

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTCarlsbad Field Office  
OCD ArtesiaFORM 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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

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		6. If Indian, Allottee or Tribe Name
Contact: TAYLOR STILLMAN E-Mail: Taylor_Stillman@oxy.com		7. If Unit or CA/Agreement, Name and/or No. Multiple--See Attached
3a. Address 5 GREENWAY PLAZA SUITE 110 HOUSTON, TX 77046-0521	3b. Phone No. (include area code) Ph: 713-366-5945	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
		10. Field and Pool, or Exploratory 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.)

**APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, OFF-LEASE GAS MEASUREMENT, SALES AND STORAGE FOR PEACHES 19 #1H-4H**

OXY USA INC is requesting approval for a Central Tank Battery for Peaches Federal 19 1H, 2H, 3H and 4H and off-lease Measurement, Sales & Storage for 3H and 4H. Attached is a map which displays the federal leases and well locations.

The BLM's interest is identical in all wells. All wells are in the Cottonwood Draw Bone Spring formation.

The central tank battery is located on the Peaches 19 Federal 1H location in NWNE, Sec 19, T25S, R27E. The production from Peaches 19 Federal 1H and 2H wells will flow through a common three phase separator. Wells will be tested monthly through a three phase test separator for a minimum of 24

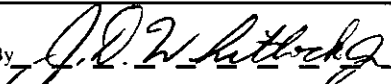
**NM OIL CONSERVATION**  
ARTESIA DISTRICT

AUG 29 2016

F6  
RECEIVED

14. I hereby certify that the foregoing is true and correct. Electronic Submission #339572 verified by the BLM Well Information System For OXY USA INCORPORATED, sent to the Carlsbad Committed to AFMSS for processing by MELISSA AGEE on 06/15/2016 (16MA0013SE)	
Name (Printed/Typed) TAYLOR STILLMAN	Title PRODUCTION ENGINEER
Signature (Electronic Submission)	Date 05/18/2016

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

Approved By 	Title TL PET	Date 8/22/16
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 #339572 that would not fit on the form

### 5. Lease Serial No., continued

NMNM107368  
NMNM109756

### Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM109756	NMNM109756	PEACHES 19 FEDERAL 4H	30-015-42030-00-S1	Sec 19 T25S R27E Lot 1 150FNL 660FWL 32.122100 N Lat, 104.235336 W Lon
NMNM109756	NMNM109756	PEACHES 19 FEDERAL 3H	30-015-42446-00-S1	Sec 19 T25S R27E SESW 730FSL 1980FWL 32.110024 N Lat, 104.230748 W Lon
NMNM107368	NMNM107368	PEACHES 19 FEDERAL 1H	30-015-40250-00-S1	Sec 19 T25S R27E NWNE 330FNL 2310FEL 32.121769 N Lat, 104.228332 W Lon
NMNM107368	NMNM107368	PEACHES 19 FEDERAL 2H	30-015-42362-00-S1	Sec 18 T25S R27E SESE 90FSL 642FEL 32.122857 N Lat, 104.222484 W Lon

### 10. Field and Pool, continued

UNKNOWN

### 32. Additional remarks, continued

hours. The test separator is outfitted with turbine meters to meter oil (S/N 11278673828) and water (S/N 15SBFA30364), and an orifice meter (S/N T142986305) for gas measurement. The production from Peaches 19 Federal 3H will be continuously metered through a dedicated production separator. The production separator is outfitted with turbine meters to meter oil (S/N 12048044703) and water (S/N 12048044702) and an orifice meter for gas measurement (S/N T151222209).

The production from Peaches 19 Federal 4H will continuously metered through a dedicated production separator. The production separator is outfitted with turbine meters to meter oil (S/N 1204669912) and water (S/N 69119-50) and an orifice meter for gas measurement (S/N T151222205). Production from Peaches 19 Federal 3H and 4H, produced on BLM Lease NMNM 109756 will be sent to the Peaches 19 CTB, located on lease NMNM 107368, therefore off lease measurement, sales and storage approval will be required. The oil production from the wells listed will be commingled, measured and sold using a LACT Unit (S/N 3318133). Produced water will be trucked from the lease to the Pyote SWD facility.

The gas will be sold to Enterprise off-lease through a meter (S/N 68813) located at latitude of 32.122403 and longitude of -104.245878 after it is measured by Oxy check meter (S/N 535622) located on lease. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes to the facility. 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) is installed in order to comply with EPA 40 CFR Part 60, Subpart OOOO. All flash gas will be metered prior to combustion.

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries and well locations as well as a plat showing the right-of-way from the CTB to the gas sales meter. 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.

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

OXY USA INC is requesting approval for a Central Tank Battery for Peaches Federal 19 1H, 2H, 3H and 4H and off-lease Measurement, Sales & Storage for 3H and 4H.

Federal Lease NMNM107368 (12.5% Royalty Rate)

POOL: COTTONWOOD DRAW BONE SPRING (97494)

Well Name	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Peaches 19 Federal 1H	B-19-25S-27E	30-015-40250	319	44	456	1204
Peaches 19 Federal 2H	P-18-25S-27E	30-015-42362	158	44	922	1204

Federal Lease NMNM109756 (12.5% Royalty Rate)

POOL: COTTONWOOD DRAW BONE SPRING (97494)

Well Name	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Peaches 19 Federal 3H	N-19-25S-27E	30-015-42446	759	44	2857	1204
Peaches 19 Federal 4H	1-19-25S-27E	30-015-42030	694	44	3023	1204

Attached is a map which displays the federal leases and well locations.

The BLM's interest is identical in all wells. All wells are in the Cottonwood Draw Bone Spring formation.

### Oil & Gas metering:

The central tank battery is located on the Peaches 19 Federal 1H location in NWNE, Sec 19, T25S, R27E. The production from Peaches 19 Federal 1H and 2H wells will flow through a common three phase separator. Wells will be tested monthly through a three phase test separator for a minimum of 24 hours. The test separator is outfitted with turbine meters to meter oil (S/N 11278673828) and water (S/N 15SBFA30364), and an orifice meter (S/N T142986305) for gas measurement.

The production from Peaches 19 Federal 3H will be continuously metered through a dedicated production separator. The production separator is outfitted with turbine meters to meter oil (S/N 12048044703) and water (S/N 12048044702) and an orifice meter for gas measurement (S/N T151222209).

The production from Peaches 19 Federal 4H will continuously metered through a dedicated production separator. The production separator is outfitted with turbine meters to meter oil (S/N 1204669912) and water (S/N 69119-50) and an orifice meter for gas measurement (S/N T151222205).

Production from Peaches 19 Federal 3H and 4H, produced on BLM Lease NMNM 109756 will be sent to the Peaches 19 CTB, located on lease NMNM 107368, therefore off lease measurement, sales and storage approval will be required.

The oil production from the wells listed will be commingled, measured and sold using a LACT Unit (S/N 3318133). Produced water will be trucked from the lease to the Pyote SWD facility.

The gas will be sold to Enterprise off-lease through a meter (S/N 68813) located at latitude of 32.122403 and longitude of -104.245878 after it is measured by Oxy check meter (S/N 535622) located on lease. The oil and gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes to the facility.

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) is installed in order to comply with EPA 40 CFR Part 60, Subpart OOOO. All flash gas will be metered prior to combustion.

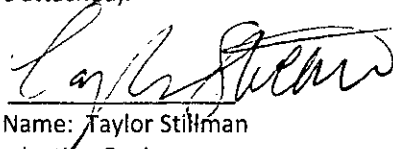
### Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram. Also enclosed is a map detailing the lease boundaries and well locations as well as a plat showing the right-of-way from the CTB to the gas sales meter. 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:

A handwritten signature in black ink, appearing to read "Taylor Stillman", written over a horizontal line.

Printed Name: Taylor Stillman

Title: Production Engineer

Date: 03/14/2016

# Economic Justification Worksheet

## Peaches 19 CTB

WELLS	BOPD	OIL GRAVITY @ 60	VALUE/BBL	MCFD	DRY BTU	VALUE/MCF
Peaches 19 Federal #1H	319	44	\$41.00/bbl	456	1204	\$2.60/mcf
Peaches 19 Federal #2H	158	44		922	1204	
Peaches 19 Federal #3H	759	44		2857	1204	
Peaches 19 Federal #4H	694	44		3023	1204	

## Economic Combined Production

BATTERY	BOPD	WEIGHTED OIL GRAVITY @ 60	VALUE/BBL	MCFD	WEIGHTED DRY BTU	VALUE/MCF
Peaches 19 CTB	1930	44	\$41.00/bbl	7258	1204	\$2.60/mcf

As per our oil purchase contract, all Bone Springs production is sold as sweet crude and paid on a flat 40 API gravity rate.



# Township 25 South, Range 27 East Eddy County, New Mexico

13

18

17

T25S  
R26E

24

PEACHES 19  
FEDERAL #4H

MARINE 19  
FEDERAL #1

Federal Lease  
NMNM 109756

PEACHES 19  
FEDERAL #3H

PEACHES 19  
FEDERAL #2H

PEACHES 19  
FEDERAL #1H

T25S  
R27E

Federal Lease  
NMNM 107368

19

**Occidental Petroleum**  
5 Greenway Plaza, Houston, TX 77046

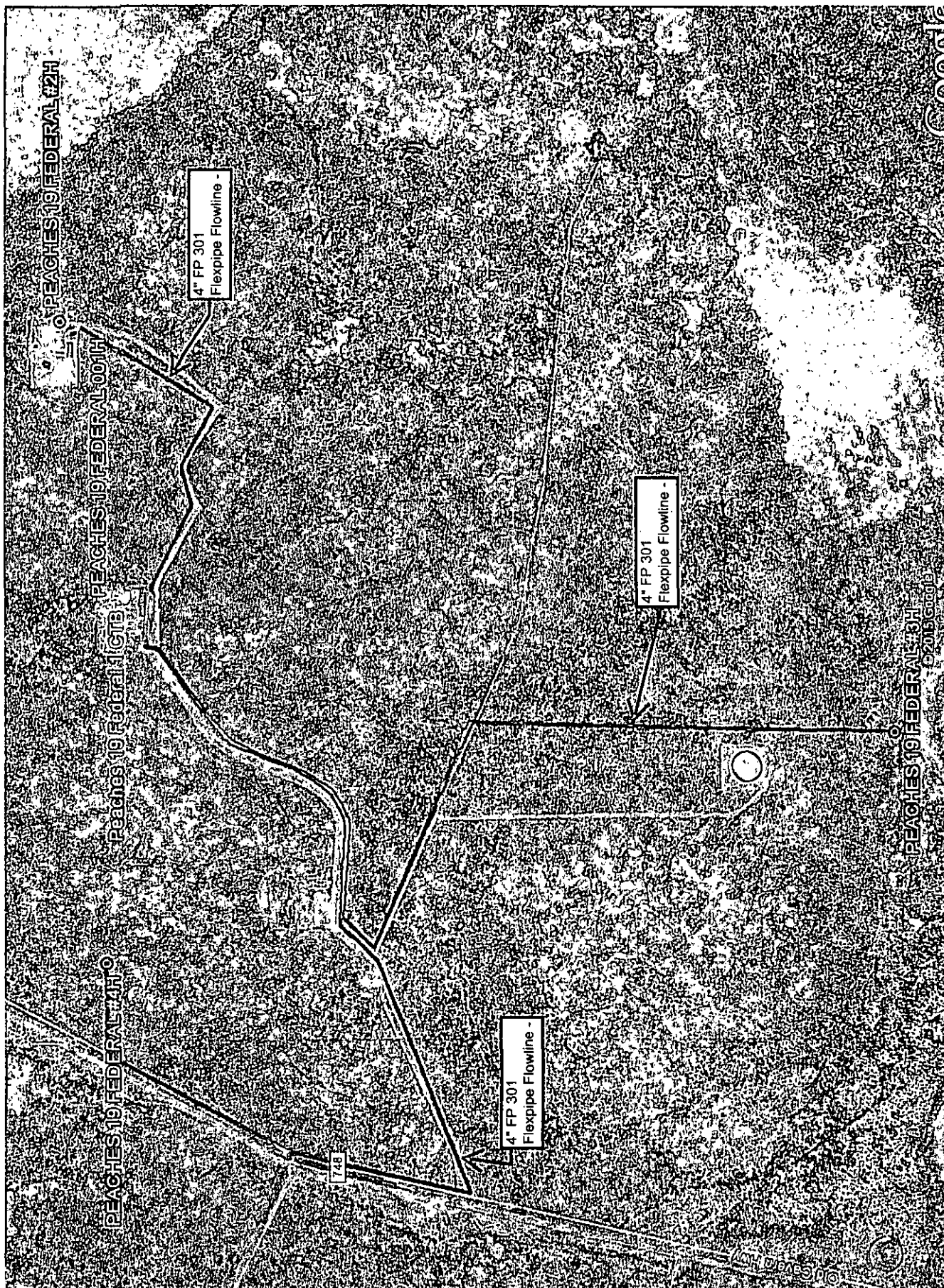
North American Datum 1927  
Last Updated: February 27, 2015  
Author: A. Cordas  
File: Contingent\_S19\_T25SR27E\_20150226

30

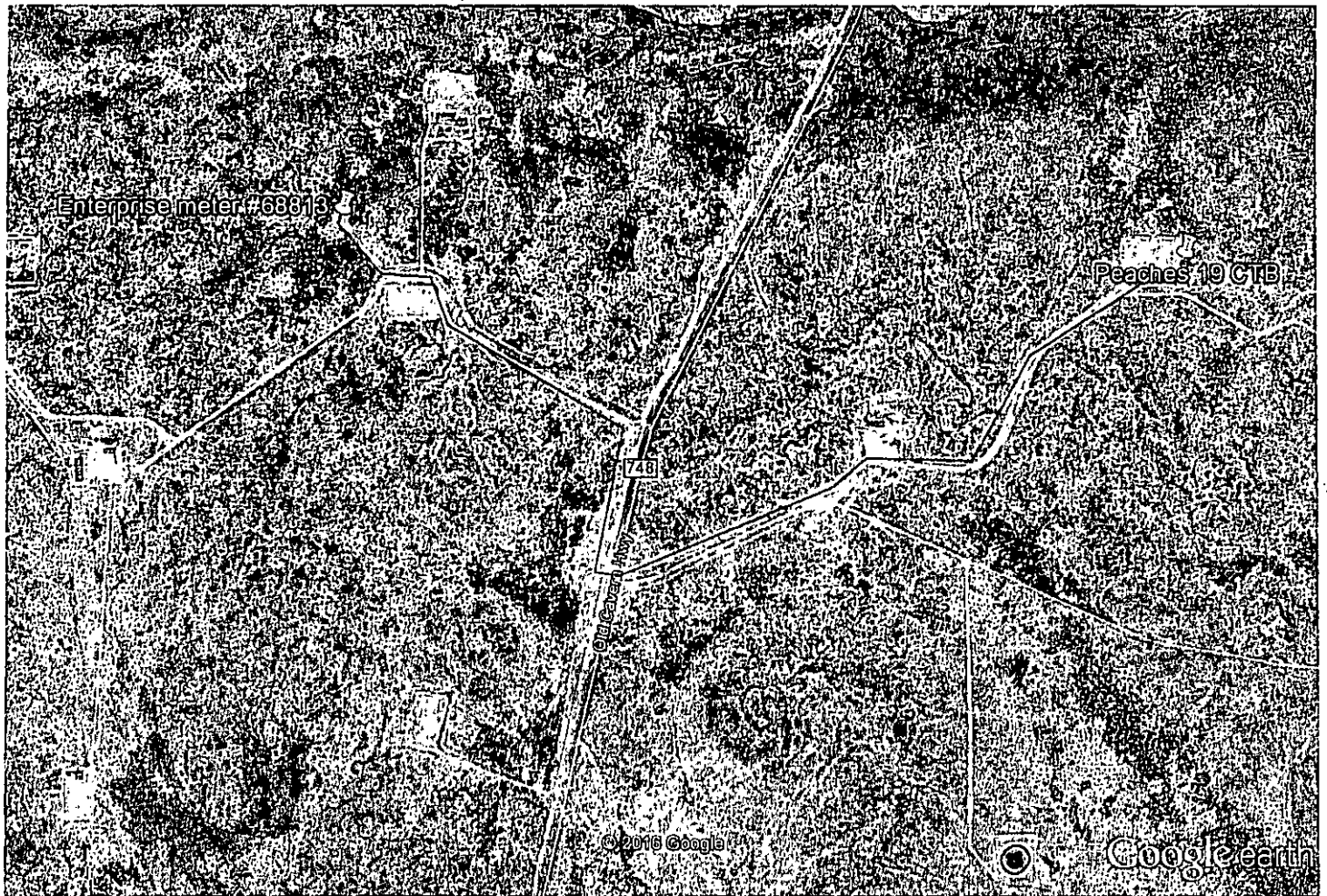
29

0 750 1,500 3,000 Feet

○ Well  
---- Lateral







Google Earth Pro



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

Run Time: 08:55 AM

Page 1 of 1

Run Date: 10/28/2015

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

Total Acres 875.600  
Serial Number NMNM-- - 109756

Name & Address	Serial Number: NMNM-- - 109756	Int Rel	% Interest
CHEVRON USA INC 1400 SMITH ST	HOUSTON TX 770027327	LESSEE	100.000000000

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0250S 0270E 019	ALIQ		E2W2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0270E 019	LOTS		1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0270E 030	ALIQ		S2NE,E2W2,SE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0250S 0270E 030	LOTS		1,2,3,4;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Act Date	Code	Action	Action Remark	Pending Office
01/21/2003	387	CASE ESTABLISHED	200301091	
01/22/2003	143	BONUS BID PAYMENT RECD	\$1752.00;	
01/22/2003	191	SALE HELD		
01/22/2003	267	BID RECEIVED	\$102492.00;	
01/29/2003	143	BONUS BID PAYMENT RECD	\$100740.00;	
02/13/2003	237	LEASE ISSUED		
02/13/2003	974	AUTOMATED RECORD VERIF	LBO	
02/26/2003	963	CASE MICROFILMED/SCANNED		
03/01/2003	496	FUND CODE	05;145003	
03/01/2003	530	RLTY RATE - 12 1/2%		
03/01/2003	868	EFFECTIVE DATE		
05/01/2003	140	ASGN FILED	UPLAND CORP;1	
07/11/2003	139	ASGN APPROVED	EFF 06/01/03;	
07/11/2003	974	AUTOMATED RECORD VERIF	MV	
10/21/2005	650	HELD BY PROD - ACTUAL	/1/	
04/10/2006	643	PRODUCTION DETERMINATION	/1/	
04/10/2006	658	MEMO OF 1ST PROD-ACTUAL	/1/#1 MARINE 19 FED;	
06/11/2008	817	MERGER RECOGNIZED	CHESA LLC/CHESA LP	
08/22/2008	817	MERGER RECOGNIZED	CHESA EXP LP/EXP LLC	
11/27/2012	140	ASGN FILED	CHESAPEAK/CHEVRON U;1	
04/10/2013	139	ASGN APPROVED	EFF 12/01/12;	
04/10/2013	974	AUTOMATED RECORD VERIF	ANN	
05/01/2014	673	SUS OPS/PROD APLN FILED		
05/01/2014	677	SUS OPS OR PROD/PMT REQD	RE-ROUTE PIPELINE;	
05/13/2014	974	AUTOMATED RECORD VERIF	JA	

Line Nr	Remarks
0002	STIPULATIONS ATTACHED TO LEASE:
0003	SENM-S-17(SLOPES OR FRAGILE SOILS)
0004	SENM-S-18(STREAMS,RIVERS & FLOODPLAINS) APPLIES TO:
0005	SEC.19: LOT 4
0006	04/10/2013 - OXY USA INC - NMB000862 - N/W;

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: 08:58 AM

Page 1 of 2

Run Date: 10/28/2015

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

Total Acres 400.000  
Serial Number NMNM-- - 107368

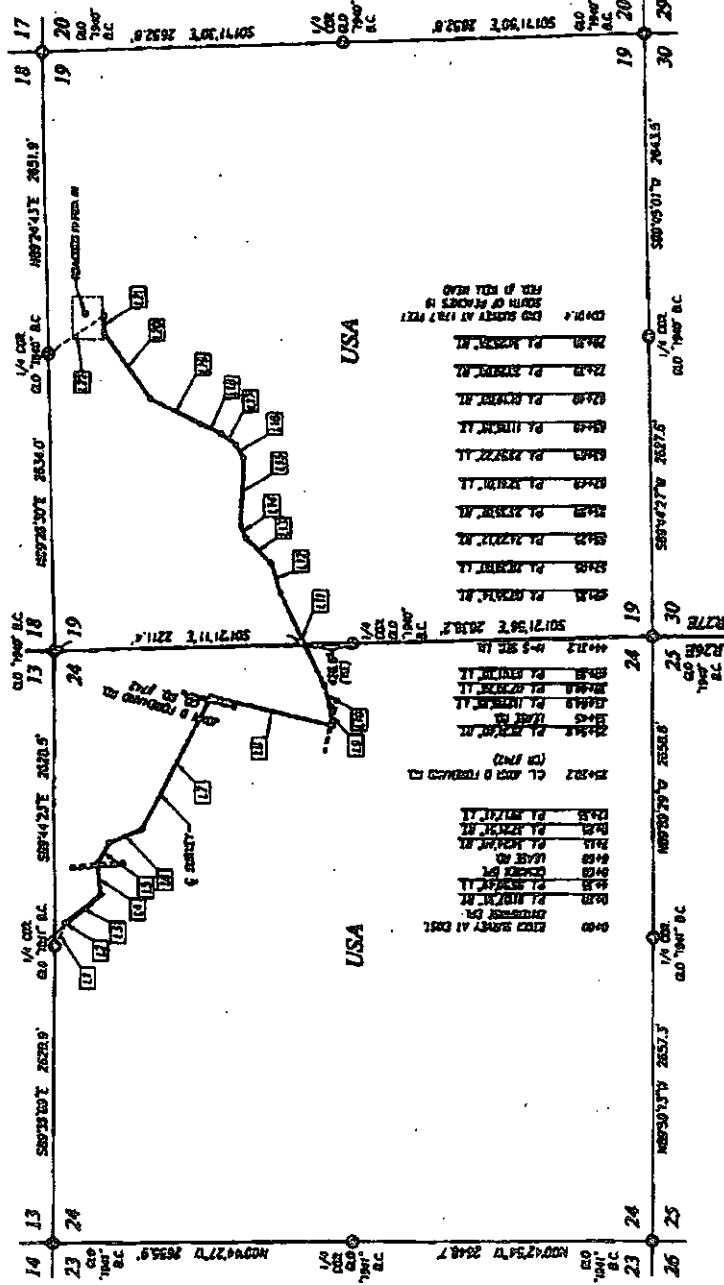
Name & Address			Serial Number: NMNM-- - 107368	Int Rel	% Interest
CHEVRON MIDCONTINENT LP	1400 SMITH ST	HOUSTON TX 770027327	OPERATING RIGHTS	0.000000000	
ECHO PROD INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	
LATIGO PETROLEUM INC	15 W 6TH ST #1100	TULSA OK 74119	OPERATING RIGHTS	0.000000000	
OXY USA INC	5 GREENWAY PLZ #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000	
TALUS INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	
THE ALLAR CO	PO BOX 1567	GRAHAM TX 76450	LESSEE	100.000000000	
TWIN MONTANA INC	PO BOX 1210	GRAHAM TX 76450	OPERATING RIGHTS	0.000000000	

Serial Number: NMNM-- - 107368								
Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0250S	0270E	019	ALIQ	E2;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0250S	0270E	030	ALIQ	N2NE;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 107368				
Act Date	Code	Action	Action Remark	Pending Office
10/16/2001	387	CASE ESTABLISHED	200110073	
10/17/2001	191	SALE HELD		
10/17/2001	267	BID RECEIVED	\$28000.00;	
10/17/2001	392	MONIES RECEIVED	\$28000.00;	
11/05/2001	237	LEASE ISSUED		
11/05/2001	974	AUTOMATED RECORD VERIF	LBO	
12/01/2001	496	FUND CODE	05;145003	
12/01/2001	530	RLTY RATE - 12 1/2%		
12/01/2001	868	EFFECTIVE DATE		
12/21/2001	932	TRF OPER RGTS FILED	THE ALLAR COMPANY;1	
01/28/2002	963	CASE MICROFILMED/SCANNED		
02/27/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/2002	
02/27/2002	974	AUTOMATED RECORD VERIF	ANN	
06/03/2002	899	TRF OF ORR FILED	ECHO PRODUCTION INC;1	
09/04/2002	932	TRF OPER RGTS FILED	ECHO PRODUCTION INC;1	
10/28/2002	933	TRF OPER RGTS APPROVED	EFF 10/01/02;	
10/28/2002	974	AUTOMATED RECORD VERIF	JLV	
04/30/2003	817	MERGER RECOGNIZED	KUKUI INC/ANIMAS ENE	
06/27/2003	932	TRF OPER RGTS FILED	ANIMAS/SAGA;	
07/29/2003	933	TRF OPER RGTS APPROVED	EFF 07/01/03;	
07/29/2003	974	AUTOMATED RECORD VERIF	MV	
07/12/2004	932	TRF OPER RGTS FILED	SAGA PETRO/LATIGO	
08/20/2004	933	TRF OPER RGTS APPROVED	EFF 08/01/04;	
08/20/2004	974	AUTOMATED RECORD VERIF	MV	
07/19/2005	932	TRF OPER RGTS FILED	TALUS/LATIGO PETROL;1	
07/19/2005	932	TRF OPER RGTS FILED	TWIN MONT/LATIGO PE;1	
08/12/2005	933	TRF OPER RGTS APPROVED	01EFF 08/01/05;	
08/12/2005	933	TRF OPER RGTS APPROVED	02EFF 08/01/05;	
08/12/2005	974	AUTOMATED RECORD VERIF	LR	

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

SECTION 19, TOWNSHIP 25 SOUTH, RANGE 27 EAST,  
SECTION 24, TOWNSHIP 25 SOUTH, RANGE 26 EAST, N.M.P.M.,  
EDDY COUNTY  
NEW MEXICO



LINE	BEARING	DISTANCE
1.1	S87°57'57\"	296.2 (B)
1.2	S87°57'57\"	296.2 (B)
1.3	S87°57'57\"	296.2 (B)
1.4	S87°57'57\"	296.2 (B)
1.5	S87°57'57\"	296.2 (B)
1.6	S87°57'57\"	296.2 (B)
1.7	S87°57'57\"	296.2 (B)
1.8	S87°57'57\"	296.2 (B)
1.9	S87°57'57\"	296.2 (B)
1.10	S87°57'57\"	296.2 (B)
1.11	S87°57'57\"	296.2 (B)
1.12	S87°57'57\"	296.2 (B)
1.13	S87°57'57\"	296.2 (B)
1.14	S87°57'57\"	296.2 (B)
1.15	S87°57'57\"	296.2 (B)
1.16	S87°57'57\"	296.2 (B)
1.17	S87°57'57\"	296.2 (B)
1.18	S87°57'57\"	296.2 (B)
1.19	S87°57'57\"	296.2 (B)
1.20	S87°57'57\"	296.2 (B)
1.21	S87°57'57\"	296.2 (B)
1.22	S87°57'57\"	296.2 (B)

LEGEND  
 ⊙ DENOTES FOUND CORNER AS NOTED  
 ⊙ DENOTES CALCULATED CORNER

Scale 1"=1000'  
 0 1000 2000 Feet

OXY U.S.A. INC.

SURVEY OF A FIFTEEN CROSSING SECTION 19,  
 TOWNSHIP 25 SOUTH, RANGE 27 EAST, N.M.P.M.,  
 TOWNSHIP 25 SOUTH, RANGE 26 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

NOTE  
 BEARINGS SHOWN HEREON ARE MEASURED ON THE  
 AND COMPARED TO THE NEW MEXICO COORDINATE  
 SYSTEM "NEW MEXICO EAST ZONE" WITHIN  
 AMERICAN DATUM 1983 DISTANCES ARE SURFACE  
 VALUES

JOHN WEST SURVEYING COMPANY  
 412 N. DAL PASO  
 MESA, N.M. 88240  
 (505) 333-3117 www.jwc.com

DESCRIPTION  
 SURVEY OF A STRIP OF LAND 50.0 FEET WIDE AND 600.4 FEET LONG CROSSING  
 USA LAND SECTION 19, TOWNSHIP 25 SOUTH, RANGE 27 EAST, SECTION 24, TOWNSHIP 25 SOUTH,  
 RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING 25.0 FEET LEFT AND 25.0 FEET  
 RIGHT OF THE ABOVE PLATTED CORRIDOR SURVEY.

I, RONALD J. EIDSON, NEW MEXICO PROFESSIONAL LAND SURVEYOR NO. 1218, DO HEREBY CERTIFY THAT THIS  
 SURVEY WAS MADE AND THE ACTUAL SURVEY LINE WAS PLACED ON THE GROUND AND IT IS BASED ON THE SURVEY DATA  
 AS UNDER MY DIRECT SUPERVISION THAT I HAVE PERSONALLY EXAMINED FOR THIS SURVEY THAT THE SURVEY DATA  
 THE USUAL STANDARDS FOR SUCH A SURVEY AND THAT IT IS TRUE AND CORRECT TO THE BEST  
 OF MY KNOWLEDGE AND BELIEF.

RONALD J. EIDSON DATE: 06/29/2012

© Inglethorp/USGS, Inc. University of Texas



OXY USA WTP Limited Partnership / OXY USA INC /  
OCCIDENTAL 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: 713.366.5945 Cell: 832.744.1256  
Taylor\_Stillman@oxy.com

March 9, 2016

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Re: Request for Lease Commingling, a Central Tank Battery & Off-lease Gas Measurement, Sales,  
& Storage  
CTB Location: Sec 22-T 24S-R 25E – Peaches 19-1 CTB  
Wells: Peaches 19 #1H-4H  
Leases: NM 107368, NM 109756  
Eddy County, New Mexico

To Whom It May Concern:

This is to advise you that OXY USA INC is filing an application with the Bureau of Land Management (BLM) and New Mexico Oil Conservation Division (NMOCD) seeking approval for Lease Commingling, a Central Tank Battery & Off-lease Gas Measurement, Sales, & Storage for the above mentioned wells.

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

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Respectfully,

OXY USA INC  
Taylor Stillman  
Production Engineer

Enclosure

Owner	ADDRESS	CITY	STATE	ZIP	Certified Mail No
CHEVRON MIDCONTINENT LP	P O BOX 730365	DALLAS	TX	75373	7014 1820 0000 0732 2681
LIMPINBEAR FAMILY PRTNRSHLP LTD	600 17TH ST STE 1700N	DENVER	CO	80202	7014 1820 0000 0732 2698
MORSE FAMILY SECURITY TRUST	410 17TH ST, SUITE 1150	DENVER	CO	80202	7014 1820 0000 0732 2674
TALUS, INC	PO BOX 1210	GRAHAM	TX	76450	7014 1820 0000 0732 2704
THOMA,JOHN L	P O BOX 17656	GOLDEN	CO	80402	7014 1820 0000 0732 2711
THOMA,SANDRA M	8530 MILL RUN ROAD	ATHENS	TX	75751	7014 1820 0000 0732 2728
TWIN MONTANA, INC	PO BOX 1210	GRAHAM	TX	76450	7014 1820 0000 0732 2735
ALLAR COMPANY,THE	P O BOX 1567	GRAHAM	TX	76450	7014 1820 0000 0732 2742
CHEVRON U S A INC	P O BOX 730436	DALLAS	TX	75373	7014 1820 0000 0732 2759
TLW INVESTMENTS LLC	P O BOX 301535	DALLAS	TX	75303	7014 1820 0000 0732 2766
AMERICAN ENERGY NONOP LLC	P O BOX 18756	OKLAHOMA CITY	OK	73154	7014 1820 0000 0732 2773

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

**NM OIL CONSERVATION**

ARTESIA DISTRICT

Form C-107-B  
Revised August 1, 2011

AUG 29 2016

**OIL CONSERVATION DIVISION**

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

RECEIVED

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 50250 Midland, TX 79710

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) ALLOCATION BY WELL TEST- PLEASE SEE ATTACHED WRITE-UP

**(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: 05/17/2016

TYPE OR PRINT NAME: TAYLOR STILLMAN

TELEPHONE NO.: 713-366-5945

E-MAIL ADDRESS: Taylor\_Stillman@oxy.com

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Minerals and Natural Resources  
ARTESIA DISTRICT  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**RECEIVED** AUG 29 2016

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. Multiple
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator OXY USA INC		6. State Oil & Gas Lease No. Federal
3. Address of Operator PO BOX 4294 HOUSTON, TX 77210		7. Lease Name or Unit Agreement Name PEACHES 19
4. Well Location Unit Letter _____ feet from the _____ line and _____ feet from the _____ line Section _____ Township _____ Range _____ NMPM _____ County _____		8. Well Number 1H, 2H, 3H, 4H
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number
		10. Pool name or Wildcat Multiple

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: FEDERAL LEASE COMMINGLING NMNM107368 AND NMNM109756 <input checked="" type="checkbox"/>	<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

OXY USA INC is requesting approval for the Central Tank Battery, Off-lease Measurement, Sales & Storage for Peaches 19 1H, 2H, 3H and 4H.

Federal Lease NMNM107368 (12.5% Royalty Rate)  
POOL: COTTONWOOD DRAW BONE SPRING (97494)

Well Name	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Peaches 19 Federal #1H	B-19-25S-27E	30-015-40250	319	44	456	1204
Peaches 19 Federal #2H	P-18-25S-27E	30-015-42362	158	44	922	1204

Federal Lease NMNM109756 (12.5% Royalty Rate)  
POOL: COTTONWOOD DRAW BONE SPRING (97494)

Well Name	Location	API	BOPD	OIL GRAVITY	MCFPD	BTU
Peaches 19 Federal #3H	N-19-25S-27E	30-015-42446	759	44	2857	1204
Peaches 19 Federal #4H	1-19-25S-27E	30-015-42030	694	44	3023	1204

See attached write-up for more information.

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

SIGNATURE Taylor Stillman TITLE: PRODUCTION ENGINEER DATE: 05/17/2016

Type or print name: TAYLOR STILLMAN E-mail address: TAYLOR\_STILLMAN@OXY.COM PHONE: 713.366.5945

For State Use Only

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_



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.

TAYLOR STILLMAN  
 Print or Type Name

Signature

PRODUCTION ENGINEER  
 Title

3/12/2016  
 Date

TAYLOR\_STILLMAN@OXY.COM  
 e-mail Address

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

**Peaches 19 Federal 1H, 2H, 3H, & 4H - 3001542030, 3001542446, 3001540250, 3001542362  
Leases NMNM109756 & NMNM107368**

**Oxy USA WTP LP**

August 22, 2016

**Condition of Approval**

**Commingling of lease production and Off lease Storage, Measurement, & Sales of  
production. Approval to use LACT Coriolis Meter for oil sales**

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.
11. The Coriolis meter shall be designed, installed and operated in accordance with all applicable API standards, including API 5.6, as may be amended or revised from time to time.
12. The metering facility shall include a temperature probe to monitor the actual oil temperature during custody transfer. This information will be recorded and used in calculating the volume of oil metered during each transaction.
13. The meter shall have a non-resettable totalizer.

14. The custody transfer meter shall be proven monthly in conformance with Onshore Oil and Gas Order No. 4.III.D. The meter proving is to be witnessed by BLM, contact 575-361-2822; a minimum of 24 hours prior to meter proving. Meter proving records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
15. A copy of the monthly meter proving will be submitted to the appropriate BLM office within 30 days of proving.
16. The run ticket associated with each oil transfer shall include the measured or calculated BS&W, oil gravity, temperature recorded during the transfer and beginning & ending totalizer readings. Such records shall be maintained for a period of six years from the date of generation and will be made available for audit upon request.
17. Upon request a copy of run tickets shall be submitted to the appropriate BLM office and will be made available for audit.
18. Operator to maintain tank gauging data to be used as a comparison with the LACT meter readings.
19. All other provisions of the Onshore Oil and Gas Orders, especially No. 3 and No. 4 shall be met.
20. This approval may be subject to future review and if determined inadequate with regards to accurate measurement, the approval will be withdrawn.