

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

**APPLICATION OF OXY USA INC.
FOR APPROVAL OF SURFACE POOL-LEASE
COMMINGLING, OFF-LEASE STORAGE,
AND OFF-LEASE MEASUREMENT
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15540

AMENDED APPLICATION

OXY USA Inc., ("OXY") through its undersigned attorneys, hereby submits this amended application to the Oil Conservation Division for an order authorizing 1) lease commingling *from all existing and future wells* drilled on leases and associated spacing units in Sections 22, 23, and 24 of Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; 2) off-lease storage; and 3) off-lease measurement. In support of this application, OXY states:

1. OXY (OGRID No. 16696) is the operator of the following Division-designated spacing units and associated wells:

- (a) 160-acre spacing unit comprised of S/2 N/2 of Section 22, currently dedicated to the Cedar Canyon 22 Federal No. 21H (30-015-43642) well and producing from the Pierce Crossing; Bone Spring East Pool (96473);
- (b) 160-acre spacing unit comprised of N/2 S/2 of Section 22, currently dedicated to the Cedar Canyon 22 Fed Com No. 4H (30-015-43708) well and producing from the Pierce Crossing; Bone Spring East Pool (96473);
- (c) 240-acre spacing unit comprised of S/2 N/2 of Section 23 and the S/2 NW/4 of Section 24, currently dedicated to the Cedar Canyon 23 Federal No. 3H (30-015-43920) and the Cedar Canyon 23 Federal No. 4H (30-015-43281). Both wells are producing from the Pierce Crossing; Bone Spring East Pool (96473).

(d) 240-acre spacing unit comprised of N/2 N/2 of Section 23 and the N/2 NW/4 of Section 24, currently dedicated to the Cedar Canyon 23 Federal No. 5H (30-015-43282) well and producing from the Pierce Crossing; Bone Spring East Pool (96473).

(e) 240-acre spacing unit comprised of N/2 S/2 of Section 23 and the N/2 SW/4 of Section 24, currently dedicated to the Cedar Canyon 23 Fed Com No. 6H (API No. pending) well, and the Cedar Canyon 23 Fed Com No. 33H (API No. pending) well. The Cedar Canyon 23 Fed Com No. 6H and Cedar Canyon 23 Fed Com No. 33H wells are expected to produce from the Pierce Crossing; Bone Spring East Pool (96473).

(f) Any future spacing unit located in the S/2 S/2 of Section 23 or the SW/4 of Section 24.

2. For surface lease commingling purposes, a spacing and proration unit is considered a "lease" and authorization to surface lease commingle is regulated and implemented on a "lease" basis rather than a well by well basis. *See* 19.15.12.7 NMAC.

3. The spacing units identified above have diverse ownership, as identified in Exhibit A, and therefore constitute separate "leases" under 19.15.12.7 NMAC.

4. Pursuant to NMAC 19.15.12.10.C.4(g), OXY seeks authority to commingle production from the Pierce Crossing; Bone Spring East Pool (96473) from all existing and future wells in the spacing units identified above.

5. Oxy intends to meter and store production from these spacing units at the Cedar Canyon 23-3H satellite facility, located at the Cedar Canyon 23 Federal No 3H well pad. This will be an off-lease location for all spacing units, excluding leases in the N/2 S/2 of Section 22. Oxy intends to allocate production to the spacing units using the well test method. A detailed description of OXY's oil and gas metering, storage and allocation plan is included in the revised C-107B, attached as Exhibit A to this application.

6. Approval of this application will result in efficient production, storage, and measurement operations for the subject leases; lessen the impact on the surface estate; and is otherwise in the best interest of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, OXY USA, Inc. requests that this amended application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2017, and, after notice and hearing as required by law, the Division approve this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Jordan L. Kessler
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(505) 988-4421
(505) 983-6043 Facsimile
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ATTORNEYS FOR OXY USA, INC.

CASE 15540:

Amended application OXY USA Inc. For Approval of Surface Lease Commingling, Off-Lease Storage, and Off-Lease Measurement, Eddy County, New Mexico. Applicant seeks an order authorizing 1) lease commingling from all existing and future wells drilled on leases and associated spacing units in Sections 22, 23, and 24 of Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico; 2) off-lease storage; and 3) off-lease measurement. OXY seeks to commingle production from the Pierce Crossing; Bone Spring East Pool (96473) from all existing and future wells and leases located in Sections 22, 23, and 24 at the Cedar Canyon 23-3H satellite facility, located at the Cedar Canyon 23 Federal No 3H well pad. This will be an off-lease location for all spacing units, excluding leases in the N/2 S/2 of Section 22. Oxy intends to allocate production to the spacing units using the well test method. Said area is approximately six miles east of Malaga, New Mexico.

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 Commingling)

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

(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)

(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. Pierce Crossing; Bone Spring East Pool (96473)

(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)

Well test method

(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 attach 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.

EXHIBIT

A

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

SIGNATURE: Yolanda R

TITLE: REGULATORY Advocacy

DATE: 12/16/11

TYPE OR PRINT NAME

Yolanda Perez

TELEPHONE NO.: 713-497-2069

E-MAIL ADDRESS: yolanda.perez@oxy.com

APPLICATION FOR POOL LEASE COMMINGLE, OFF-LEASE MEASUREMENT, SALES, & STORAGE,
Commingling proposal for Cedar Canyon 23-3H Satellite

OXY USA INC is requesting approval for Pool Lease Commingle, and Off-lease Measurement, Storage & Sales for wells located on the attached spreadsheet. A map showing surface hole locations and laterals for each of the wells is also attached.

Oil & Gas metering:

Incoming wells will be routed to the 3 phase production separator at the satellite facility located at Cedar Canyon 23-3H well pad at 32.202503, -103.963914. The production separator will be equipped with a gas orifice meter (S/N*), oil turbine meter with prover loops (S/N*) and water turbine (S/N*) meters. There will also be a test separator at the satellite facility equipped with a gas orifice meter (S/N*), oil turbine meter with prover loops (S/N*) and water turbine (S/N*) meters.

Oxy proposes to allocate production by well test. The wells are located on multiple Federal leases and CA's that are all 12.5% royalty. There is diverse WI & ORRI amongst some of the wells as outlined on the attached ownership list spreadsheet. Notice will be provided to all affected parties as per attached notice list. Wells are expected to decline below their top allowable within the first 4 months of production. Furthermore, the estimated percent of decline after 6 months is between 54-65%.

Gas meter on production separator S/N* & on test separator S/N* located at the satellite facility will serve as custody transfer point (Facility Measurement Point) for the purposes of royalty payment. Gas production from the 23-3H satellite facility will then be routed to Enterprise sales meter (S/N: 68841), located at 32.222, -103.974.

Oil production from the 23-3H satellite facility will be further metered off-lease, through a Coriolis meter (S/N*), located at the Cedar Canyon 22 central satellite facility. This Coriolis meter will serve as custody transfer point (FMP) for the purposes of Federal royalty payment.

Water production will be routed to the Cedar Canyon 22 CTB and then sent to the Cedar Canyon Salt Water Disposal Distribution system, where it will flow to the nearest SWD which has capacity to accept water. Salt Water Disposals tied to this SWD include the Cedar Canyon 28 Federal 4 SWD, Cedar Canyon 15 SWD, Riverbend Federal 8 SWD, Harroun 15-3 SWD and Cedar Canyon 16-3.

Meters will be proved and calibrated according to current API, NMOCD and BLM standards.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries, well surface hole locations and laterals. Commingling this production is the most effective means of producing the reserves and will not result in reduced royalty or improper measurement of production.

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. These applications will be submitted separately for approval per NMOCD and BLM regulations.

The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

Signed:

Taylor Stillman

Printed Name: Taylor Stillman

Title: Production Engineer

Date: 06/30/2016

Cedar Canyon 23-3H Satellite Well List

All Federal wells have 12.5% royalty rate

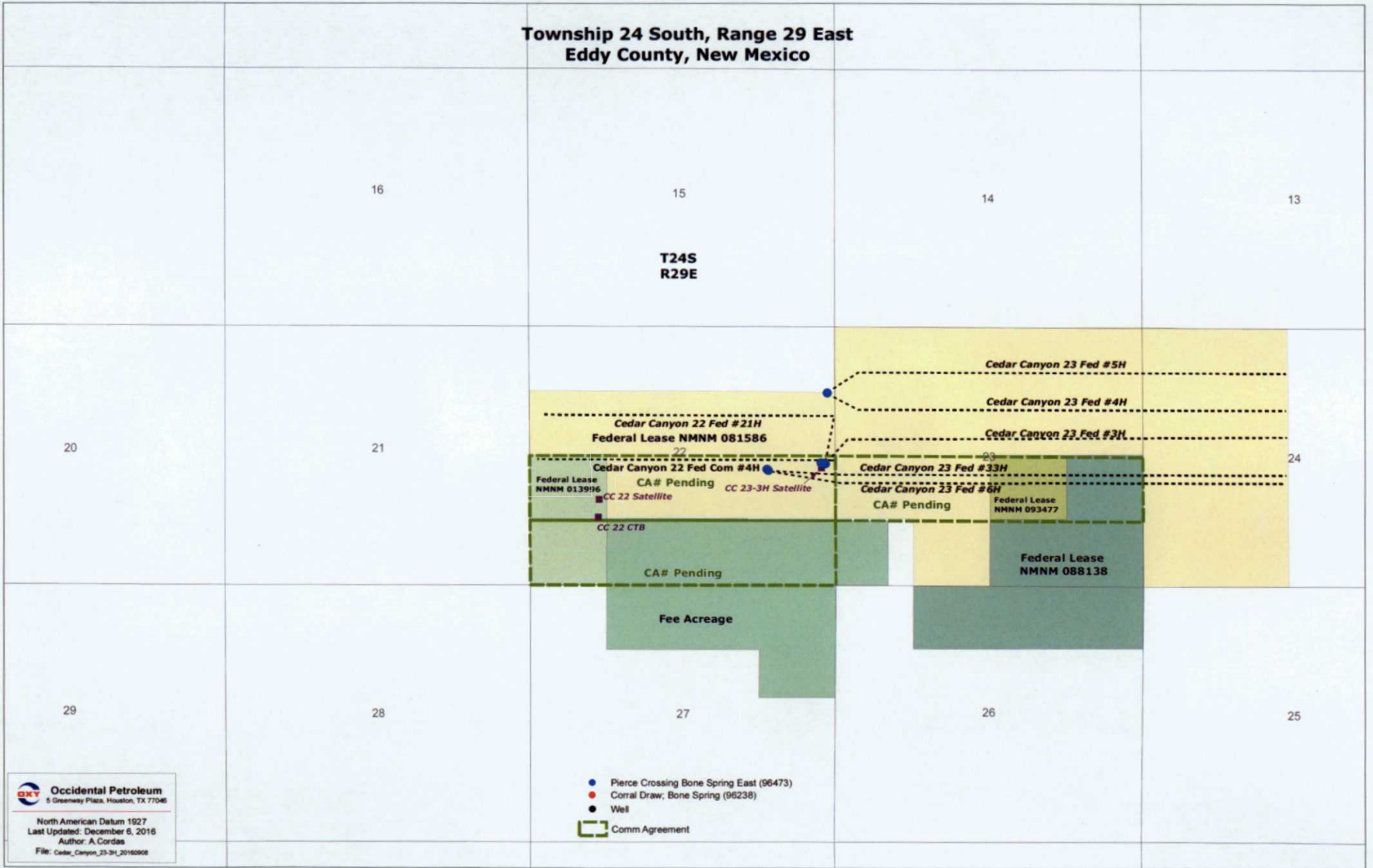
Lease Number	CA #	Well Name	API	Surface Location	Pool	Oil (bpd)	Gravity	Gas (MSCFD)	BTU/cf	Water (bpd)
NMNM 081586		Cedar Canyon 22 Fed 21H	30-015-43642	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*
NMNM 013996 NMNM081586	Pending	Cedar Canyon 22 Fed Com 4H	30-015-43708	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*
NMNM 081586		Cedar Canyon 23 Fed 3H	30-015-43290	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*
NMNM 081586		Cedar Canyon 23 Fed 4H	30-015-43281	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	762	42.2	1898	1000	875
NMNM 081586		Cedar Canyon 23 Fed 5H	30-015-43282	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	664	43.3	1555	1000	728
NMNM 081586 NMNM093477 NMNM 088138	Pending	Cedar Canyon 23 Fed Com 6H	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*
NMNM 081586 NMNM093477 NMNM 088138	Pending	Cedar Canyon 23 Fed Com 33H	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	807*	46.5	1776*	1000	2422*

*Represents wells not yet drilled, values are esimated

Entity Name	Address	CITY	STATE	ZIP
ANDERSON AND,CURTIS A	9314 CHERRY BROOK LANE	FRISCO	TX	75033
B. Jack Reed	506 CHARISMATIC	MIDLAND	TX	79705
Ben J. Fortson, III, Children's Trust	P O BOX 29	FORT WORTH	TX	76101
Beryl Oil & Gas, LP	6707 PEBBLE COURT	MIDLAND	TX	79707
Bill Burton*	301 COMMERCE ST SUITE 2900	FORT WORTH	TX	76102
CCB 1998 Trust	301 COMMERCE STREET	FORT WORTH	TX	76102
Curtis A. Anderson & Edna I. Anderson	9314 CHERRY BROOK LANE	FRISCO	TX	75033
DCB 1998 Trust	301 COMMERCE STREET	FORT WORTH	TX	76102
DRW Energy, LLC	4107 TANFORAN	MIDLAND	TX	79707
Fina Oil and Chemical Company	PO BOX 301105	DALLAS	TX	75303
GD McKinney INVESTMENTS LP	300 N MARIENFELD SUITE 1100	MIDLAND	TX	79701
Gerald A. Hancock	4200 FAIRWOOD	MIDLAND	TX	79707
John S. Tittl	7304 VALENCIA GROVE COURT	FORT WORTH	TX	76132
Kimbell Art Foundation	301 COMMERCE ST SUITE 2300	FORT WORTH	TX	76102
LEOPARD PETROLEUM LP	4200 FAIRWOOD PL	MIDLAND	TX	79707
MAP000+NET	P.O. BOX 268946	OKLAHOMA CITY	OK	73126
Michael A. Kulenguski	279 JONES MT ROAD	MADISON	VA	22727
M'Lissa L. McKinney Schoening	300 N MARIENFELD SUITE 1100	MIDLAND	TX	79701
Mobil Producing Texas & New Mexico	PO BOX 951027	DALLAS	TX	77252
MWB 1998 Trust	301 COMMERCE ST STE 2900	FORT WORTH	TX	76102
Robert C. Grable	201 MAIN STREET	FORT WORTH	TX	76102
Rutter Wilbanks Corp.	PO BOX 3186	MIDLAND	TX	79701
Sharbro Oil Ltd. Co.	PO BOX 840	ARTESIA	NM	88211
Sundance Minerals I	P O BOX 17744	FORT WORTH	TX	76102
The Roach Foundation	777 TAYLOR ST PII-J	FORT WORTH	TX	76102
Wayne/Linda Newkumet	PO BOX 11330	MIDLAND	TX	79702
Collins & Ware Inc	950 THIRD AVE 23RD FLOOR	NEW YORK	NY	10022
C Mark Wheeler	24 SMITH ROAD SUTIE 405	MIDLAND	TX	79705
John Thoma	P O BOX 17656	GOLDEN	CO	80402
Sandra Thoma	8530 MILL RUN ROAD	ATHENS	TX	75751
Paul R Barwis	P O BOX 230	MIDLAND	TX	79702
Jareed Partners	P O BOX 51451	MIDLAND	TX	79710
Penwell Employee Royalty Pool	200 N LORAIN ST SUITE 1550	MIDLAND	TX	79701
George Scott Cranford	2009 Hubbard Court	Villa Rica	GA	30180
Britt P. and Cydney Medford	2111 Paisano Road	Austin	TX	78746
Jack Scott and Sandra McDonald	1110 College Avenue	Snyder	TX	79549

Jan Alice Herrstrom	810 Forest Oaks Circle	Woodway	TX	76712
Twin Oaks Petroleum, LLC	4010 Lazybrook Drive	Nolanville	TX	76559
Robert and Brenda K. Patton	1007 Hidalgo Road	Carlsbad	NM	88220
Margaret and Raymond H. McDonald, JR	1379 County Road 3566	Dike	TX	75437
Lonny Ray McDonald	5505 Sioux Road	Carlsbad	NM	88220
Glen E. and Barbara McDonald	P. O. Box 367	Loving	NM	88256
David H. and Vicki McDonald	P. O. Box 308	Loving	NM	88256-0308
Enrich Henry McDonald a/k/a Henry E. McDonald	P. O. Box 597	Loving	NM	88256
Rebecca G. Hooks	P. O. Box 111	Waring	TX	78074
Micaella Gaines Klapuch	P. O. Box 227	Wimberly	TX	78676
Robert E. Gaines, Jr.	P. O. Box 105	Waring	TX	78074
Mary Martha Gaines England	P. O. Box 541661	Grand Prairie	TX	75054

**Township 24 South, Range 29 East
Eddy County, New Mexico**



Occidental Petroleum
5 Greenway Plaza, Houston, TX 77046

North American Datum 1927
Last Updated: December 6, 2016
Author: A.Cordas
File: Cedar_Canyon_23-3H_20160908

Cedar Canyon 23-3H Satellite Ownership

All Federal wells have 12.5% royalty rate

Lease Number	CA #	Well Name	API	Surface Location	Pool	Oil (bpd)	Gravity	Gas (MSCFD)	BTU/cf	Water (bpd)	Ownership
NMNM 081586		Cedar Canyon 22 Fed 21H	30-015-43642	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*	Identical
NMNM 013996 NMNM081586	Pending	Cedar Canyon 22 Fed Com 4H	30-015-43708	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1327*	41	1991*	1000	796*	Identical
[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
NMNM 081586		Cedar Canyon 23 Fed 3H	30-015-43290	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*	Identical
NMNM 081586		Cedar Canyon 23 Fed 4H	30-015-43281	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	762	42.2	1898	1000	875	
NMNM 081586		Cedar Canyon 23 Fed 5H	30-015-43282	Sec 22, T 24S, R 29 E	Pierce Crossing; Bone Spring E	664	43.3	1555	1000	728	
NMNM 081586 NMNM093477 NMNM 088138	Pending	Cedar Canyon 23 Fed Com 6H	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	1503*	41	2792*	1000	902*	Identical
NMNM 081586 NMNM093477 NMNM 088138	Pending	Cedar Canyon 23 Fed Com 33H	Not yet filed	Sec 23, T 24S, R 29 E	Pierce Crossing; Bone Spring E	807*	46.5	1776*	1000	2422*	

*Represents wells not yet drilled, values are esimated

State of New Mexico
 Energy, Minerals & Natural Resources Department
 OIL CONSERVATION DIVISION
 1220 South 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 August 1, 2011
 Submit one copy to appropriate
 District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-05-43642	Pool Code 967143	Pool Name Pierce Crossing Bone Spring East
Property Code 315242	Property Name CEDAR CANYON "22" FEDERAL	Well Number 21H
OGDID No. 16694	Operator Name OXY USA INC.	Elevation 2958.4'

Surface Location

U.S. or lot no.	Section	Township	Range	Loc. No.	Feet from the	North-South line	Feet from the	East-West line	County
1	22	24 SOUTH	29 EAST, N.M.P.M.		2840'	SOUTH	230'	EAST	EDDY

Bottom Hole Location If Different From Surface

U.S. or lot no.	Section	Township	Range	Loc. No.	Feet from the	North-South line	Feet from the	East-West line	County
E	22	24 SOUTH	29 EAST, N.M.P.M.		1830'	NORTH	180'	WEST	EDDY

Dedicated Acre	Joint or full	Consolidation Code	Order No.
No	160		

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.

WELL OFF POINT
 NEW MEXICO EAST
 1907
 Y-APPROX 100 FT
 LOC. N. 29.500000
 LONG. W. 108.100000

GRID AZ = 87°01'35" **5000.10' IN ALL**

GRID AZ = 87°01'35" **5000.10' IN ALL**

PRODUCING AREA

PROJECT AREA

BOTTOM HOLE LOCATION
 NEW MEXICO EAST
 1907
 Y-APPROX 100 FT
 LOC. N. 29.500000
 LONG. W. 108.100000

BOTTOM PERF.
 NEW MEXICO EAST
 1907
 Y-APPROX 100 FT
 LOC. N. 29.500000
 LONG. W. 108.100000

TOP PERF.
 NEW MEXICO EAST
 1907
 Y-APPROX 100 FT
 LOC. N. 29.500000
 LONG. W. 108.100000

SURFACE LOCATION
 NEW MEXICO EAST
 1907
 Y-APPROX 100 FT
 LOC. N. 29.500000
 LONG. W. 108.100000

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that the information reflects a working interest or a valid mineral interest in the land underlying the proposed well, and that I am a duly qualified person to execute this certificate.

Signature: *David Stuart Salas* 12/5/15
 Name: **David Stuart Salas**
 Title: **David Stuart Salas**

SURVEYOR CERTIFICATION

I hereby certify that I am a duly qualified person to execute this certificate and that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Tommy J. Ladd* 12/5/2015
 Name: **Tommy J. Ladd**
 Title: **Professional Surveyor**

NEW 151027M-8 (Rev. 11/04)

State of New Mexico
 Energy, Minerals & Natural Resources Department
 OIL CONSERVATION DIVISION
 1220 South 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 August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 3005-	Pool Code 96473	Pool Name Pierce Crossing, Bone Springs, East
Property Code	Property Name CEDAR CANYON "22" FEDERAL COM	Well Number 4H
OGED No. 16696	Operator Name OXY USA INC.	Elevation 2958.4'

Surface Location

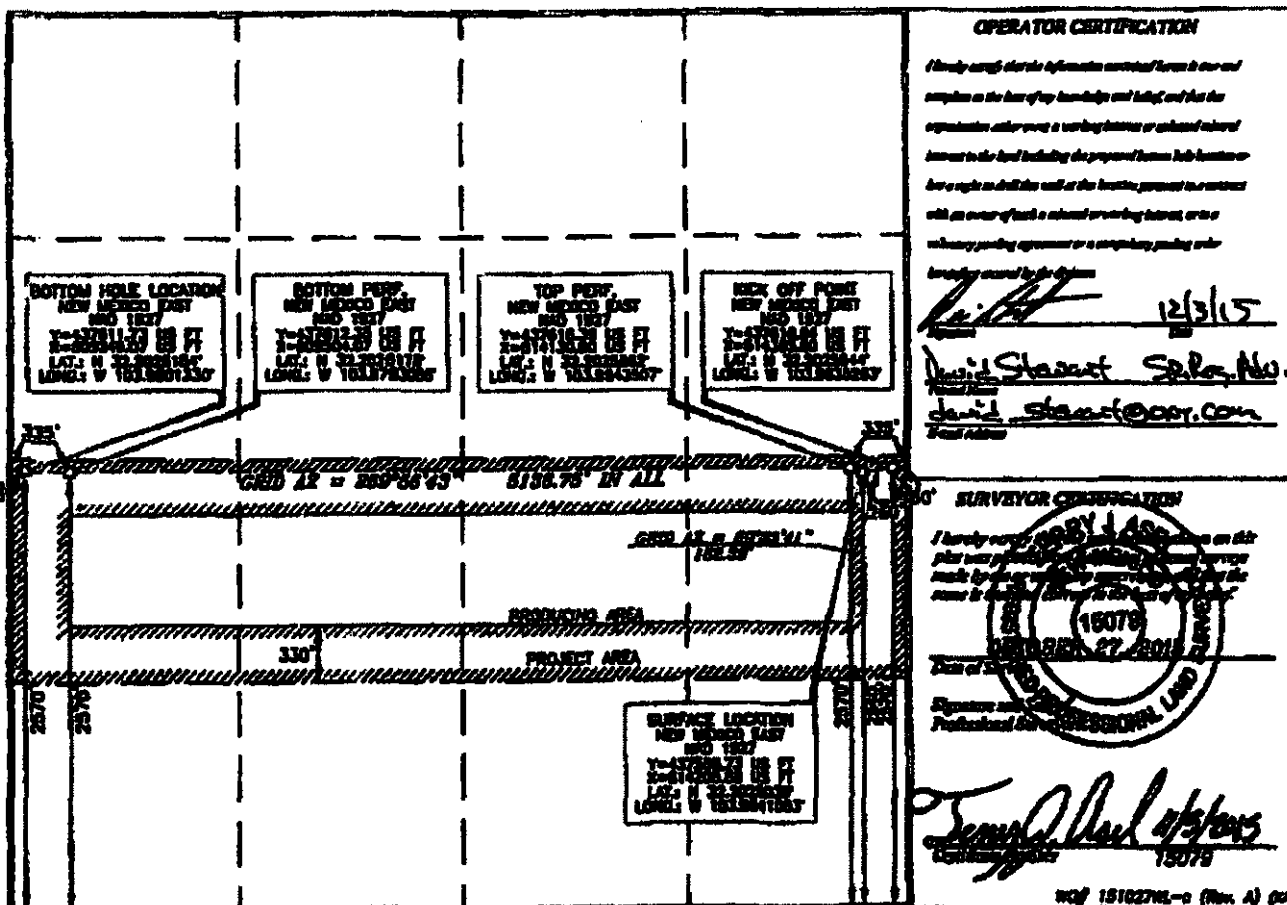
UT or lot no.	Section	Township	Range	Lot No.	Feet from the	North-South line	Feet from the	East-West line	County
1	22	24 SOUTH	29 EAST, N.M.P.M.		2540'	SOUTH	280'	EAST	EDDY

Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	Lot No.	Feet from the	North-South line	Feet from the	East-West line	County
L	22	24 SOUTH	29 EAST, N.M.P.M.		2570'	SOUTH	80'	WEST	EDDY

Dedicated Acres 160	Job or Well Y	Consolidation Code	Order No. NSL-7386 NSL to be filed November 2/23/16
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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 accurate to the best of my knowledge and belief, and that the information was obtained from a reliable source or sources, and that I am not aware of any material misstatements or omissions.

[Signature] 12/3/15
 David Stewart Sales, N.M.
 david.stewart@oxy.com

SURVEYOR CERTIFICATION

I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief, and that the information was obtained from a reliable source or sources, and that I am not aware of any material misstatements or omissions.

[Signature] 12/3/15
 David Stewart Sales, N.M.
 david.stewart@oxy.com

District I
 1220 N. French Dr., Santa Fe, NM 87505
 Phone: (505) 750-5461 Fax: (505) 750-5725
 District II
 511 E. Main St., Albuquerque, NM 87102
 Phone: (505) 748-1223 Fax: (505) 748-0725
 District III
 1220 N. French Dr., Santa Fe, NM 87505
 Phone: (505) 750-5461 Fax: (505) 750-5725
 District IV
 1220 N. French Dr., Santa Fe, NM 87505
 Phone: (505) 750-5461 Fax: (505) 750-5725

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 August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-43290	Pool Code 96473	Pool Name Pierce Crossing Bone Spring, E.
Property Code 315098	Property Name CEDAR CANYON "23" FEDERAL	Well Number 3H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2957.1'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
1	22	24 SOUTH	29 EAST, N.M.P.M.		2540'	SOUTH	200'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
K	24	24 SOUTH	29 EAST, N.M.P.M.		2260'	SOUTH	2480'	WEST	EDDY

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

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 that the information furnished herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or valid 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 hereunder entered by the division.</p> <p><i>[Signature]</i> 11/4/14 David Stewart Sr. Reg. Adv. david.stewart@oxy.com</p>			
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the information furnished herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or valid 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 hereunder entered by the division.</p> <p><i>[Signature]</i> 8/11/2014 15078 PROFESSIONAL LAND SURVEYOR</p>			

State of New Mexico
 1220 S. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 255-4441 Fax: (505) 255-6728
 211 E. First St., Santa Fe, NM 87501
 Phone: (505) 768-1233 Fax: (505) 768-6728
 1000 Rio Rancho Road, Santa Fe, NM 87505
 Phone: (505) 254-4376 Fax: (505) 254-4376
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3448 Fax: (505) 476-3442

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 August 1, 2011
 Submit one copy to appropriate
 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96473	Pool Name Pierce Crossing Bone Spring, E.
Property Code 39439	Property Name CEDAR CANYON "23" FEDERAL	Well Number 4H
OGRIID No. 16696	Operator Name OXY USA INC.	Elevation 2941.7'

Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
H	22	24 SOUTH	29 EAST, N.M.P.M.		1415'	NORTH	155'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
F	24	24 SOUTH	29 EAST, N.M.P.M.		1700'	NORTH	2460'	WEST	EDDY

Dedicated Acres 240	Joint or Infill Y	Consolidation Code	Order No.
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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 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 substantial 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 substantial working interest, or to a voluntary pooling agreement or a compulsory pooling order hereafter entered by the Division.</p> <p><i>[Signature]</i> 11/4/11 David Stewart Sr. Pres. Add. david.stewart@oxy.com</p>
<p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 Y=43988.02 X=817359.92 LAT.: N 32.3084205 LONG.: W 103.6367834</p>	<p>TOP PERF. NEW MEXICO EAST NAD 1983 Y=43988.21 X=817359.93 LAT.: N 32.3084387 LONG.: W 103.6367837</p>	<p>BOTTOM PERF. NEW MEXICO EAST NAD 1983 Y=43988.43 X=817359.93 LAT.: N 32.3084377 LONG.: W 103.6367839</p>	<p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 Y=43988.18 X=817359.93 LAT.: N 32.3084347 LONG.: W 103.6367837</p>	
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the location shown on this plat was properly located and surveyed in accordance with the rules and regulations of the State of New Mexico and that the same is correct to the best of my knowledge and belief.</p> <p><i>[Signature]</i> 8/1/2011 15079</p> <p>WCF 13121100-e (Rev. A) (04)</p>				

District I
 1225 N. Fourth St., Santa Fe, NM 87505
 Phone: (505) 393-4001 Fax: (505) 393-4726
 District II
 1211 N. Fourth St., Santa Fe, NM 87505
 Phone: (505) 393-4001 Fax: (505) 393-4726
 District III
 1207 N. Fourth St., Santa Fe, NM 87505
 Phone: (505) 393-4001 Fax: (505) 393-4726
 District IV
 1203 N. Fourth St., Santa Fe, NM 87505
 Phone: (505) 393-4001 Fax: (505) 393-4726

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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 Revised August 1, 2011
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 District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-05-	Pool Code 96473	Pool Name Piece Crossing Bone Spring, E.
Property Code 39439	Property Name CEDAR CANYON "23" FEDERAL	Well Number 5H
OGED No. 16696	Operator Name OXY USA INC.	Elevation 2941.5'

Surface Location

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
A	22	24 SOUTH	29 EAST, N.M.P.M.		1305'	NORTH	155'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
C	24	24 SOUTH	29 EAST, N.M.P.M.		940'	NORTH	2480'	WEST	EDDY
Dedicated Acres 240		Joint or Infill N	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 furnished herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or an undivided interest in the land including the proposed deeper hole location or has a right to drill this well or 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 hereunder created by the statute. Signature: <i>[Signature]</i> Date: 11/4/14 David Stewart Sr. Pa. Adv. Email: david_stewart@oxy.com Phone:
	SURVEYOR CERTIFICATION I hereby certify that I am a duly licensed Professional Surveyor in the State of New Mexico and that the survey is correct and true to the best of my knowledge and belief. Date of Survey: NOVEMBER 11, 2014 Signature: <i>[Signature]</i> Professional Surveyor Seal:

WOF 131217M-d (Rev. A) (10)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 383-4181 Fax: (575) 383-4720
District II
811 E. First St., Arroyo, NM 88216
Phone: (575) 748-1283 Fax: (575) 748-8720
District III
1000 Rio Bonito Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1230 E. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name CEDAR CANYON "23" FEDERAL COM	Well Number 6H
OGRID No.	Operator Name OXY USA INC.	Elevation 2948.7'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	22	24 SOUTH	29 EAST, N.M.P.M.		2329'	SOUTH	1173'	EAST	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
K	24	24 SOUTH	29 EAST, N.M.P.M.		2100'	SOUTH	2460'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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 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 undivided 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was obtained from a reliable source or from surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey FEBRUARY 23, 2016</p> <p>Signature and Seal of Professional Surveyor <i>Tommy J. Adams</i> 3/15/2016</p> <p>Certificate Number 15079</p>				<p>WOF 160223WL-a (10)</p>	

District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
911 S. First St., Artesia, NM 86210
Phone: (505) 748-1283 Fax: (505) 748-9720
District III
1000 Rio Blanco Road, Aztec, NM 87418
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name CEDAR CANYON "23" FEDERAL COM		Well Number 33H
OGRID No.	Operator Name OXY USA INC.		Elevation 2947.9'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	22	24 SOUTH	29 EAST, N.M.P.M.		2344'	SOUTH	1199'	EAST	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
K	24	24 SOUTH	29 EAST, N.M.P.M.		2270'	SOUTH	2460'	WEST	EDDY
Dedicated Acres	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>15 14</p> <p>22 23</p> <p>27 26</p> <p>GRID AZ = 89°43'55" 7783.32' IN ALL</p> <p>GRID AZ = 83°22'56" 1234.47'</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1927 Y=437389.72 US FT X=613287.27 US FT LAT.: N 32.2019712° LONG.: W 103.9671449°</p> <p>TOP PERF. NEW MEXICO EAST NAD 1927 Y=437318.33 US FT X=614806.57 US FT LAT.: N 32.2017804° LONG.: W 103.9621893°</p> <p>KICK OFF POINT NEW MEXICO EAST NAD 1927 Y=437318.33 US FT X=614489.38 US FT LAT.: N 32.2017804° LONG.: W 103.9631618°</p> <p>PRODUCING AREA PROJECT AREA</p>		<p>14 13</p> <p>23 24</p> <p>26 25</p> <p>23 24</p> <p>26 25</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1927 Y=437353.02 US FT X=622222.77 US FT LAT.: N 32.2017831° LONG.: W 103.9381931°</p> <p>BOTTOM PERF. NEW MEXICO EAST NAD 1927 Y=437352.32 US FT X=622073.48 US FT LAT.: N 32.2017827° LONG.: W 103.9386759°</p>		<p>OPERATOR CERTIFICATION</p> <p>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 undivided 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was located from the original or resectioned surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey FEBRUARY 28, 2018</p> <p>Signature and Seal of Professional Surveyor 15079</p> <p><i>James J. O'Leary</i> 3/15/2016 Certificate Number 15079</p> <p>WOF 160223WL-b (04)</p>
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GAS SALES & FLOWLINE MAP



Google Earth Pro

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Jordan L. Kessler
Phone (505) 988-4421
Fax (505) 983-6043

JLKessler@hollandhart.com

December 16, 2016

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

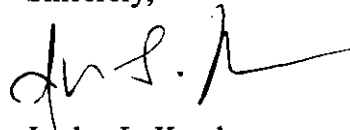
**Re: Amended Application OXY USA Inc. For Approval of Surface Lease
Commingling, Off-Lease Storage, and Off-Lease Measurement, Eddy
County, New Mexico.**

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application has been set for hearing before a Division Examiner at 8:15 a.m. on January 5, 2017. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Questions concerning this application should be directed to Yolanda Perez at OXY USA Inc. (713) 497-2069 or Yolanda_perez@oxy.com.

Sincerely,



Jordan L. Kessler
ATTORNEY FOR OXY USA INC.