

OCD-HOBBS

Form 3160-5  
(August 2007)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.  
**NM107395 / NM111418**

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  Other

8. Well Name and No.  
Multiple--See Attached

2. Name of Operator  
**OXY USA INCORPORATED**  
Contact: **JENNIFER A DUARTE**  
E-Mail: **jennifer\_duarte@oxy.com**

9. API Well No.  
Multiple--See Attached

3a. Address  
**HOUSTON, TX 77210-4294**

3b. Phone No. (include area code)  
Ph: **713-513-6640**

10. Field and Pool, or Exploratory  
**TRIPLE X**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**Multiple--See Attached**

11. County or Parish, and State  
**LEA COUNTY, NM**

SEP 08 2015  
RECEIVED

**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 recomplete 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.)

APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, ON-LEASE MEASUREMENT, SALES, & STORAGE, OFF-LEASE GAS SALES

Commingling proposal for FOXGLOVE 29 CTB:  
Proposal for Foxglove 29 Federal #'s 4H, 5H, & 7H, and Foxglove 29 Federal Com #6H:  
OXY USA INC is requesting approval for the Central Tank Battery, On-lease Measurement, Storage & Sales, & Off-Lease gas sales & measurement for the following wells:

30-025-41827  
30-025-41828  
30-025-41851  
30-025-41850

Federal Lease NMNM111418 (12.5% Royalty Rate)  
POOL: TRIPLE X BONE SPRING (59900)  
Well Name Location API BOPD\* OIL GRAVITY\* MCFPD\* BTU\*  
FOXGLOVE 29 FEDERAL #4H D-29-23S-33E 3002541827 \*601 \*44 \*636 \*1400

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

**Electronic Submission #297922 verified by the BLM Well Information System  
For OXY USA INCORPORATED, sent to the Hobbs  
Committed to AFMSS for processing by LINDA JIMENEZ on 05/06/2015 (15LJ1173SE)**

Name (Printed/Typed) <b>JENNIFER A DUARTE</b>	Title <b>REGULATORY SPECIALIST</b>
Signature (Electronic Submission)	Date <b>04/10/2015</b>

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

Approved By <i>J. D. Whitehead</i>	Title <b>LPE7</b>	Date <b>9/3/15</b>
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 <b>CFO</b>	

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 \*\***

SEP 14 2015

**Additional data for EC transaction #297922 that would not fit on the form**

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

NMNM107395  
NMNM111418

**Wells/Facilities, continued**

Agreement	Lease	Well/Fac Name, Number	API Number	Location
<del>NMNM107395</del>	NMNM107395	FOXGLOVE 29 FEDERAL 4H	30-025-41827-00-S1	Sec 29 T23S R33E NWNW 340FNL 980FWL 32.281922 N Lat, 103.599238 W Lon
<del>NMNM107395</del>	NMNM107395	FOXGLOVE 29 FEDERAL 5H	30-025-41828-00-S1	Sec 29 T23S R33E NENW 340FNL 1980FWL 32.281915 N Lat, 103.596003 W Lon
<del>NMNM107395</del>	NMNM107395	FOXGLOVE 29 FEDERAL 7H	30-025-41851-00-S1	Sec 29 T23S R33E NENE 340FNL 660FEL 32.281898 N Lat, 103.587465 W Lon
<del>NMNM111418</del>	NMNM111418	FOXGLOVE 29 FEDERAL COM #6H	30-025-41850-00-S1	Sec 29 T23S R33E NWNE 340FNL 1660FEL 32.281904 N Lat, 103.590701 W Lon

**32. Additional remarks, continued**

FOXGLOVE 29 FEDERAL #5H C-29-23S-33E 3002541828 \*601 \*44 \*636 \*1400  
FOXGLOVE 29 FEDERAL #7H A-29-23S-33E 3002541851 \*601 \*44 \*636 \*1400

Federal Lease NMNM111418 & NMNM107395 (12.5% Royalty Rate); Com #: Pending Completion\*  
POOL: TRIPLE X BONE SPRING (59900)  
Well Name Location API BOPD\* OIL GRAVITY\* MCFPD\* BTU\*  
FOXGLOVE 29 FEDERAL COM #6H B-29-23S-33E 3002541850 \*601 \*44 \*636 \*1400  
\*These are proposed numbers. Accurate information will be provided upon completion of the well.

Attached is a map which displays the federal leases and well locations in Section 29, T23S, R33E.

The BLM's interest, of 12.5%, is identical in all wells. All wells are in the Triple X Bone Spring formation.

**Oil & Gas metering:**

The central tank battery is located on the Foxglove 29 Federal Com #6H location in NWNE, Sec 29, T23S, R33E. The production from each well will flow through a common three phase production. Wells will be tested monthly through three phase test separator for a minimum of 24 hours. Test separator is outfitted with a Turbine Meter (\*S/N) to meter the oil, Turbine flow meter (\*S/N) to meter the water, and gas allocation meter (\*S/N) to meter the gas.

The oil production from the wells listed will be commingled, measured and sold on lease using a LACT Unit. Produced water will be measured through a turbine meter and trucked from the lease. The gas will be sold to DCP at meter (\*S/N) located within CA boundary at LAT: 32.27892 & LONG: -103.59165 after it is measured by Oxy check meter (\*S/N) located on the 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 in 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) 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.

**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 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, ON-LEASE MEASUREMENT, SALES, & STORAGE, OFF-LEASE GAS SALES

## Commingling proposal for FOXGLOVE 29 CTB:

Proposal for Foxglove 29 Federal #'s 4H, 5H, & 7H, and Foxglove 29 Federal Com #6H:

OXY USA INC is requesting approval for the Central Tank Battery, On-lease Measurement, Storage & Sales, & Off-Lease gas sales & measurement for the following wells:

### Federal Lease NMNM111418 (12.5% Royalty Rate)

POOL: TRIPLE X BONE SPRING (59900)

Well Name	Location	API	BOPD*	OIL GRAVITY*	MCFPD*	BTU*
FOXGLOVE 29 FEDERAL #4H	D-29-235-33E	3002541827	*601	*44	*636	*1400
FOXGLOVE 29 FEDERAL #5H	C-29-235-33E	3002541828	*601	*44	*636	*1400
FOXGLOVE 29 FEDERAL #7H	A-29-235-33E	3002541851	*601	*44	*636	*1400

### Federal Lease NMNM111418 & NMNM107395 (12.5% Royalty Rate); Com #: Pending Completion\*

POOL: TRIPLE X BONE SPRING (59900)

Well Name	Location	API	BOPD*	OIL GRAVITY*	MCFPD*	BTU*
FOXGLOVE 29 FEDERAL COM #6H	B-29-235-33E	3002541850	*601	*44	*636	*1400

\*These are proposed numbers. Accurate information will be provided upon completion of the well.

Attached is a map which displays the federal leases and well locations in Section 29, T23S, R33E.

The BLM's interest, of 12.5%, is identical in all wells. All wells are in the Triple X Bone Spring formation.

## Oil & Gas metering:

The central tank battery is located on the Foxglove 29 Federal Com #6H location in NWNE, Sec 29, T23S, R33E. The production from each well will flow through a common three phase production. Wells will be tested monthly through three phase test separator for a minimum of 24 hours. Test separator is outfitted with a Turbine Meter (\*S/N) to meter the oil, Turbine flow meter (\*S/N) to meter the water, and gas allocation meter (\*S/N) to meter the gas.

The oil production from the wells listed will be commingled, measured and sold on lease using a LACT Unit. Produced water will be measured through a turbine meter and trucked from the lease. The gas will be sold to DCP at meter (\*S/N) located within CA boundary at LAT: 32.27892 & LONG: -103.59165 after it is measured by Oxy check meter (\*S/N) located on the 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 in the facility.

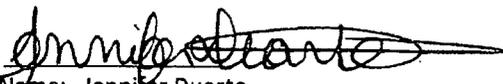
The amount of flash gas generated as the oil is reduced to atmospheric pressure is too minimal to install and operate a vapor recovery unit (VRU). Therefore, a Vapor Combustion Unit (VCU) will be installed in order to comply with EPA 40 CFR Part 60, Subpart OOOO. All flash gas will be metered prior to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

## Process and Flow Descriptions:

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

Signed: 

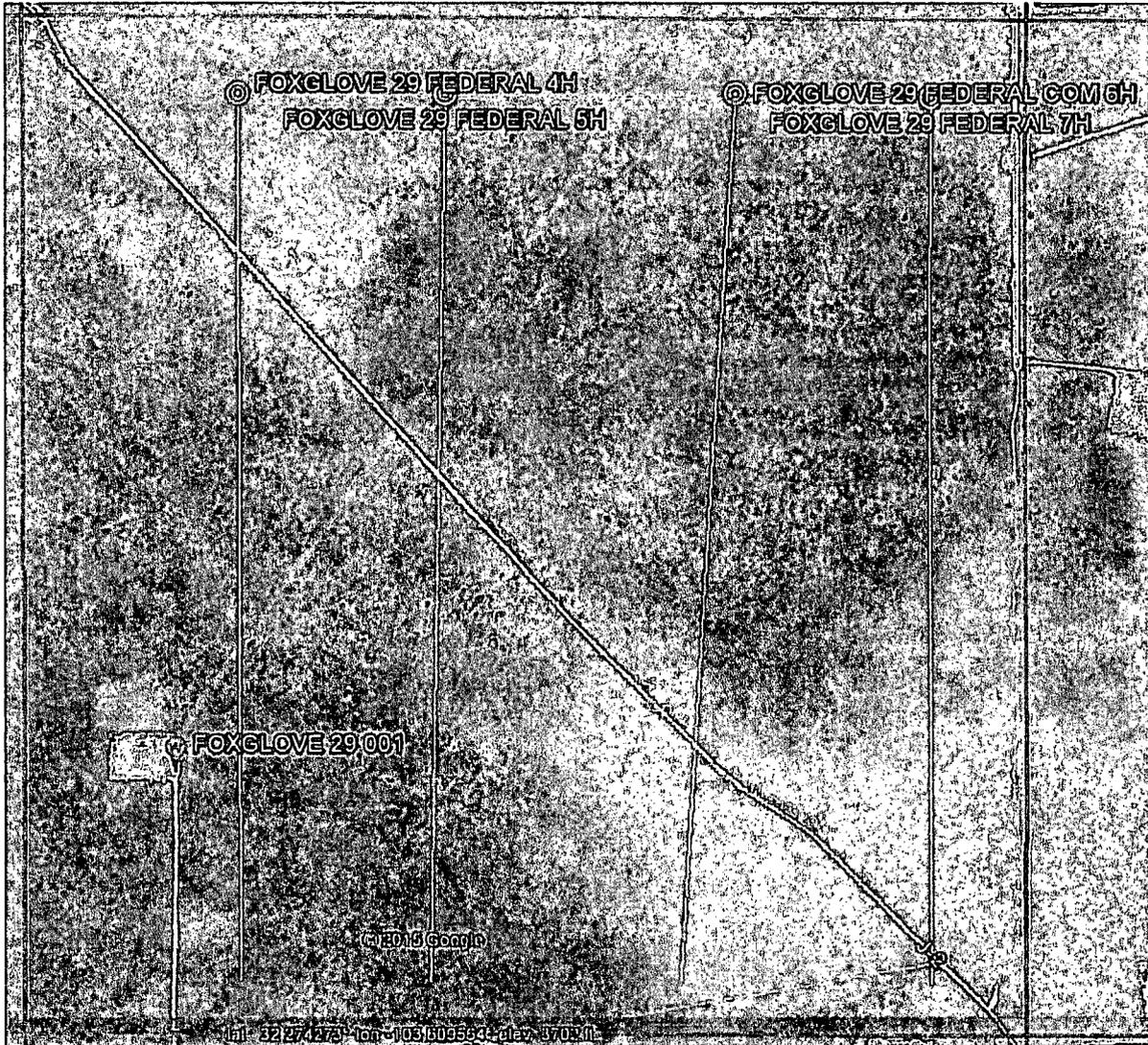
Printed Name: Jennifer Duarte

Title: Regulatory Specialist

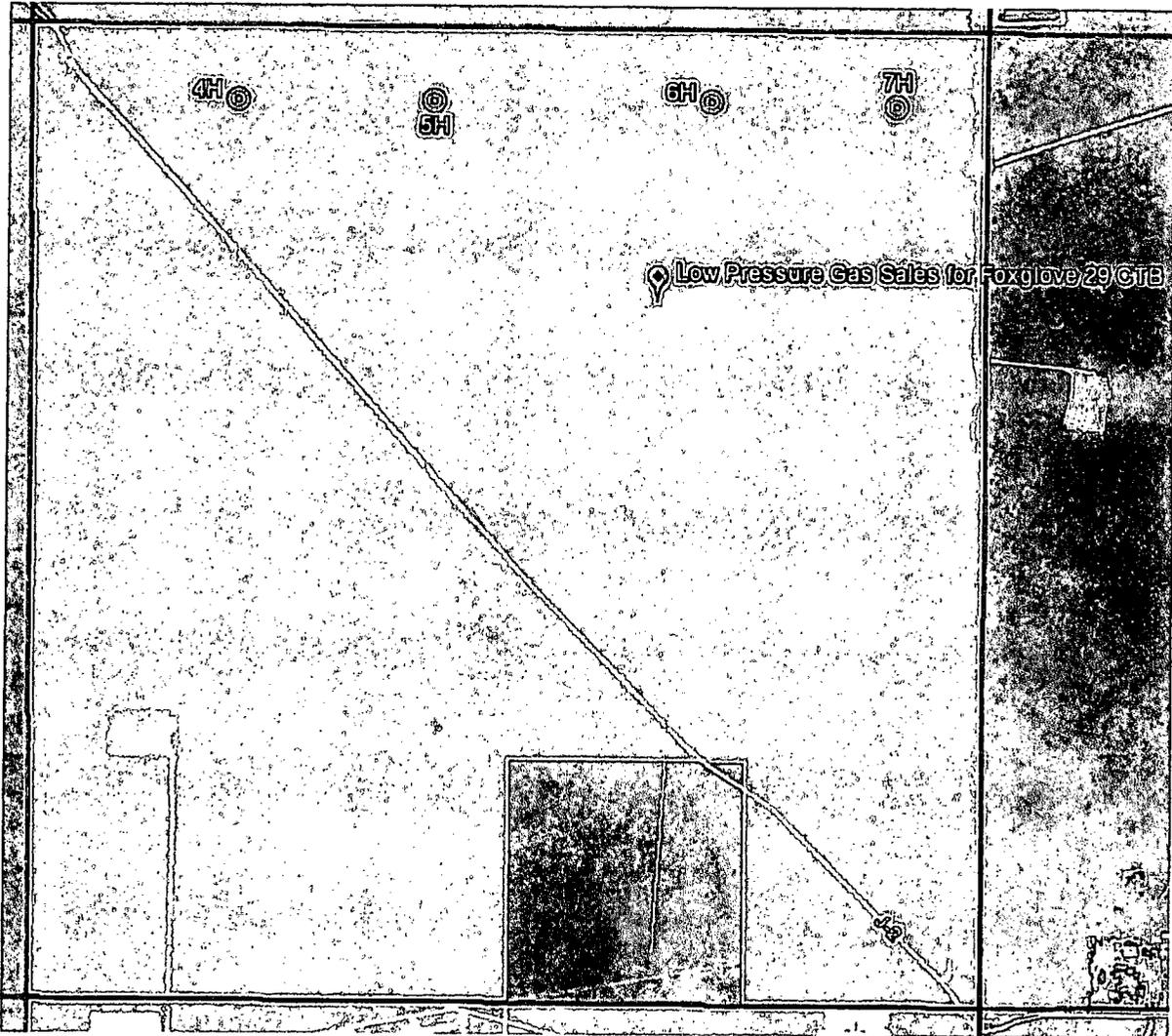
Date: 4-10-15



FOXGLOVE 29 FLOWLINES - Section 29, T23S, R33E - FACILITY: FOXGLOVE 29 FED COM #6H CTB



## Gas Sales Tie-in Point for Foxglove 29 CTB



The gas sales tie-in point for the Foxglove is located at:

LAT: 32.27892

LONG: -103.59165

**Economic Justification Worksheet  
Foxglove 29 Central Tank Battery**

**NMNM111418 - 12.5%**

WELLS	* BOPD	OIL GRAVITY @ 60	VALUE/BBL	* MCFD	DRY BTU	VALUE/MCF
*Foxglove 29 Federal 4H	601	44	\$51.00/bbl	636	1400	\$2.60/mcf
*Foxglove 29 Federal 5H	601	44		636	1400	
*Foxglove 29 Federal 7H	601	44		636	1400	

**NMNM111418 & NMNM107395 - 12.5% - \*CA# Pending**

Foxglove 29 Federal Com 6H	601	44	\$51.00/bbl	636	1400	\$2.60/mcf
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**Economic Combined Production**

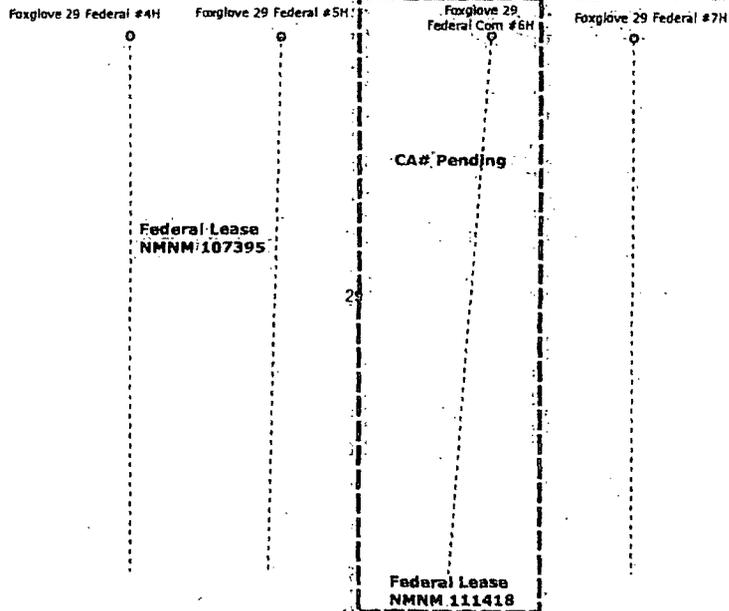
BATTERY	BOPD	WEIGHTED OIL GRAVITY @ 60	VALUE/BBL	MCFD	WEIGHTED DRY BTU	VALUE/MCF
Foxglove 29 CTB	2404	44	\$51.00/bbl	2544	1400	\$2.60/mcf

\*Accurate & true information will be supplied at time of completion

Township 23 South, Range 33 East  
Lea County, New Mexico

30

T23S  
R33E



28

32

33

Legend

-  Lease
-  Well
-  Comm Agreement

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

Run Time: 09:42 AM

Page 1 of 1

Run Date: 12/16/2014

01 12-22-1987;101STAT1330;30USC181 ET SE Total Acres 600.000 Serial Number NMNM-- - 107395  
 Case Type 312021: O&G LSE COMP PD -1987  
 Commodity 459: OIL & GAS L  
 Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 107395

Name & Address	Int Rel	% Interest
OXY USA INC PO BOX 27570 HOUSTON TX 772277570	LESSEE	100.000000000

Serial Number: NMNM-- - 107395

Mer Twp Rng Sec	SType	SN: Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0230S 0330E 029	ALIQ		N2,SW,N2SE,SESE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 107395

Act Date	Code	Action	Action Remark	Pending Office
10/16/2001	387	CASE ESTABLISHED	200110102	
10/17/2001	191	SALE HELD		
10/17/2001	267	BID RECEIVED	\$66000.00;	
10/17/2001	192	MONIES RECEIVED	\$66000.00;	
11/14/2001	137	LEASE ISSUED		
11/14/2001	974	AUTOMATED RECORD VERIF	GSB	
12/01/2001	496	FUNL CODE	05;145003	
12/01/2001	531	RLTY RATE - 12 1/2%		
12/01/2001	666	EFFECTIVE DATE		
01/28/2002	953	CASE MICROFILMED		
11/14/2002	140	ASGN FILED	BRUCE, JAMES;1	
02/21/2003	139	ASGN APPROVED	EFF 12/01/02;	
02/21/2003	974	AUTOMATED RECORD VERIF	MV	
08/27/2004	140	ASGN FILED	VENTANA EXPL/POGO PRO	
09/17/2004	139	ASGN APPROVED	EFF 09/01/04;	
09/17/2004	974	AUTOMATED RECORD VERIF	MV	
04/15/2005	650	HELD BY PROD - ACTUAL	/1/	
11/02/2005	643	PRODUCTION DETERMINATION	/1/	
11/02/2005	658	NEMO OF 1ST PROD-ACTUAL	/1/#1 FOXGLOVE 29;	
05/01/2007	140	ASGN FILED	POGO PRODUC/OXY USA;1	
06/13/2007	139	ASGN APPROVED	EFF 06/01/08;	
06/13/2007	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-- - 107395

Line Nr	Remarks
0001	06/12/08 OXY BONDED LESSEE ES0136 NW
0002	OPERATOR BONDED - 03/24/2009
0003	OXY USA INC - ES0136 - N'W;

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

Run Time: 09:43 AM

Page 1 of 1

Run Date: 12/16/2014

01 12-22-1987;101STAT1330;30USC181 ET SE. Total Acres 40.000 Serial Number NMNM-- - 111418  
 Case Type 312021: O&G LSE COMP PD -1987  
 Commodity 459: OIL & GAS L  
 Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 111418

Name & Address	Int Rel	% Interest
LANDRETH ROBERT E 110 W LOUISIANA #404 MIDLAND TX 79701	LESSEE	100 00000000

Serial Number: NMNM-- - 111418

Mer Twp Rng Sec	S Typ	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0230S 03:0E 029	ALIQ		SWSE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 111418

Act Date	Code	Action	Action Remark	Pending Office
10/21/2004	299	PROTEST FILED		
10/21/2004	397	CASE ESTABLISHED	200310134	
10/22/2004	143	BONUS BID PAYMENT RECD	\$80 00;	
10/22/2004	191	SALE HELD		
10/22/2004	267	BID RECEIVED	\$46000.00;	
11/05/2004	143	BONUS BID PAYMENT RECD	\$45920.00;	
12/19/2004	237	LEASE ISSUED		
12/19/2004	298	PROTEST DISMISSED		
12/19/2004	974	AUTOMATED RECORD VERIF	LBO	
01/01/2004	496	FUND CODE	05;145003	
01/01/2004	530	RLTY RATE - 12 1/2%		
01/01/2004	948	EFFECTIVE DATE		
01/16/2004	963	CASE MICROFILMED		
01/21/2004	120	APPEAL FILED	IBLA 2004-109	
05/14/2004	119	APPEAL DISMISSED	IBLA 2004-109	
05/26/2004	974	AUTOMATED RECORD VERIF	GSB	
08/27/2004	140	ASGN FILED	GONZALES/LANDRETH	
09/17/2004	139	ASGN APPROVED	EFF 09/01/04;	
09/17/2004	974	AUTOMATED RECORD VERIF	MV	
11/01/2013	570	SUS OPS OR PROD/PMT REQ	/A;	
11/21/2013	573	SUS OPS/PROD APLN FILED		
12/10/2013	974	AUTOMATED RECORD VERIF	JA	
12/31/2013	763	EXPIRES		
05/14/2014	499	TRF OF ORR FILED	1	
11/25/2014	140	ASGN FILED	LANDRETH ET/OXY USA;1	FLUIDS TEAM

Serial Number: NMNM-- - 111418

Line Nr	Remarks
0002	NO STIPULATIONS ATTACHED
0003	/A/ 12 10/2013 - SUSPENSION GRANTED EFF 11/01/2013.;
0004	61 DAYS REMAINING IN TERM;



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

December 19, 2014

Interest Owners

Re: Request for a CTB & Pool/Lease Commingle  
CTB Location: Section 29, T23S, R33E -- Foxglove 29 Federal CTB  
Pool: TRIPLE X BONE SPRING (59900)  
Lea County, New Mexico

To Whom It May Concern:

This is to advise you that OXY USA INC is filing an application with the New Mexico Oil Conservation Division ("NMOCD") seeking approval for a Central Tanks Battery & Pool/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

Minerals Management Service Federal  
Government Royalty  
P.O. Box 25627  
Denver, CO 80225-0627  
70142120000414404684

Ventana Exploration Inc.  
Ste 2920 2100 Ross Ave  
Dallas, TX 75201  
70142120000414404691

Magnum Hunter Production Inc.  
#774031  
4031 Solutions Center  
Chicago, IL 60677-4000  
70142120000414404707

Cactus Energy Inc.  
P.O. Box 2412  
Midland, TX 79702  
70142120000414404721

Thomas R Smith & Kaye Smith  
1409 S Country Rd 1130  
Midland, TX 79706  
70142120000414404745

Steven M & Christy B Burr  
3207 Hanover Street  
Dallas, TX 75225  
70142120000414404820

Truitt & Michelle R Matthews C/O  
Ventana Exploration Inc.  
Suite 918 LB72 7557 Rambler Road  
Dallas, TX 75231  
70142120000414404806

Highland Texas Energy Company  
Suite 918 LB72 7557 Rambler Road  
Dallas, TX 75231  
70142120000414404783

RKT Holdings LLC  
2100 Ross Ave Suite 2920  
Dallas, TX 75201  
70142120000414404769

Abo Petroleum Corporation  
P.O. Box 900  
Artesia, NM 88211-0900  
70142120000414404837

McCombs Energy Ltd.  
Suite 1200 5599 San Felipe  
Houston TX, 77056

70142120000414404714

Sharbro Energy LLC  
423 W Main Street  
Artesia, NM 88210

70142120000414404738

Yates Industries LLC  
P.O. Box 1091  
Artesia, NM 88211

70142120000414404752

Yates Petroleum Corp  
105 South Fourth St  
Artesia, NM 88210

70142120000414404813

Scott W. Tanberg  
110 W. Louisiana St Suite 404  
Midland, TX 79701

70142120000414404790

12/22/2014 DATE IN	SUSPENSE	MAM ENGINEER	12/22/2014 LOGGED IN	CTB TYPE	DM# AM# 435755690 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

- CTB 740  
 - Oxy USA Inc  
 16696  
 W 211  
 - Foxglove 29 Federal  
 4H  
 30-025-41822  
 - Foxglove 29 Federal  
 5H  
 30-025-41828  
 - Foxglove 29  
 Federal  
 6H  
 30-025-41850  
 - Foxglove 29  
 Federal 7H  
 30-025-41851  
 RECEIVED OGD  
 2014 DEC 22 P 4:15  
 Pool  
 - Tripax Bone  
 Spring  
 59900

[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 *Jennifer Duarte* Regulatory Specialist 12/19/14  
 Print or Type Name Signature Title 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  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

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

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: OXY USA Inc (16696)  
OPERATOR ADDRESS: 5 Greenway Plaza, Ste. 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
Please see attached spreadsheet				

(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 B.

**(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: Jennifer Duarte TITLE: REGULATORY SPECIALIST DATE: 12/19/2014  
TYPE OR PRINT NAME: JENNIFER DUARTE TELEPHONE NO.: (713) 513-6640 / (832) 740-3716  
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**

**Foxglove 29 Fed 4H, Foxglove 29 Fed 5H, Foxglove 29 Fed 7H NM107395 / Foxglove 29 Fed Com 6H Leases NM111418  
& NM107395 CA Pending**

**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.
11. Need to provide meter numbers upon installation.

**The approval of this commingling is as per Category I of IM NMPO-2013-02. These wells are on two different leases and have the same royalty rate (12.5%). Only one of the wells penetrates both lease and will be required to be in a Communitization agreement. By combining the production of these wells the royalty value will not be affected due to the production all being Bone Springs. The BTU value of the production is similar being Bone Springs gas. Therefore the commingling of these wells will have no royalty rate or royalty value issues do to everything being the similar. This does not mean that the allocation of production to each lease/CA will be 100% accurate each month. By approving this request it will only guarantee that the public's interest will not be compromised.**