

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



January 12, 2017

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-462
Administrative Application Reference No. pMAM1635548782

OXY USA INC.
Attn: Mr. Justin Morris

Pursuant to your application received on December 20, 2016, OXY USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from the following pools located in Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico;

Cedar Canyon; Delaware	(11540)
Pierce Crossing; Bone Spring, East	(96473)
Corral Draw; Bone Spring	(96238)

and from the following diversely owned federal wells and leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease: Federal Lease NMNM-081586
Description: NW/4 NE/4 and NE/4 NW/4 of Section 23, Township 24 South, Range 29 East
Well: Riverbend 23 Federal Well No. 14 API 30-015-29616
Riverbend B Federal Well No. 11 API 30-015-29320
Pool: Cedar Canyon; Delaware

Lease: Federal Lease NMNM-093477
Description: NW/4 SE/4 of Section 23, Township 24 South, Range 29 East
Well: Riverbend 23 Federal Well No. 16Q API 30-015-33598
Pool: Pierce Crossing; Bone Spring, East

Lease: Federal Lease NMNM-081586
Description: SW/4 NW/4 of Section 23, Township 24 South, Range 29 East
Well: Riverbend Federal Well No. 7 API 30-015-27994
Pool: Cedar Canyon; Delaware
Pierce Crossing; Bone Spring, East

Lease: Federal Lease NMNM-081586
Description: NE/4 SW/4 and N/2 SE/4 of Section 22, and S/2 N/2 and NW/4 SW/4 of Section 23, Township 24 South, Range 29 East
Well: Cedar Canyon 22 Well No. 1H API 30-015-40668
Cedar Canyon 23 Well No. 1H API 30-015-40667
Pool: Corral Draw; Bone Spring

Lease: Federal Lease NMNM-088138
Description: NE/4 SE/4 of Section 23, Township 24 South, Range 29 East
Well: Canyon 23 Federal Well No. 1 API 30-015-29318
Pool: Cedar Canyon; Delaware

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Riverbend B11 Central Tank Battery (CTB) located at the Riverbend Federal Well No. 7 well pad located in Unit E, Section 23, Township 24 South, Range 29 East, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

The oil and gas production from the diversely-owned wells and leases shall be measured using well testing.


The production from each well, except the Cedar Canyon 22 Well No. 1H in which the gas is continuously metered at the well head, will flow through an header onto a two phase separator to separate the gas from the liquids. Liquids will then flow through a heater treater to separate oil water, and the remaining casing head gas. Each of these low production wells will be tested a minimum of once per month.

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Artesia District Office upon commencement of commingling operations.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

DONE at Santa Fe, New Mexico, on January 10, 2017.


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Artesia
Bureau of Land Management – Carlsbad