

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



Administrative Order DHC-4821
Order Date: October 12, 2017
Application Reference Number: pMAM1727950315

OXY USA WTP Limited Partnership
PO Box 50250
Midland, TX 79710

Attention: Mr. David Stewart

State CV Com Well No. 1
API No: 30-015-21927
Unit E, Section 16, Township 20 South, Range 28 East, NMPM
Eddy County, New Mexico

Pool BURTON FLAT; WOLFCAMP, NORTH (GAS) Gas (73520)
Names: SALADAR; STRAWN (GAS) Gas (84412)

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the expected production rates from the Burton Flat; Wolfcamp (Gas) Pool, and the Saladar; Strawn (Gas) Pool. The expected rates from the two pools are based on the rock properties of off-set analogs.

Assignment of allowable and allocation of production from the well shall be as follows:

BURTON FLAT; WOLFCAMP, NORTH (GAS) POOL	Pct Oil: 59	Pct Gas: 29
SALADAR; STRAWN (GAS) POOL	Pct Oil: 41	Pct Gas: 71

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12 A (6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District II office upon implementation of commingling operations.

This Order is subject to like approval from the New Mexico State Land Office.

Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

cc: Oil Conservation Division – Artesia District Office
New Mexico State Land Office – Oil, Gas, and Minerals
Well File – 30-015-21927