30-025-41463
  - b. Location: T24S R33E, Section 18

### **Individual Well Production Allocation**

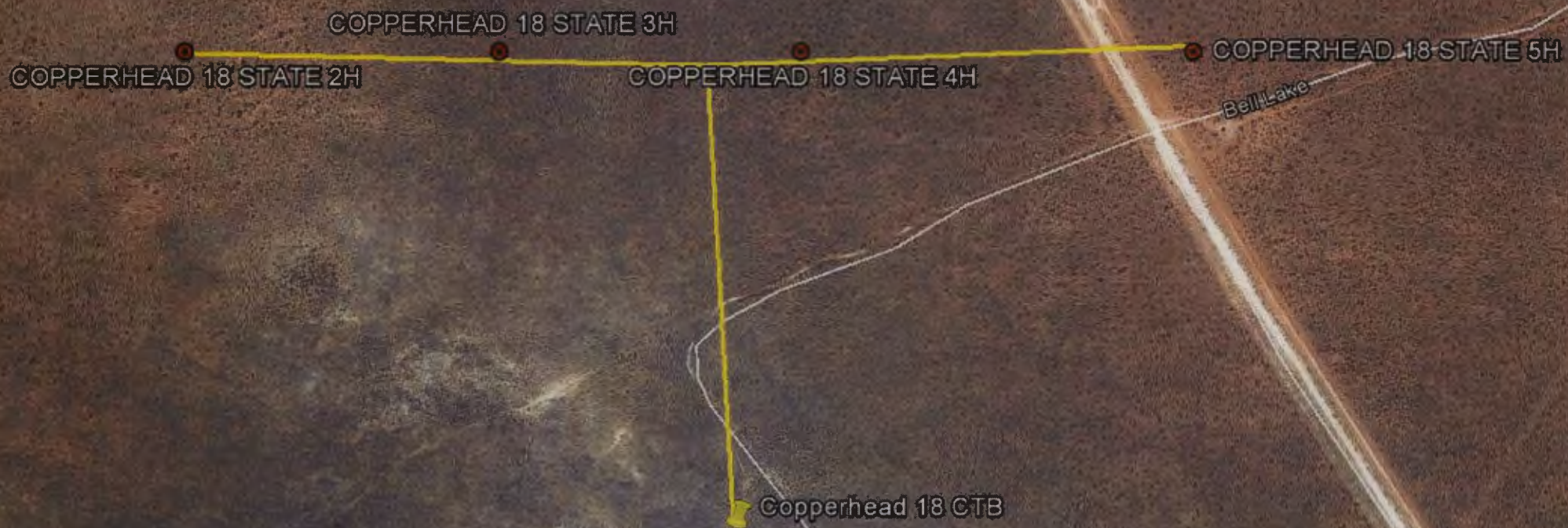
The Copperhead 18 State #002, Copperhead 18 State #003, Copperhead 18 State #004, and Copperhead 18 State #005 wells will be produced into a 8x20 3-Phase Separator. Production will be allocated back to each well based on a monthly well test through a 4x10 3-Phase Separator.

Well #	Pool	Lease Number	Well Name	Battery Name	Working Interest	API Gravity by Pool	Volumes by Pool	API Gravity of Commingle	Total Volume of Commingle	Oil (BOPD)	Gas (MSCFD)	Water (BWPD)	API	Location	Operator
1	[96674] TRIPLE X;BONE SPRING, WEST	State of New Mexico VO-5638	Copperhead 18-2	Copperhead 18 CTB	30%	40 API Gravity	Oil: 1,240 BOPD Gas: 1,800 MSCFD Water: 1,240 BWPD	40 API Gravity	Oil: 1,240 BOPD Gas: 1,800 MSCFD Water: 1,240 BWPD	310	450	310	30-025-41460	Sec.18, T24S R33E	OXY USA INC.
2	[96674] TRIPLE X;BONE SPRING, WEST	State of New Mexico VO-5638	Copperhead 18-3	Copperhead 18 CTB	30%					310	450	310	30-025-41461	Sec.18, T24S R33E	OXY USA INC
3	[96674] TRIPLE X;BONE SPRING, WEST	State of New Mexico VO-5647	Copperhead 18-4	Copperhead 18 CTB	30%					310	450	310	30-025-41462	Sec.18, T24S R33E	OXY USA INC
3	[96674] TRIPLE X;BONE SPRING, WEST	State of New Mexico VO-5647	Copperhead 18-5	Copperhead 18 CTB	30%					310	450	310	30-025-41463	Sec.18, T24S R33E	OXY USA INC

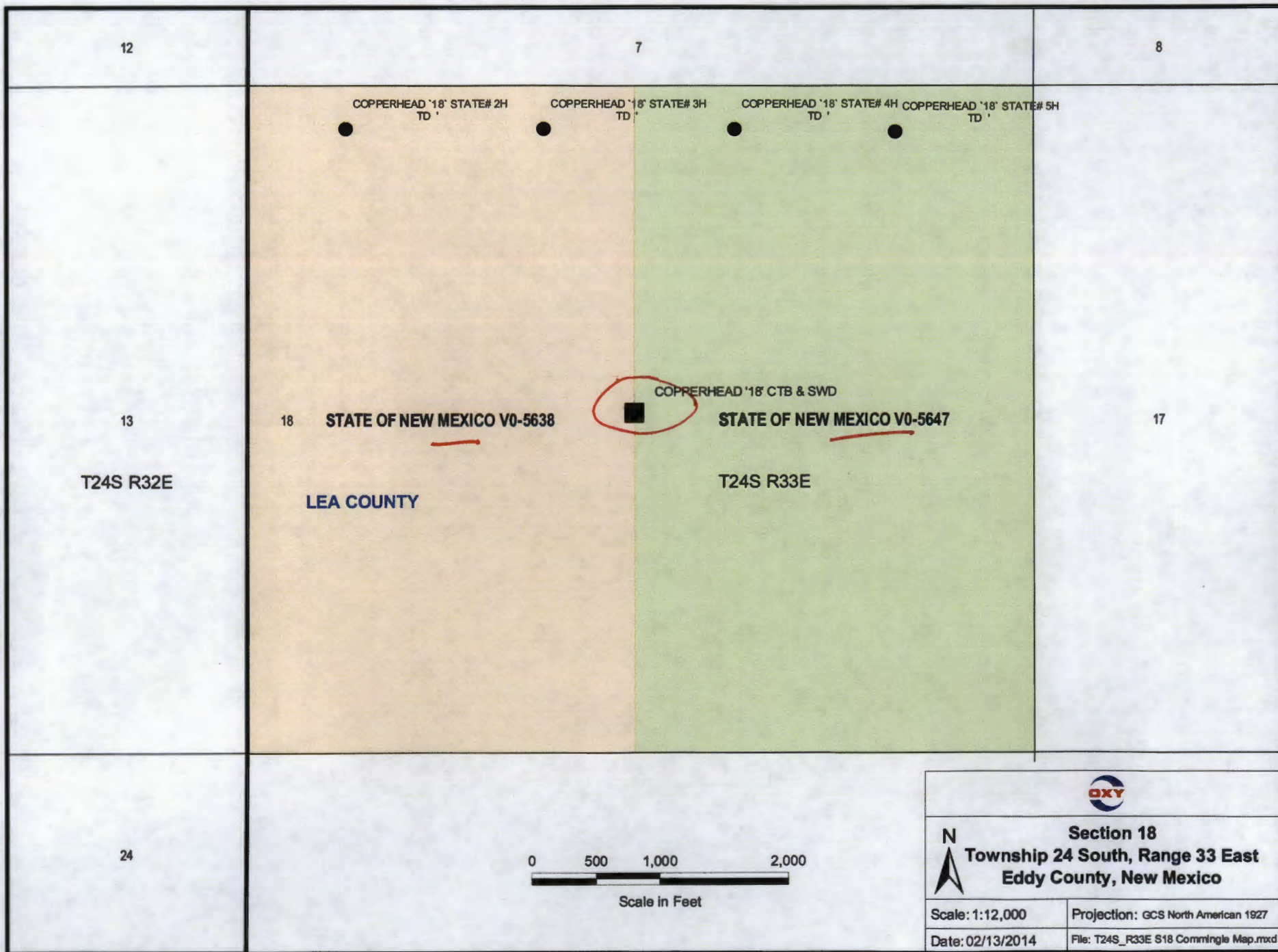














State Lease VO-5647 – E/2 of Section 18-24S-33E

Chevron Midcontinent, LP  
P.O. Box 2100  
Houston, Texas 77252

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046

The Allar Company  
P.O. Box 1567  
Graham, Texas 76450

Twin Montana, Inc.  
P.O. Box 1210  
Graham, Texas 76450

Talus, Inc.  
P.O. Box 1210  
Graham, Texas 76450

John L. Thoma – After Payout Election  
P.O. Box 17656  
Golden, Colorado 80402

Sandra M. Thoma – After Payout Election  
8530 Mill Run Road  
Athens, Texas 75751

State Lease VO-5638 – W/2 of Section 18-24S-33E

Chevron Midcontinent, LP

OXY USA Inc.

The Allar Company

Twin Montana, Inc.

Talus, Inc.

John L. Thoma – After Payout Election

Sandra M. Thoma – After Payout Election

Supervised

NEW MEXICO STATE LAND OFFICE  
Commingle PRE-Application ONLINE Version

Please provide the following requested information so that the SLO staff can determine whether or not you qualify to submit a commingle application package.

Name: JENNIFER DUARTE Company: OXY USA INC  
Address: PO BOX 4294 City HOUSTON  
Telephone: 713-513-6640 Fax: State TX Zip 77210

The State Land Office rule that applies to commingling oil and gas production from New Mexico State Trust Lands is Rule 100.53. The rule is attached to the bottom of this form. If you have any questions, please contact the Oil, Gas, and Minerals Division at 505-827-5791.

1. Briefly describe what you propose to do. SURFACE LEASE COMMINGLE, TWO LEASES THAT ARE PRODUCING FROM THE SAME POOL WITH IDENTICAL PARTNERS.

2. Fill in the following information for each well. [Attach additional pages if needed.]

Well name & number PLEASE SEE ATTACHED NMCD PERMIT FOR INFO Lease #

Lessee of Record

Legal land description: Subdivisions

Sect T R NMPM County NM

Pool

Well name & number Lease #

Lessee of Record

Legal land description: Subdivisions

Sect T R NMPM County NM

Pool

Well name & number Lease #

Lessee of Record

Legal land description: Subdivisions

Sect T R NMPM County NM

Pool



## Shipment Receipt

**Address Information****Ship to:**

Commissioner of Public  
Lands

State of New Mexico  
310 Old Santa Fe Trail  
Attention: Pete Martinez  
SANTA FE, NM  
87504  
US  
5058275760

**Ship from:**

Jennifer Duarte

Oxy&#32;Inc  
5 Greenway Plaza  
Suite 110  
Houston, TX  
77046  
US  
7135136640

**Shipment Information:**

Tracking no.: 798204229563

Ship date: 03/13/2014

Estimated shipping charges: 17.90

**Package Information**

Pricing option: FedEx Standard Rate

Service type: Priority Overnight

Package type: FedEx Envelope

Number of packages: 1

Total weight: 0.20 LBS

Declared Value: 0.00 USD

Special Services:

Pickup/Drop-off: Use an already scheduled pickup at my location

**Billing Information:**

Bill transportation to: Houston Greenway-678

Your reference: J Duarte

P.O. no.:

Invoice no.:

Department no.:

Thank you for shipping online with FedEx ShipManager at [fedex.com](http://fedex.com).

**Please Note**

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits. Consult the applicable FedEx Service Guide for details. The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.