

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



December 18, 2018

OFF-LEASE MEASUREMENT

Administrative Order OLM-161

OXY USA INC.
Attention: Ms. Emily Messer

OXY USA Inc. (OGRID 16696) is hereby authorized to transport and measure oil and gas production off-lease, from the following wells which produce from the Bone Spring formation, the Ingle Wells; Bone Spring Pool (pool code 33740) in Eddy County, New Mexico. The wells are on a proposed communization agreement:

Sterling Silver MDP1 33 4 Federal Com Well No. 4H (API No. 30-015-45392), Unit C, Section 33, Township 23 South, Range 31 East.

Sterling Silver MDP1 33 4 Federal Com Well No. 5H (API No. 30-015-45393), Unit A, Section 33, Township 23 South, Range 31 East.

Sterling Silver MDP1 33 4 Federal Com Well No. 6H (API No. 30-015-45386), Unit C, Section 33, Township 23 South, Range 31 East.

Sterling Silver MDP1 33 4 Federal Com Well No. 7H (API No. 30-015-45389), Unit A, Section 33, Township 23 South, Range 31 East.

The oil and gas production from these wells shall be measured and sold at the Sterling Silver Central Tank Battery located in Unit F of Section 33, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

All meters for the above-referenced wells shall be physically separated from facilities for other wells, so that production from the above-referenced wells will not be commingled prior to measurement with production from any other well.

This permit does not authorize the surface commingling of this oil and gas production with oil production from other pools or leases.

It is also understood that you have given due notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC. However, OXY is the sole working interest owner; therefore, no notification is required.

Applicant may add future wells in the lease and pool approved by this administrative order with a Sundry Notice C-103 to the Engineering Bureau in Santa Fe.

The operator shall notify the Artesia District Office of the Division before commencement of Off-Lease Measurement.

The approval is subject to like approval by the Bureau of Land Management

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

HEATHER RILEY
Director

HR/mam

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