

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office

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.

OCD Artesia

| | | |
|--|---|--|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. Multiple--See Attached |
| 2. Name of Operator OXY USA INCORPORATED Contact: TAYLOR STILLMAN E-Mail: Taylor_Stillman@oxy.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521 | 3b. Phone No. (include area code) Ph: 713-366-5945 | 7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached | | 8. Well Name and No. Multiple--See Attached |
| | | 9. API Well No. Multiple--See Attached |
| | | 10. Field and Pool, or Exploratory LOST TANK WEST LOST TANK-DELAWARE |
| | | 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 Surface Commingling |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 recomple 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 recompletion 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 INC requests approval for a Central Tank Battery and Lease Commingle for the wells listed on the attached write-up:

A map is enclosed showing the Federal leases and well locations in Sec 3, T22S, R31E. All wells are producing from the Lost Tank Delaware, West pool and BLM interest is identical in both leases at 12.5%.

Oil & Gas metering:

Oil, water and gas production from all wells listed above will be individually tested at Lost Tank 3 Federal #5 CTB located at H-3-22S-31E using a three phase test separator. All wells will be tested monthly for allocation purposes using oil meter (S/N 84743) and gas meter (S/N 83261T). Before leaving the lease, gas will be metered using Oxy check meter (S/N 83261), located on lease.

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 29 2016
b
RECEIVED

| | |
|--|---------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #339471 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 05/17/2016 (16PP1180SE) | |
| Name (Printed/Typed) TAYLOR STILLMAN | Title PRODUCTION ENGINEER |
| Signature (Electronic Submission) | Date 05/17/2016 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|-------------|--------------|
| Approved By <i>J. D. W. Little</i> | Title TLPET | Date 8/23/16 |
| 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 #339471 that would not fit on the form

5. Lease Serial No., continued

NMNM0417506
NMNM0417696

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|-------------|-------------|------------------------|--------------------|--|
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 5 | 30-015-30586-00-S1 | Sec 3 T22S R31E SENE 1950FNL 1300FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 10 | 30-015-32345-00-S1 | Sec 3 T22S R31E NWNE 330FNL 2210FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 11 | 30-015-32725-00-S1 | Sec 3 T22S R31E NESE 2310FSL 660FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 12 | 30-015-32726-00-S1 | Sec 3 T22S R31E SESE 990FSL 660FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 6 | 30-015-31887-00-S1 | Sec 3 T22S R31E NENE 330FNL 430FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 7 | 30-015-32167-00-S1 | Sec 3 T22S R31E NWNE 760FNL 1390FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 8 | 30-015-32168-00-S1 | Sec 3 T22S R31E SENE 1330FNL 550FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FED 9 | 30-015-32169-00-S1 | Sec 3 T22S R31E SWNE 1650FNL 2310FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 13 | 30-015-37950-00-S1 | Sec 3 T22S R31E NWSE Lot J 2350FSL 2250FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 14 | 30-015-37918-00-S1 | Sec 3 T22S R31E NWSE 1450FSL 1700FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 16 | 30-015-37907-00-S1 | Sec 3 T22S R31E SWSE 735FSL 1945FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 18 | 30-015-37908-00-S1 | Sec 3 T22S R31E SWSE 770FSL 1909FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 20 | 30-015-37919-00-S1 | Sec 3 T22S R31E NWSE 2400FSL 2250FEL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 22 | 30-015-37921-00-S1 | Sec 3 T22S R31E SENW Lot E 2324FNL 2000FWL |
| NMNM0417696 | NMNM0417696 | LOST TANK 3 FEDERAL 24 | 30-015-37922-00-S1 | Sec 3 T22S R31E SESE 250FSL 250FEL |
| NMNM0417506 | NMNM0417506 | LOST TANK 10 FEDERAL 1 | 30-015-37959-00-S1 | Sec 3 T22S R31E SESE 400FSL 250FEL |
| NMNM0417506 | NMNM0417506 | LOST TANK 10 FEDERAL 2 | 30-015-37960-00-S1 | Sec 3 T22S R31E SWSE 840FSL 1838FEL |
| NMNM0417506 | NMNM0417506 | LOST TANK 10 FEDERAL 3 | 30-015-37897-00-S1 | Sec 3 T22S R31E SWSE 805FSL 1874FEL |
| NMNM0417506 | NMNM0417506 | LOST TANK 10 FEDERAL 4 | 30-015-37961-00-S1 | Sec 3 T22S R31E SESE 300FSL 250FEL |
| NMNM0417506 | NMNM0417506 | LOST TANK 10 FEDERAL 5 | 30-015-37924-00-S1 | Sec 3 T22S R31E SESE 200FSL 250FEL |
| NMNM0417506 | NMNM0417506 | LOST TANK 11 FEDERAL 1 | 30-015-37962-00-S1 | Sec 3 T22S R31E SESE 350FNL 250FEL |

32. Additional remarks, continued

OXY USA Inc requests check meter to be utilized as FMP. *Approved EC # 347970 8/22/16 gong*

Total oil production will be sold via LACT unit (S/N 3143877), located at the Lost Tank 3 Federal #5 CTB.

Produced water will be measured through a turbine meter (S/N 84765) and transferred via pipeline and disposed of at Lost Tank 33 #2 SWD and Lost Tank 3 #25 SWD.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram.

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 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 NMOC and BLM regulations.

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

APPLICATION FOR CENTRAL TANK BATTERY & LEASE COMMINGLE

OXY USA INC requests approval for a Central Tank Battery and Lease Commingle for the following Lost Tank wells:

Federal Lease: NMNM-0417696 **Pool: LOST TANK DELAWARE, WEST (96582)** **Royalty Rate: 12.5%**

| Well Name | API # | BOPD | Oil Gravity | MCFPD | BTU | Location |
|--------------------------|--------------|------|-------------|-------|------|------------------|
| LOST TANK 3 FEDERAL # 5 | 30-015-30586 | 9 | 39 | 11 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 6 | 30-015-31887 | 11 | 39 | 12 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 7 | 30-015-32167 | 8 | 39 | 12 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 8 | 30-015-32168 | 14 | 39 | 14 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 9 | 30-015-32169 | 6 | 39 | 11 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 10 | 30-015-32345 | 1 | 39 | 11 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 11 | 30-015-32725 | 16 | 39 | 4 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 12 | 30-015-32726 | 14 | 39 | 29 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 13 | 30-015-37950 | 27 | 39 | 96 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 14 | 30-015-37918 | 3 | 39 | 51 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 16 | 30-015-37907 | 13 | 39 | 111 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 18 | 30-015-37908 | 24 | 39 | 12 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 20 | 30-015-37919 | 10 | 39 | 89 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 22 | 30-015-37921 | 9 | 39 | 75 | 1000 | Sec. 3 T22S R31E |
| LOST TANK 3 FEDERAL # 24 | 30-015-37922 | 14 | 39 | 134 | 1000 | Sec. 3 T22S R31E |

Federal Lease: NMNM-0417506 **Pool: LOST TANK DELAWARE, WEST (96582)** **Royalty Rate: 12.5%**

| Well Name | API # | BOPD | Oil Gravity | MCFPD | BTU | Location |
|--------------------------|--------------|------|-------------|-------|------|------------------|
| LOST TANK 10 FEDERAL # 1 | 30-015-37959 | 20 | 39 | 11 | 1000 | Sec.10 T22S R31E |
| LOST TANK 10 FEDERAL # 2 | 30-015-37960 | 6 | 39 | 35 | 1000 | Sec.10 T22S R31E |
| LOST TANK 10 FEDERAL # 3 | 30-015-37897 | 44 | 39 | 146 | 1000 | Sec.10 T22S R31E |
| LOST TANK 10 FEDERAL # 4 | 30-015-37961 | 23 | 39 | 80 | 1000 | Sec.10 T22S R31E |
| LOST TANK 10 FEDERAL # 5 | 30-015-37924 | 17 | 39 | 66 | 1000 | Sec.10 T22S R31E |
| LOST TANK 11 FEDERAL # 1 | 30-015-37962 | 14 | 39 | 14 | 1000 | Sec.11 T22S R31E |

A map is enclosed showing the Federal leases and well locations in Sec 3, T22S, R31E.

All wells are producing from the Lost Tank Delaware, West pool and BLM interest is identical in both leases at 12.5%.

Oil & Gas metering:

Oil, water and gas production from all wells listed above will be individually tested at Lost Tank 3 Federal #5 CTB located at H-3-22S-31E using a three phase test separator. All wells will be tested monthly for allocation purposes, for a minimum of 24 hours, using oil meter (S/N 84743) and gas meter (S/N 83261T). Before leaving the lease, gas will be metered using Oxy check meter (S/N 83261), located on lease. OXY USA Inc requests check meter to be utilized as FMP.

Total oil production will be sold via LACT unit (S/N 3143877), located at the Lost Tank 3 Federal #5 CTB.

Produced water will be measured through a turbine meter (S/N 84765) and transferred via pipeline and disposed of at Lost Tank 33 #2 SWD and Lost Tank 3 #25 SWD.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram.

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 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 NMOC and BLM regulations.

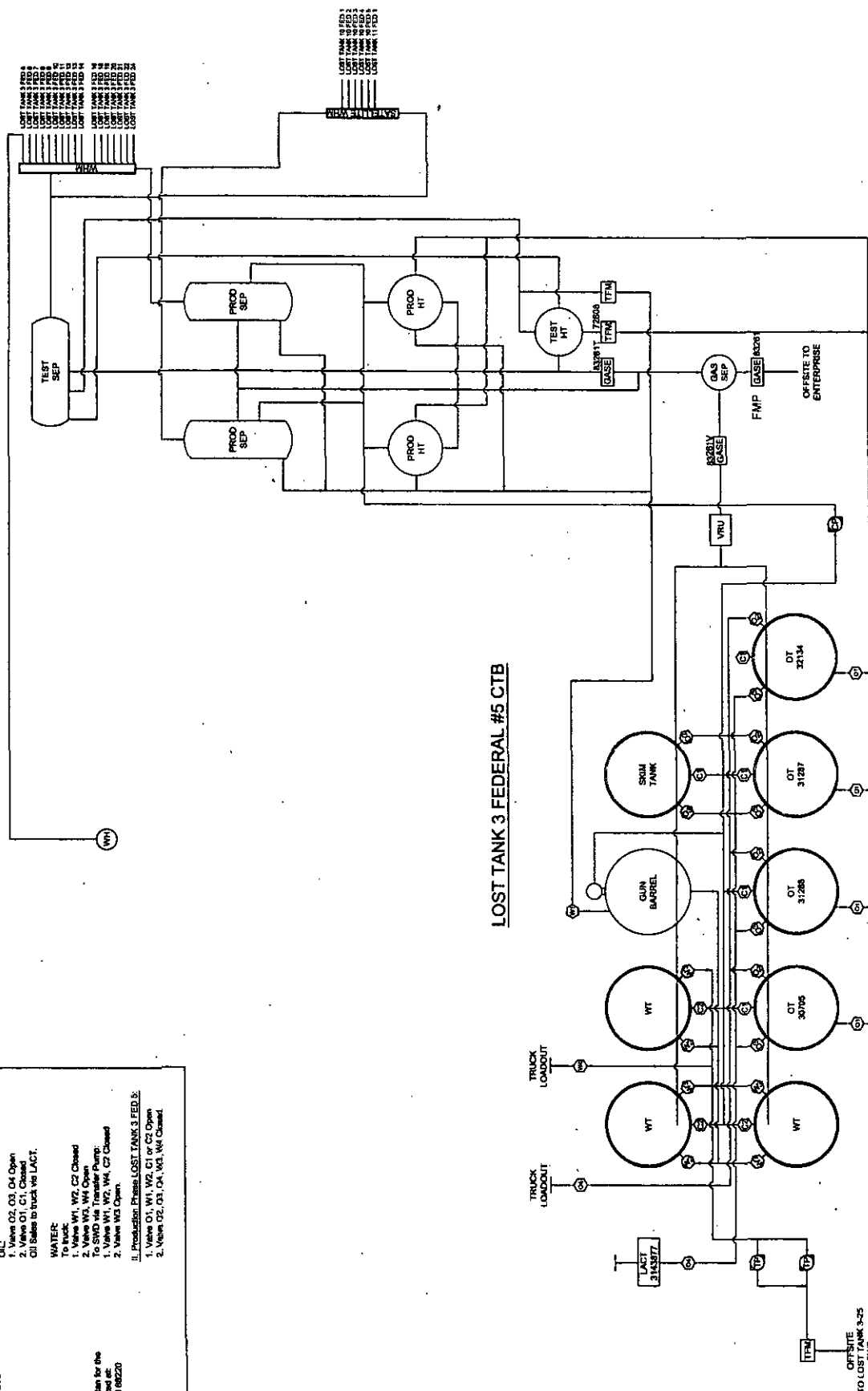
The working interest, royalty interest and overriding royalty interest owners have been notified of this proposal by certified mail (see attached).

Signed: _____

Printed Name: Taylor Stillman

Title: Production Engineer

Date:



1. Sales System Lost Tank 3 FEB 5:

Lease: LOST TANK 3 FEDERAL #5 CTB
AP# #: 3001530560
Located at: Section 3 T2S R31E

Located at: Section 3 T22S R31E

This lease is subject to the security plan for the Carlsbad Operation. The plan is located at: 1502 W Commerce Dr, Carlsbad, NM 88220

1602 W Commerce Dr, Corliss, NM 88220

ON
STARS

1. Valve O2, O3, O4 Open
2. Valve O1, C1, Closed
Oil Senses to truck via LACT.

- Oil Sales to truck via LACT.

Oil Sales to truck via LACT.

WATER

To truck

1. Valve W1, W2, C2 Closed
2. Valve W3, W4 Open
To SWD via Transfer Pump;
1. Valve W1, W2, W4, C2 Closed
2. Valve W3 Open.

- ## 2. Valve W3 Open.

- ## 2. Valve W3 Open.

- ## 2. Valve W3 Open.

- ## 2. Valve W3 Open.

1. Production Phase LOST TANK 3 FED 5:

1. Vets: O1, W1, W2, C1 or C2 Open
2. Vets: O2, Q3, Q4, W3, W4 Closed

2. ~~Volume 02, Q3, Q4, W3, W4 Closed~~

galton

| REFERENCE DRAWINGS | | REVISIONS | | EXAMINING RECORD | |
|--------------------|-------|-----------|------|------------------|------------|
| NO. | TITLE | NO. | DATE | BY | DATE |
| | | | | CHK | 2/10 |
| | | | | DES | 02/02/2008 |
| | | | | CHK | |
| | | | | APP | |
| | | | | ATE No. | |
| | | | | OUT ENGR | |
| | | | | PREL ENGR | |
| | | | | SCALE | |
| | | | | | NOTE |

| | BY | CHK | APP. | | DATE | RECORDING |
|--|----|-----|------|------------|------|------------|
| | | | | DIRE | J/D | 08/19/2006 |
| | | | | DOS | | |
| | | | | CHEG | | |
| | | | | APP. | | |
| | | | | AFT INC | | |
| | | | | GRT ENDR | | |
| | | | | PROUL ENDR | | |
| | | | | SCALE | | MORE |

| | |
|---------------------------|-------------|
| ENGINEERING RECORD | |
| BY | DATE |
| WRE | 08/26/2008 |
| CHK | |
| APP. | |
| CITY ENGR | |
| COUNTY ENGR | |
| SCALE: | NONE |



Occidental
PERMIAN LTD.

**SITE FACILITY DIAGRAM
POST TANK 3 FEDERAL #5 CTB**

SITE FACILITY DIAGRAM
OST TANK 3 FEDERAL 15 CTB

[illegible]

EDDY COUNTY, NEW MEXICO

[illegible]

Economic Justification Worksheet
Lost Tank 3-5 CTB

| WELLS | BOPD | OIL GRAVITY @ 60 | VALUE/BBL | MCFD | DRY BTU | VALUE/MCF |
|--------------------------|------|---------------------|-------------|------|---------|------------|
| LOST TANK 3 FEDERAL # 5 | 9 | 39 | \$41.00/bbl | 11 | 1000 | \$2.60/mcf |
| LOST TANK 3 FEDERAL # 6 | 11 | 39 | | 12 | 1000 | |
| LOST TANK 3 FEDERAL # 7 | 8 | 39 | | 12 | 1000 | |
| LOST TANK 3 FEDERAL # 8 | 14 | 39 | | 14 | 1000 | |
| LOST TANK 3 FEDERAL # 9 | 6 | 39 | | 11 | 1000 | |
| LOST TANK 3 FEDERAL # 10 | 1 | 39 | | 11 | 1000 | |
| LOST TANK 3 FEDERAL # 11 | 16 | 39 | | 4 | 1000 | |
| LOST TANK 3 FEDERAL # 12 | 14 | 39 | | 29 | 1000 | |
| LOST TANK 3 FEDERAL # 13 | 27 | 39 | | 96 | 1000 | |
| LOST TANK 3 FEDERAL # 14 | 3 | 39 | | 51 | 1000 | |
| LOST TANK 3 FEDERAL # 16 | 13 | 39 | | 111 | 1000 | |
| LOST TANK 3 FEDERAL # 18 | 24 | 39 | | 12 | 1000 | |
| LOST TANK 3 FEDERAL # 20 | 10 | 39 | | 89 | 1000 | |
| LOST TANK 3 FEDERAL # 22 | 9 | 39 | | 75 | 1000 | |
| LOST TANK 3 FEDERAL # 24 | 14 | 39 | | 134 | 1000 | |
| LOST TANK 10 FEDERAL # 1 | 20 | 39 | | 11 | 1000 | |
| LOST TANK 10 FEDERAL # 2 | 6 | 39 | | 35 | 1000 | |
| LOST TANK 10 FEDERAL # 3 | 44 | 39 | | 146 | 1000 | |
| LOST TANK 10 FEDERAL # 4 | 23 | 39 | | 80 | 1000 | |
| LOST TANK 10 FEDERAL # 5 | 17 | 39 | | 66 | 1000 | |
| LOST TANK 11 FEDERAL # 1 | 14 | 39 | | 14 | 1000 | |

Economic Combined Production

| BATTERY | BOPD | WEIGHTED OIL GRAVITY @ 60 | VALUE/BBL | MCFD | WEIGHTED DRY BTU | VALUE/MCF |
|-------------------|------|------------------------------|-------------|------|---------------------|------------|
| Lost Tank 3-5 CTB | 303 | 39 | \$41.00/bbl | 1024 | 1000.00 | \$2.60/mcf |

Attachment "A" CTB-742-A

| API | Comments | Well Name | Legal | N/S | E/W |
|--------------|----------|---------------------------|-------------|--------|--------|
| 30-015-30586 | Original | LOST TANK 3 FEDERAL#5 | H 3 22S 31E | 1950 S | 1300 E |
| 30-015-31887 | Original | LOST TANK 3 FEDERAL#6 | A 3 22S 31E | 330 N | 430 E |
| 30-015-32167 | Original | LOST TANK 3 FEDERAL#7 | B 3 22S 31E | 760 N | 1390 E |
| 30-015-32168 | Original | LOST TANK 3 FEDERAL#8 | H 3 22S 31E | 1330 N | 550 E |
| 30-015-32169 | Original | LOST TANK 3 FEDERAL#9 | G 3 22S 31E | 1650 N | 2310 E |
| 30-015-32345 | Original | LOST TANK 3 FEDERAL#10 | B 3 22S 31E | 330 N | 2210 E |
| 30-015-32725 | Original | LOST TANK 3 FEDERAL#11 | I 3 22S 31E | 2310 S | 660 E |
| 30-015-32726 | Original | LOST TANK 3 FEDERAL#12 | P 3 22S 31E | 990 S | 660 E |
| 30-015-37897 | Original | LOST TANK 10 FEDERAL#3 | O 3 22S 31E | 805 S | 1874 E |
| 30-015-37907 | Original | LOST TANK 3 FEDERAL#16 | O 3 22S 31E | 735 S | 1945 E |
| 30-015-37908 | Original | LOST TANK 3 FEDERAL#18 | O 3 22S 31E | 770 S | 1909 E |
| 30-015-37918 | Original | LOST TANK 3 FEDERAL#14 | J 3 22S 31E | 1450 S | 1700 E |
| 30-015-37919 | Original | LOST TANK 3 FEDERAL#20 | J 3 22S 31E | 2400 S | 2250 E |
| 30-015-37921 | A | LOST TANK 3 FEDERAL#22 | E 3 22S 31E | 2324 N | 2000 W |
| 30-015-37922 | Original | LOST TANK 3 FEDERAL#24 | P 3 22S 31E | 250 S | 250 E |
| 30-015-37924 | Original | LOST TANK 10 FEDERAL#5 | P 3 22S 31E | 200 S | 250 E |
| 30-015-37950 | Original | LOST TANK 3 FEDERAL#13 | J 3 22S 31E | 2350 S | 2250 E |
| 30-015-37959 | Original | LOST TANK 10 FEDERAL#1 | P 3 22S 31E | 400 S | 250 E |
| 30-015-37960 | Original | LOST TANK 10 FEDERAL#2 | O 3 22S 31E | 840 S | 1838 E |
| 30-015-37961 | Original | LOST TANK 10 FEDERAL#4 | P 3 22S 31E | 300 S | 250 E |
| 30-015-37962 | Original | LOST TANK 11 FEDERAL#1 | P 3 22S 31E | 350 S | 250 E |
| 30-015-37952 | A | LOST TANK 3 FEDERAL#19 | E 3 22S 31E | 2558 N | 185 W |
| 30-015-37920 | A | LOST TANK 3 FEDERAL#21 | E 3 22S 31E | 2558 N | 285 W |

North American Datum 1927
Last Updated: April 18, 2016
Author: A.Cordas
File: Web_Battery_Location_20141113

NMNM 096231

003

004

NMNM 061357

005

NMNM 0417696

004

003

002

NMNM 0417506

009

010

011

NMNM 065417

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/23/16 05:45 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres

Serial Number

Case Type 311211: O&G LSE SIMO PUBLIC LAND

1,238.630

NMNM-- 0 417696

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- 0 417696

| Name & Address | | | Int Rel | %Interest |
|----------------------|---------------------|-------------------------|---------|--------------|
| ENDURO OPERATING LLC | 777 MAIN ST STE 800 | FORT WORTH TX 761025350 | LESSEE | 50.000000000 |
| OXY USA INC | PO BOX 27570 | HOUSTON TX 772277570 | LESSEE | 50.000000000 |

Serial Number: NMNM-- 0 417696

| Mer Twp | Rng | Sec | SType | Nr Suff | Subdivision | District/Resource Area | County | Mgmt Agency |
|---------|-------|-------|-------|---------|-------------|------------------------|--------|---------------------|
| 23 | 0220S | 0310E | 003 | | S2N2,S2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0220S | 0310E | 003 | | 1-4; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0220S | 0310E | 004 | | S2N2,S2; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0220S | 0310E | 004 | | 1-3; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM-- 0 417696

| Act Date | Code | Action | Action Remarks | Pending Office |
|------------|------|--------------------------|-----------------------|----------------|
| 06/23/1963 | 387 | CASE ESTABLISHED | | |
| 06/24/1963 | 888 | DRAWING HELD | | |
| 08/02/1963 | 237 | LEASE ISSUED | | |
| 09/01/1963 | 496 | FUND CODE | 05;145003 | |
| 09/01/1963 | 530 | RLTY RATE - 12 1/2% | | |
| 09/01/1963 | 868 | EFFECTIVE DATE | | |
| 09/24/1973 | 235 | EXTENDED | THRU 08/31/75; | |
| 02/01/1975 | 676 | SUS OPS & PROD/NO PMT | POTASH; | |
| 05/07/1979 | 940 | NAME CHANGE RECOGNIZED | EAGLE RLTY/AQUILA | |
| 04/28/1986 | 140 | ASGN FILED | SUPERIOR/MOBIL | |
| 07/29/1986 | 139 | ASGN APPROVED | EFF 05/01/86; | |
| 08/11/1986 | 963 | CASE MICROFILMED/SCANNED | CNUM 558,407 AD | |
| 05/17/1988 | 974 | AUTOMATED RECORD VERIF | MCS/RGO | |
| 01/15/1992 | 140 | ASGN FILED | MOBIL/PHILLIPS PETRO | |
| 03/31/1992 | 139 | ASGN APPROVED | EFF 02/01/92; | |
| 03/31/1992 | 974 | AUTOMATED RECORD VERIF | TF/JS | |
| 04/07/1992 | 575 | APD FILED | 1)PHILLIPS PETROL. CE | |
| 04/07/1992 | 575 | APD FILED | PHILLIPS PETROLEUM CE | |
| 07/24/1992 | 576 | APD APPROVED | PHANTOM FED NO 5 | |
| 09/08/1992 | 140 | ASGN FILED | MOBIL/PHILLIPS PETRO | |
| 01/14/1993 | 567 | ASGN RETURNED UNAPPROVED | MOBIL/PHILLIPS PETRO | |
| 01/14/1993 | 974 | AUTOMATED RECORD VERIF | MRR/JS | |
| 08/09/1993 | 575 | APD FILED | PHILLIPS PETRO CO | |
| 08/23/1993 | 578 | APD REJECTED | 1 PHANTOM FED | |
| 10/02/1995 | 575 | APD FILED | | |
| 11/01/1995 | 235 | EXTENDED | THRU 12/17/96; | |
| 11/01/1995 | 678 | SUSP LIFTED | POTASH; | |
| 11/03/1995 | 576 | APD APPROVED | #1 LOST TANK"4" FED | |
| 06/28/1996 | 393 | DEC ISSUED | SUSP LIFTED; | |
| 06/28/1996 | 974 | AUTOMATED RECORD VERIF | GAG; | |

**NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM**

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

Run Date/Time: 08/23/16 05:47 AM

Page 1 of 2

01 02-25-1920;041STAT0437;30USC181ETSEQ
Case Type 311211: O&G LSE SIMO PUBLIC LAND
Commodity 459: OIL & GAS
Case Disposition: AUTHORIZED Case File Juris:

Total Acres
200.000

Serial Number
NMNM-- 0 417506

Serial Number: NMNM-- 0 417506

| Name & Address | Int Rel | %Interest |
|--|------------------|---------------|
| OXY USA INC 5 GREENWAY PLZ #110 HOUSTON TX 770460521 | OPERATING RIGHTS | 0.000000000 |
| OXY USA INC PO BOX 27570 HOUSTON TX 772277570 | LESSEE | 100.000000000 |

Serial Number: NMNM-- 0 417506

| Mer Twp | Rng | Sec | SType | Nr Suff | Subdivision | District/Resource Area | County | Mgmt Agency |
|---------|-------|-------|-------|---------|-----------------|------------------------|--------|---------------------|
| 23 | 0220S | 0310E | 010 | ALIQ | N2NE,SENE,NENW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 | 0220S | 0310E | 011 | ALIQ | NWNW; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM 0417506

Relinquished/Withdrawn Lands

| | | | | | |
|--------------------|----|-------------------------|-----------------------|------|---------------------|
| 23 0220S 0310E 709 | FF | ALL CANC; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |
| 23 0220S 0310E 710 | FF | SWNE,NWNW,S2NW,S2 CANC; | CARLSBAD FIELD OFFICE | EDDY | BUREAU OF LAND MGMT |

Serial Number: NMNM-- 0 417506

| Act Date | Code | Action | Action Remarks | Pending Office |
|------------|------|--------------------------|-----------------------|----------------|
| 06/23/1963 | 387 | CASE ESTABLISHED | | |
| 06/24/1963 | 888 | DRAWING HELD | | |
| 08/22/1963 | 237 | LEASE ISSUED | | |
| 09/01/1963 | 496 | FUND CODE | 05:145003 | |
| 09/01/1963 | 530 | RUTY RATE - 12 1/2% | | |
| 09/01/1963 | 868 | EFFECTIVE DATE | | |
| 09/24/1973 | 235 | EXTENDED | THRU 08/31/75; | |
| 06/24/1974 | 235 | EXTENDED | THRU 03/17/76; | |
| 02/01/1975 | 676 | SUS OPS & PROD/NO PMT | POTASH; | |
| 04/28/1986 | 140 | ASGN FILED | SUPERIOR/MOBIL | |
| 07/31/1986 | 139 | ASGN APPROVED | EFF 05/01/86; | |
| 08/29/1986 | 200 | CANCELED IN PART | | |
| 08/29/1986 | 379 | REFUND AUTHORIZED | \$200; | |
| 10/21/1986 | 600 | RECORDS NOTED | | |
| 10/22/1986 | 963 | CASE MICROFILMED/SCANNED | CNUM 559,488 GLC | |
| 09/25/1987 | 974 | AUTOMATED RECORD VERIF | JAM/GB | |
| 12/23/1991 | 140 | ASGN FILED | MOBIL PROD/CNG PROD | |
| 03/11/1992 | 139 | ASGN APPROVED | EFF 01/01/92; | |
| 03/11/1992 | 974 | AUTOMATED RECORD VERIF | TF/AMR | |
| 10/07/1993 | 974 | AUTOMATED RECORD VERIF | GAG | |
| 06/02/2000 | 940 | NAME CHANGE RECOGNIZED | CNG/DOMINION EXPL | |
| 01/04/2007 | 140 | ASGN FILED | DOMINION/LOBOS ENE;1 | |
| 05/08/2007 | 139 | ASGN APPROVED | EFF 02/01/07; | |
| 05/08/2007 | 974 | AUTOMATED RECORD VERIF | ANN | |
| 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 | |

**NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM**



OXY USA Inc.
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston TX 77046-0506
PO Box 27757, Houston TX 77227-7757

Christopher Gertson, Land Negotiator
Office: 713.985.8871
Fax: 713.985.8857
E-mail: Christopher_Gertson@oxy.com

June 9, 2016

Re: Commingle Application For:
Lost Tank 3-5 Battery

To Whom It May Concern:

OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division and the Bureau of Land Management for approval of the above mentioned commingle project.

This letter serves to notice you that the operator and interest owners are identical for the wells listed below in Section 3, Township 22 South, Range 31 East, Eddy County, New Mexico:

Lost Tank 3 Federal #5
Lost Tank 3 Federal #6
Lost Tank 3 Federal #7
Lost Tank 3 Federal #8
Lost Tank 3 Federal #9
Lost Tank 3 Federal #10
Lost Tank 3 Federal #11
Lost Tank 3 Federal #12
Lost Tank 3 Federal #13
Lost Tank 3 Federal #14
Lost Tank 3 Federal #16
Lost Tank 3 Federal #18
Lost Tank 3 Federal #19
Lost Tank 3 Federal #20
Lost Tank 3 Federal #21
Lost Tank 3 Federal #22
Lost Tank 3 Federal #24

Best Regards,

OXY USA Inc.

A handwritten signature in black ink, appearing to read "Chris", is written over the printed name of Christopher Gertson.

Christopher Gertson



OXY USA Inc.
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston TX 77046-0506
PO Box 27757, Houston TX 77227-7757

Christopher Gertson, Land Negotiator
Office: 713.985.6971
Fax: 713.985.8857
E-mail: Christopher_Gertson@oxy.com

June 9, 2016

Re: **Commingle Application For:**
Lost Tank 3-5 Battery

To Whom It May Concern:

OXY USA Inc., as Operator, will be filing applications with the New Mexico Oil Conservation Division and the Bureau of Land Management for approval of the above mentioned commingle project.

This letter serves to notice you that the operator and interest owners are identical for the wells listed below:

Lost Tank 10 Federal #1
Lost Tank 10 Federal #2
Lost Tank 10 Federal #3
Lost Tank 10 Federal #4
Lost Tank 10 Federal #5
Lost Tank 11 Federal #1

Best Regards,

OXY USA Inc.

A handwritten signature in black ink, appearing to be "C. Gertson", written over a horizontal line.

Christopher Gertson

| OWNER NAME | INTEREST TYPE | PROD | ADDRESS | CITY | STATE | ZIP |
|-----------------------------|---------------|------|---------------|------------|-------|-------|
| MINERALS MANAGEMENT SERVICE | RI | OIL | PO BOX 25627 | DENVER | CO | 80225 |
| ENDURO OPERATING LLC | WI | OIL | PO BOX 162165 | FORT WORTH | TX | 76161 |
| OXY USA INC | WI | OIL | P O BOX 27570 | HOUSTON | TX | 77227 |

Affidavit of Publication

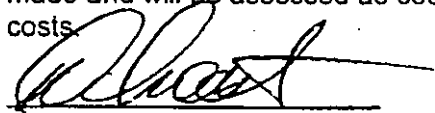
State of New Mexico,
County of Eddy, ss.

Dino Chiecchi, being first duly
sworn, on oath says:

That she is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

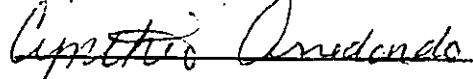
May 3 2016

That the cost of publication is \$66.82
and that payment thereof has been
made and will be assessed as court
costs.



Subscribed and sworn to before me
this 6 day of May

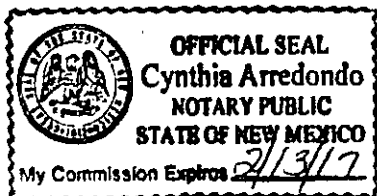
2016



My commission Expires

2/13/17

Notary Public



May 3, 2016

**NOTICE OF APPLICATION FOR LEASE
COMMINGLING**

OXY USA Inc, P.O. Box 4294, Houston, TX 77210, is applying to the New Mexico Oil Conservation Division and Bureau of Land Management for a permit to commingle oil and gas production from two leases, NM 0417696 and NM 0417506, located in Section 3 Township 22 South Range 31 East. Production will be commingled into the Lost Tank 3-5 Central Tank Battery located in the same section, township and range. All commingled wells will be produced from the same pool, the Lost Tank Delaware West (Pool No. 96582).

Pursuant to NMAC 19.15.12, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publication, or the division may approve the application.

For an questions pertaining to the application, please contact Taylor Stillman, Oxy's representative, at (713) 366-5945.

| | | | | | |
|---------|----------|----------|-----------|------|---------|
| DATE IN | SUSPENSE | ENGINEER | LOGGED IN | TYPE | APP NO. |
|---------|----------|----------|-----------|------|---------|

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 _____

NM OIL CONSERVATION
 ARTESIA DISTRICT

AUG 29 2016

RECEIVED

[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.

TAYLOR STILLMAN
 Print or Type Name

Taylor Stillman
 Signature

PRODUCTION ENGINEER 04/27/2016
 Title Date

TAYLOR_STILLMAN@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
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 29 2016
RECEIVED

Form C-107-B
Revised August 1, 2011

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 (No notice required)

(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: Allocation by Well Test

(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: Production Engineer DATE: 04/20/2016

TYPE OR PRINT NAME: Taylor Stillman TELEPHONE NO.: (713) 366-5945

E-MAIL ADDRESS: Taylor.Stillman@oxy.com

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-742-A
Administrative Application Reference No. pMAM1613836543

June 9, 2016

OXY USA INC.
Attention: Ms. Taylor Stillman

Oxy USA Inc. (OGRID 16696) is hereby authorized to surface commingle oil and gas production from Lost Tank; Delaware, West Pool (96582). These wells are identified in Attachment A, and made part of this order. These wells are located on federal leases in said Township and Range in Eddy County, New Mexico.

The project area for these wells include the entire Section 3; N/2 NE/4, NE/4 NW/4, and SE/4 NE/4 of Section 10; and NW/4 NW/4 Section 11, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

The commingled and gas production from the wells detailed above shall be measured and sold at the Lost Tank 3 Federal Well No. 5 Central Tank Battery (CTB), located in Unit H, Section 3, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico.

At the CTB there will be two separators, one for the identically owned Lost 3 Tank Federal wells, and the other for the separately identically owned Lost Tank 10 wells and the Lost Tank 11 Federal 1 well.

The oil and gas production from each well shall be continuously measured using a combination of well testing and metering with the wells associated with each CTB. The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This Division Order supersedes Division Order CTB-742, issued on January 30, 2015.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management before commencement of the commingling operations.

DONE at Santa Fe, New Mexico, on June 9, 2016

A handwritten signature in black ink, appearing to read "David R. Catanach". The signature is written in a cursive style with a large, stylized initial "D".

DAVID R. CATANACH
Director

DRC/mam

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

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

**Lost Tank 3 Federal #5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 20, 22, & 24 – Lease NM0417696
Lost Tank 10 Federal #1, 2, 3, 4, 5, & Lost Tank 11 Federal #1 – Lease NM0417506**

**Oxy USA WTP LP
August 23, 2016**

Condition of Approval

**Commingling of lease production and Off lease Storage, Measurement, & Sales of
production for the Lease NM0417506.**

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 and API requirements 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.