

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.  
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**7. If Unit or CA/Agreement, Name and/or No.  
Multiple--See Attached

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.  
Multiple--See Attached2. Name of Operator  
OXY USA INCORPORATEDContact: JENNIFER A DUARTE  
E-Mail: jennifer\_duarte@oxy.com9. API Well No.  
Multiple--See Attached3a. Address  
5 GREENWAY PLAZA STE 110  
HOUSTON, TX 77046-05213b. Phone No. (include area code)  
Ph: 713-513-664010. Field and Pool, or Exploratory  
Multiple--See Attached

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple--See Attached

11. County or Parish, and State

EDDY COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

OXY USA WTP LP is requesting approval for Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage for Seven Rivers 17 Federal #?s 1, 2H, 3H, Osage 18 Federal #1H, Osage 18 Fee A COM #1H, Osage 18 Fee B COM #1H, Osage 18 Fee C COM #1H. All wells are in the same pool. This request is being made based on economics. Economics presented in person.

The BLM's Royalty Interest rate is 12.5% for all wells.

A map is enclosed showing the Federal leases and well locations in Section 17-18, T20S, R25E.

For additional information, please see the attached.

NM OIL CONSERVATION  
ARTESIA DISTRICT

SEP 10 2015

RECEIVED

SEE ATTACHED FOR  
CONDITIONS OF APPROVALAccepted for record  
NMOC 9/23/15

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #308383 verified by the BLM Well Information System

For OXY USA INCORPORATED, sent to the Carlsbad

Committed to AFMSS for processing by LINDA DENNISTON on 08/25/2015 (15LD0606SE)

Name (Printed/Typed) JENNIFER A DUARTE

Title REGULATORY SPECIALIST

Signature (Electronic Submission)

Date 07/07/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By

J. D. 2 Littlejohn

Title

LPET

Date

9/13/15

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #308383 that would not fit on the form**

**5. Lease Serial No., continued**

NMNM99015  
NMNM99017

**7. If Unit or CA/Agreement, Name and No., continued**

NMNM133852  
NMNM134780  
NMNM134781

**Wells/Facilities, continued**

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM99015	NMNM99015	SEVEN RIVERS 17 FEDERAL 2H	30-015-41061-00-S1	Sec 17 T20S R25E NENW 330FNL 2160FWL
NMNM99015	NMNM99015	SEVEN RIVERS 17 FEDERAL 1	30-015-33430-00-S2	Sec 17 T20S R25E SESW 1250FSL 1650FWL
NMNM99015	NMNM99015	SEVEN RIVERS 17 FED 3H	30-015-41062-00-S1	Sec 17 T20S R25E NWNW 330FNL 940FWL
NMNM99017	NMNM99017	OSAGE 18 FEDERAL 1H	30-015-41060-00-S1	Sec 18 T20S R25E SESE 330FSL 660FEL
NMNM133852	NMNM99017	OSAGE 18 FEE A COM 1H	30-015-40759-00-S1	Sec 18 T20S R25E SWSE 330FSL 1800FEL
NMNM134780	NMNM99016	OSAGE 18 FEE B COM 1H	30-015-40760-00-S1	Sec 18 T20S R25E SESW 480FSL 2160FWL
NMNM134781	NMNM99016	OSAGE 18 FEE C COM 1H	30-015-40761-00-S1	32.567559 N Lat, 104.525371 W Lon Sec 18 T20S R25E Lot 4 480FSL 840FWL 32.567535 N Lat, 104.529655 W Lon

**10. Field and Pool, continued**

UNKNOWN

# APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

## Commingling proposal for Limousine CTB:

Proposal for Seven Rivers 17 Federal #'s 1, 2H, 3H, Osage 18 Federal #1H, Osage 18 Fee A COM #1H, Osage 18 Fee B COM #1H, Osage 18 Fee C COM #1H. All wells are in the same pool. This request is being made based on economics. Economics presented in person.

OXY USA WTP LP is requesting approval for Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales, & Storage from the following wells:

### Pool: North Seven Rivers Glorieta Yeso (97565)

#### Federal Lease NMNM099015 – 12.5% Royalty Rate

WELL NAME	LEASE #	API #	LOCATION	BOPD	GRAVITY	MSCFD	BTU
SEVEN RIVERS 17 FEDERAL 1	NMNM99015	30-015-33430	17-T20S-25E	4	39	11	1270
SEVEN RIVERS 17 FEDERAL 2H	NMNM99015	30-015-41061	17-T20S-25E	32	39	24	1270
SEVEN RIVERS 17 FEDERAL 3H	NMNM99015	30-015-41062	17-T20S-25E	25	39	50	1270
OSAGE 18 FEDERAL 1H	NMNM99017	30-015-41060	18-T20S-25E	17	39	51	1270

#### Federal Lease NMNM09917 – 12.5% Royalty Rate – CA #133852

OSAGE 18 FEE A COM 1H	NMNM99017	30-015-40759	18-T20S-25E	60	39	122	1270
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#### Federal Lease NMNM099016 – 12.5% Royalty Rate - \*CA #'s Pending NM134780

OSAGE 18 FEE B COM 1H	NMNM99016	30-015-40760	18-T20S-25E	88	39	149	1270
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#### Federal Lease NMNM099016 – 12.5% Royalty Rate - \*CA #'s Pending NM134781

OSAGE 18 FEE C COM 1H	NMNM99016	30-015-40761	18-T20S-25E	56	39	84	1270
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The BLM's Royalty Interest rate is 12.5% for all wells.

A map is enclosed showing the Federal leases and well locations in Section 17-18, T20S, R25E.

## Oil & Gas metering:

The central tank battery is located on the well pad for the Seven Rivers 17 Federal 1 located at SESW Sec. 17 T20S-R25E on Federal lease NMNM99015 in Eddy County, New Mexico. All of the production from the wells will come into a production header with isolation lines to route the Seven Rivers 17 Federal #'s 1, 2H, 3H and Osage 18 Federal #1H wells into one separator "A", the Osage 18 Fee A Com #1H and Osage 18 Fee B Com #1H into a common separator "B", and the Osage 18 Fee C Com #1H into its own separator "C".

Production from the Seven Rivers 17 Federal #'s 1, 2H, & 3H and Osage 18 Federal #1H will be routed into the three phase production separator "A" where the oil will be allocated on a daily basis through the turbine meter with prover loops (S/N 11288834608) located downstream of the three phase separator. Gas will be allocated based on monthly well test.

Production from the Osage 18 Fee A Com #1H and Osage 18 Fee B Com #1H will be routed into a three phase production separator "B" where oil will be allocated on a daily basis through the turbine meter with prover loops (S/N 97721) located downstream of the three phase separator. The gas will be routed to the gas allocation meter (S/N 13380233).

Production from the Osage 18 Fee C Com #1H will be routed into a three phase production separator C where the oil will be allocated on a daily basis through the turbine meter with prover loops (S/N 12026012566) located downstream of the three phase separator. The gas will be routed to the gas allocation meter (S/N 150007091).

All wells, excluding the Osage 18 Fee C Com #1H, will be tested monthly through a designated test separator for allocation purposes. Oil will be allocated on a daily basis through the turbine meter with prover loops (S/N 12011755701). The gas will be routed through the test meter (S/N 13320433). Gas production will be allocated on a daily basis based on monthly well test using the subtraction method (subtract the test meter volume from the Oxy production meter (S/N 13330390) volume) by utilizing the Limousine test gas meter (S/N 13320433) downstream of the test separator. The gas production from the production equipment and the test gas meter will commingle and flow through Oxy's production meter (S/N 13330390) and go through the custody

transfer meter for the Indian Basin Gas Plant (S/N 13330383) in Section 23, T17S, R27E approximately 2.8 miles west of the Limousine Central Tank Battery.

All meters will be proven, as per API, NMOCD, and BLM specifications, when installed, once per month for the first 3 months (to establish a consistent repeatability factor), and then quarterly thereafter. The factor obtained will be used to allocate the production volumes.

Oil from all three phase separators will be combined into a common heater treater and sent to 500 bbl oil tanks. Oil will be sold through a LACT meter with a Micro Motion Coriolis Meter (S/N 14356475). The common heater treater is used as low-pressure process equipment, and the minimal gas production off of the heater treater is used as blanket gas for the oil tanks. Coriolis meter is not affective on oil dump due to entrained gas in the oil which will cause a false reading. Therefore, a Coriolis meter is only used at LACT.

The amount of flash gas generated as the oil is reduced to atmospheric pressure is too minimal to install and operate a vapor recovery unit (VRU). Therefore, a Vapor Combustion Unit (VCU) will be installed in order to comply with EPA 40 CFR Part 60, Subpart OOOO. All flash gas will be metered prior to combustion. A Form 3160-5 (Sundry Notice) and an updated Site Security Diagram will be filed for installation of the VCU.

Produced water from all wells will be transferred to the MOC Federal #1 SWD in Section 7 Township 20S Range 25E.

Osage 18 Federal #1H, Osage 18 Fee A Com #1H, Osage 18 Fee B Com #1H and Osage 18 Fee C Com #1H will require off-lease measurement, storage, and sales of oil and gas. All wells going to the Limousine CTB will only require off-lease measurement and sales of gas production.

**Process and Flow Descriptions:**

The flow of production is shown in detail on enclosed facility diagram and map which shows the lease boundaries, Communitization agreement boundaries, location of wells, facility, and gas sales meter. The commingling of this production is the most effective means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce the surface facility footprint and overall emissions.

OXY USA WTP LP 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 BLM and OCD will be notified of any future changes in the facilities.

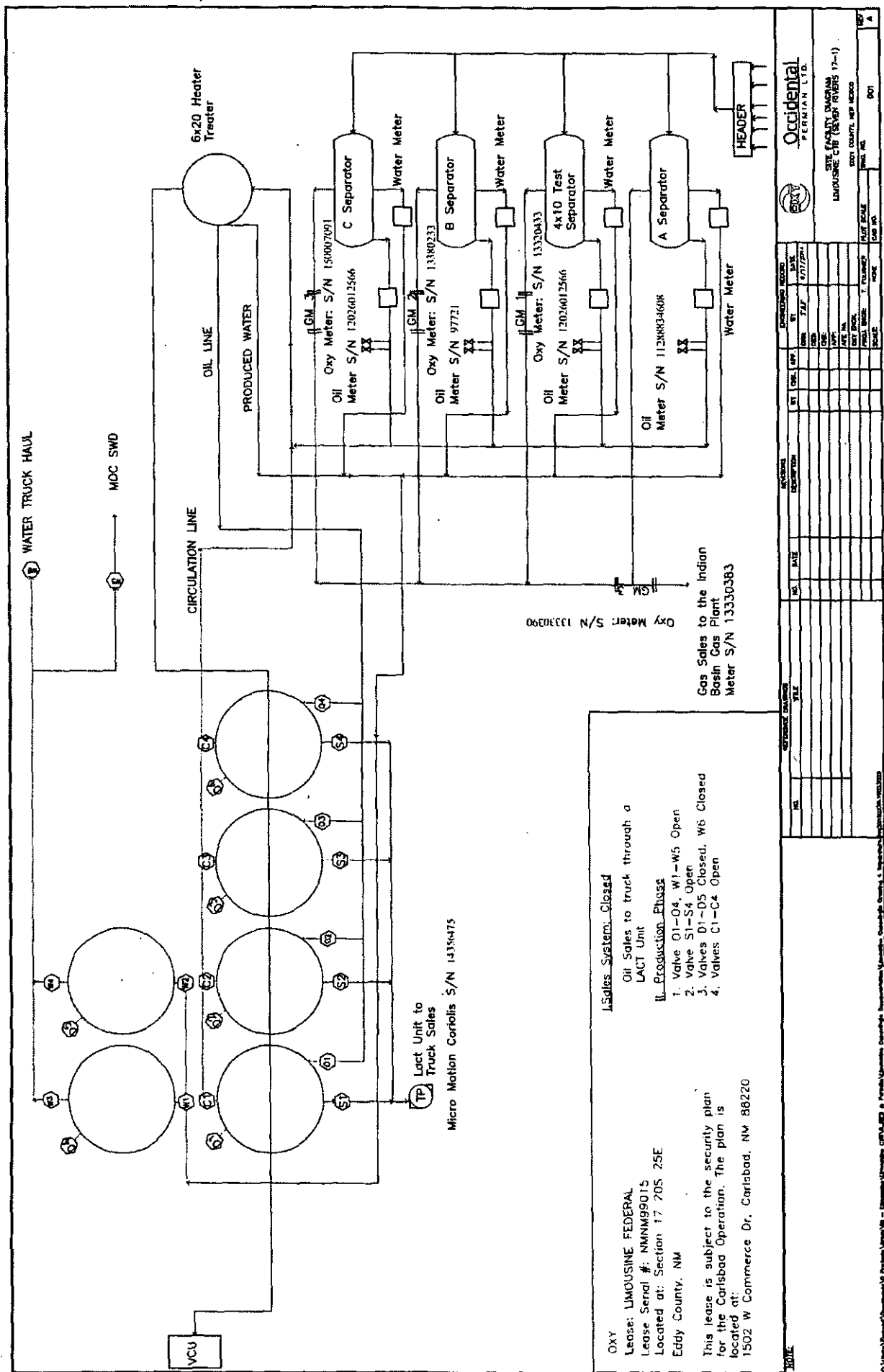
\*Accurate and true information to be provided upon completion and installation.

Signed: 

Printed Name: Jennifer Duarte

Title: Regulatory Specialist

Date: 7-7-15



**Economic Justification Worksheet  
Limousine Central Tank Battery**

**NMNM99015 - 12.5%**

WELLS	BOPD	OIL GRAVITY @ 60	VALUE/BBL	MCFD	DRY BTU	VALUE/MCF
Seven Rivers 17 Federal 1	4	39	\$51.00/bbl	11	1270	\$2.60/mcf
Seven Rivers 17 Federal 2H	32	39		24	1270	
Seven Rivers 17 Federal 3H	25	39		50	1270	

**NMNM99016 - 12.5% - \*CA #'s Pending**

Osage 18 Fee B Com 1H	88	39	\$51.00/bbl	149	1270	\$2.60/mcf
Osage 18 Fee C Com 1H	56	39		84	1270	

**NMNM99017 - 12.5%**

Osage 18 Federal 1H	17	39	\$51.00/bbl	51	1270	\$2.60/mcf
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**NMNM99017 - 12.5% - CA #133852**

Osage 18 Fee A Com 1H	60	39	\$51.00/bbl	122	1270	\$2.60/mcf
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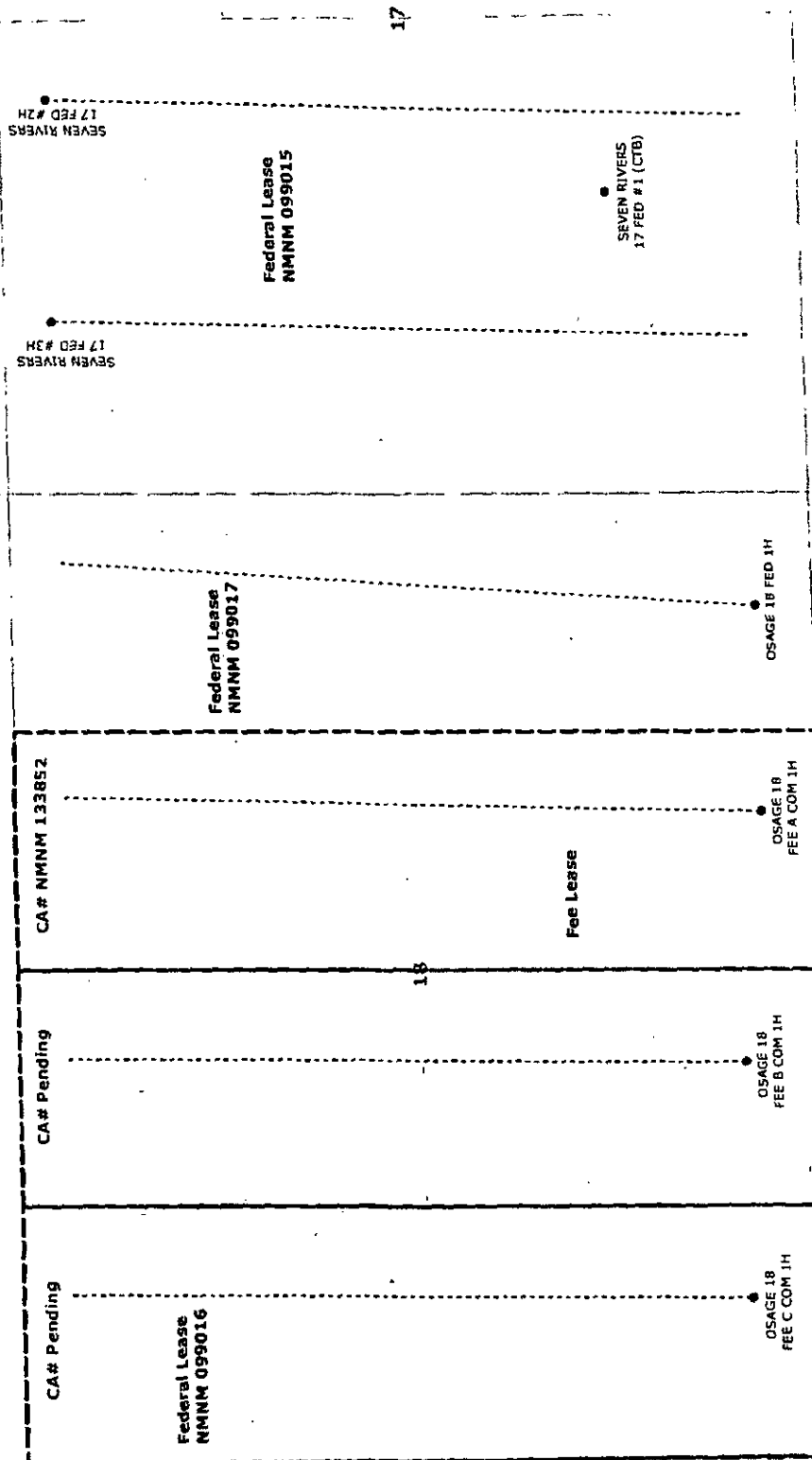
**Economic Combined Production**

BATTERY	BOPD	WEIGHTED OIL GRAVITY @ 60	VALUE/BBL	MCFD	WEIGHTED DRY BTU	VALUE/MCF
Limousine CTB	282	39	\$51.00/bbl	491	1270	\$2.60/mcf

Township 20 South, Range 25 East  
Eddy County, New Mexico

T20S  
R25E

T20S  
R24E



Legend

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 09:07 AM

Page 1 of 2

Run Date: 10/10/2013

01 12-22-1987;101STAT1330;30USC181 ET SE  
Case Type 312021: O&G LSE COMP PD -1987  
Commodity 459: OIL & GAS L  
Case Disposition: AUTHORIZED

Total Acres 320.000  
Serial Number NMNM-- - 099015

Name & Address		Serial Number: NMNM-- - 099015		Int Rel	% Interest
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	OPERATING RIGHTS		0.0000000
OXY USA INC	PO BOX 27570	HOUSTON TX 772277570	LESSEE		100.0000000
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS		0.0000000

Mer Twp Rng Sec		STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0200S 0250E 017		ALIQ		W2	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
07/15/1997	387	CASE ESTABLISHED	9707026	
07/16/1997	191	SALE HELD		
07/16/1997	267	BID RECEIVED	\$104000.00;	
07/16/1997	392	MONIES RECEIVED	\$104000.00;	
08/08/1997	237	LEASE ISSUED		
08/08/1997	974	AUTOMATED RECORD VERIF	AT	
08/28/1997	600	RECORDS NOTED		
09/01/1997	496	FUND CODE	05;145003	
09/01/1997	530	RLTY RATE - 12 1/2%		
09/01/1997	866	EFFECTIVE DATE		
09/10/1997	084	RENTAL RECEIVED BY ONRR	\$480.00;11/MULTIPLE	
06/02/1998	963	CASE MICROFILMED		
07/20/1998	084	RENTAL RECEIVED BY ONRR	\$480.00;21/0000000173	
01/11/1999	140	ASGN FILED	PERRY ETAL/POGO	
01/26/1999	139	ASGN APPROVED	EFF 02/01/99;	
01/26/1999	974	AUTOMATED RECORD VERIF	ANN	
08/09/1999	084	RENTAL RECEIVED BY ONRR	\$480.00;21/0000000009	
08/07/2000	084	RENTAL RECEIVED BY ONRR	\$480.00;21/11	
08/13/2001	084	RENTAL RECEIVED BY ONRR	\$480 00;21/13	
08/03/2004	650	HELD BY PROD - ACTUAL		
08/12/2005	643	PRODUCTION DETERMINATION		
08/12/2005	658	MEMO OF 1ST PROD-ACTUAL		
05/01/2008	140	ASGN FILED	POGO PRODUC/OXY USA;1	
05/01/2008	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1	
06/13/2008	139	ASGN APPROVED	EFF 06/01/2008;	
06/13/2008	933	TRF OPER RGTS APPROVED	EFF 06/01/2008;	
06/13/2008	974	AUTOMATED RECORD VERIF	SSP	
01/08/2009	140	ASGN FILED	POGO PRODUC/OXY USA;1	
01/08/2009	932	TRF OPER RGTS FILED	POGO PRODUC/OXY USA;1	
03/25/2009	139	ASGN APPROVED	EFF 02/01/09;	
03/25/2009	933	TRF OPER RGTS APPROVED	EFF 02/01/09;	
03/25/2009	974	AUTOMATED RECORD VERIF	ANN	

Line Nr	Remarks	Serial Number: NMNM-- - 099015
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NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM



**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 09:08 AM

Page 1 of 1

Run Date: 10/10/2013

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres  
198.800

Serial Number  
NMNM-- - 099016

Case Type 312021: O&G LSE COMP PD -1987  
Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 099016

Name & Address	Int Rel	% Interest
OXY USA INC PO BOX 27570 HOUSTON TX 772277570	LESSEE	100 0000000

Serial Number: NMNM-- - 099016

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0200S 0250E 018	ALIQ		E2NW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0200S 0250E 018	LOTS		1,2,3,	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 099016

Act Date	Code	Action	Action Remark	Pending Office
07/15/1997	387	CASE ESTABLISHED	9707027	
07/16/1997	191	SALE HELD		
07/16/1997	267	BID RECEIVED	\$54725.00;	
07/16/1997	392	MONIES RECEIVED	\$54725.00;	
08/08/1997	237	LEASE ISSUED		
08/08/1997	974	AUTOMATED RECORD VERIF	AT	
08/28/1997	600	RECORDS NOTED		
09/01/1997	496	FUND CODE	05;145003	
09/01/1997	530	RLTY RATE - 12 1/2%		
09/01/1997	868	EFFECTIVE DATE		
09/10/1997	084	RENTAL RECEIVED BY ONRR	\$298.50;11/MULTIPLE	
06/03/1998	563	CASE MICROFILMED		
07/20/1998	084	RENTAL RECEIVED BY ONRR	\$298.50;21/0000000173	
01/11/1999	140	ASGN FILED	PERRY ETAL/POGO	
01/26/1999	139	ASGN APPROVED	EFF 02/01/99;	
01/26/1999	974	AUTOMATED RECORD VERIF	ANN	
08/09/1999	084	RENTAL RECEIVED BY ONRR	\$298.50;21/0000000009	
05/31/2000	246	LEASE COMMITTED TO CA	NMNM104023;	
05/31/2000	660	MEMO OF 1ST PROD-ALLOC	/1/	
08/07/2000	084	RENTAL RECEIVED BY ONRR	\$298.50;21/11	
10/24/2000	651	HELD BY PROD - ALLOCATED		
05/17/2001	643	PRODUCTION DETERMINATION	/1/ NMNM104023	
12/18/2007	974	AUTOMATED RECORD VERIF	ANN	
05/01/2008	140	ASGN FILED	POGO PRODUC/OXY USA;1	
06/13/2008	139	ASGN APPROVED	EFF 06/01/08;	
06/13/2008	974	AUTOMATED RECORD VERIF	MV	
01/08/2009	140	ASGN FILED	POGO PRODUC/OXY USA;1	
03/24/2009	139	ASGN APPROVED	EFF 02/01/09;	
03/24/2009	974	AUTOMATED RECORD VERIF	ANN	

Serial Number: NMNM-- - 099016

Line Nr	Remarks
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**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 09:08 AM

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Run Date: 10/10/2013

01 12-22-1987;101STAT1330;30USC181 ET SE

Total Acres

Serial Number

Case Type 312021: O&G LSE COMP PD -1987

240.000

NMNM-- - 099017

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 099017

Name & Address	Int Rel	% Interest
OXY USA INC PO BOX 27570 HOUSTON TX 772277570	LESSEE	100.0000000

Serial Number: NMNM-- - 099017

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0200S 0250E 018	ALIQ		NE,E2SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 099017

Act Date	Code	Action	Action Remark	Pending Office
07/15/1997	387	CASE ESTABLISHED	9707028	
07/16/1997	191	SALE HELD		
07/16/1997	267	BID RECEIVED	\$78000.00;	
07/16/1997	392	MONIES RECEIVED	\$78000.00;	
08/08/1997	237	LEASE ISSUED		
08/08/1997	974	AUTOMATED RECORD VERIF	AT	
08/28/1997	600	RECORDS NOTED		
09/01/1997	496	FUND CODE	05:145003	
09/01/1997	530	RUTY RATE - 12 1/2%		
09/01/1997	868	EFFECTIVE DATE		
09/10/1997	084	RENTAL RECEIVED BY ONRR	\$360.00;11/MULTIPLE	
06/03/1998	963	CASE MICROFILMED		
07/20/1998	084	RENTAL RECEIVED BY ONRR	\$360.00;21/00000001'3	
01/11/1999	140	ASGN FILED	PERRY ETAL/POGO	
01/27/1999	139	ASGN APPROVED	EFF 02/01/99;	
01/27/1999	974	AUTOMATED RECORD VERIF	JLV	
08/09/1999	084	RENTAL RECEIVED BY ONRR	\$360.00;21/0000000009	
05/31/2000	246	LEASE COMMITTED TO CA	NMNM104023;	
05/31/2000	660	MEMO OF 1ST PROD-ALLOC	/1/	
08/07/2000	084	RENTAL RECEIVED BY ONRR	\$360.00;21/11	
10/24/2000	651	HELD BY PROD - ALLOCATED		
05/17/2001	643	PRODUCTION DETERMINATION	/1/ NMNM104023	
12/18/2007	974	AUTOMATED RECORD VERIF	ANN	
05/01/2008	140	ASGN FILED	POGO PRODUC/OXY USA;1	
06/13/2008	139	ASGN APPROVED	EFF 06/01/08;	
06/13/2008	974	AUTOMATED RECORD VERIF	MV	
01/08/2009	140	ASGN FILED	POGO PRODUC/OXY USA;1	
03/24/2009	139	ASGN APPROVED	EFF 02/01/09;	
03/24/2009	974	AUTOMATED RECORD VERIF	ANN	

Serial Number: NMNM-- - 099017

Line Nr	Remarks
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OXY USA WTP Limited Partnership / OXY USA INC /  
OCCIDENTIAL PERMIAN LP  
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046  
P.O. Box 4294, Houston, Texas 77210-4294  
Direct: 713.513.6640 Cell: 832.740.3716  
Jennifer\_duarte@oxy.com

January 14, 2014

Interest Owners

Re: Request for a CTB & Lease Commingle  
CTB Location: Section 17, T20S, R25E – Seven Rivers 17 Federal #1  
Pool: N Seven Rivers Glorieta Yeso (97565)  
Eddy County, New Mexico

To Whom It May Concern:

This is to advise you that OXY USA WTP LP is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tanks Battery & Lease commingle for the mentioned wells in the attached documents.

A copy of our application submitted to the Division is attached.

Any objection or requests that a hearing should be held regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 21 Days from the date of this letter.

Please contact me should you have any questions or need anything further.

Thank you in advance for your time.

Very Truly Yours,

OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTIAL PERMIAN LP  
Jennifer Duarte  
Regulatory Specialist

Enclosure

Interest Owner	Certified Tracking Number
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McCombs Energy LLC 5599 San Felipe, Ste. 1200 Houston, Texas 77056	70131090000009725778
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COG Operating LLC 550 W. Texas Avenue, Suite 100 Midland, Texas 79701	70131090000009725761
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Concho Oil & Gas, LLC 550 W. Texas Avenue, Suite 100 Midland, Texas 79701	70131090000009725754
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Charles E. Koch P.O. Box 51867 Midland, TX 79710	70131090000009725747
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Ross and Sue Roberts P.O. Box 4337 Midland, TX 79704	700131090000009725730
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First Roswell Company 111 S. Kentucky Ave. Roswell, NM 88203	70131090000009725723
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Texas Zia Properties, Ltd. 7121 Oakbrook Dr. Plano, TX 75025	70131090000009725716
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Gene F. Lang & Company 19751 E. Main Street #334 Parker, Colorado 80138	70131090000009725709
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David T. Holt P.O. Box 680997 Franklin, Tennessee 37068	70131090000009725693
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Kirby Minerals 101 N. Robinson, Suite 1000 Oklahoma City, OK 73102	70131090000009725686
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DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
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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

Regulations Specialist  
 Title

1-14-14  
 Date

jennifer-duarte@oxy.com  
 e-mail Address

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  
1230 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 WTP LP

OPERATOR ADDRESS: 5 GREENWAY PLAZA, SUITE 110; HOUSTON, TX 77046

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)

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  
(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)

**(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 attached 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.

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

SIGNATURE:

TITLE: REGULATORY SPECIALIST

DATE: 01/14/2014

TYPE OR PRINT NAME: JENNIFER DUARTE TELEPHONE NO.: 713-513-6640 E-MAIL ADDRESS: jennifer\_duarte@oxy.com

**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Seven Rivers 17 Federal 1, 2H, 3H NM99015 / Osage 18 Federal 1H NM99017 / Osage 18 Fee A Com 1H NM133852 /  
Osage 18 Fee B Com 1H NM134780 & Osage 18 Fee C Com 1H NM134781**

**OXY USA Inc.**

September 3, 2015

**Condition of Approval**

**Commingling of lease and Communitization production**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.