



RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

September 11, 2019

OXY USA INC.
ATTN: REGULATORY DEPARTMENT
5 GREENWAY PLAZA SUITE 110
HOUSTON TX 77046

RE: **APPLICATION FOR EXCEPTION TO SWR 10**
LEASE: BLOCK 31 UNIT
WELL NO. O 11
CRANE COUNTY, DISTRICT 08, TEXAS
API NO. 103-33479

FIELD NAME	FIELD NO.	COMPLETION DEPTHS (FT)
BLOCK 31 (PENN. 7620)	09358900	7586-7600
BLOCK 31 (DEVONIAN)	09358450	8166-9093

HYDROGEN SULFIDE RESTRICTION: YES

The Commission has approved your application to down-hole commingle production within the above-referenced wellbore from the BLOCK 31 (PENN. 7620); and BLOCK 31 (DEVONIAN) fields in CRANE County, Texas. For allowable and reporting purposes, the well will be assigned to the **BLOCK 31 (PENN. 7620)** field. It will be necessary to have or obtain Commission authority to complete this well in each of the subject zones (Form W-1 approval). The effective date of this SWR 10 Exception is August 29, 2018. This exception to SWR 10 will expire if not used within two (2) years from the original date of issuance for drilling permit no. 839365. This expiration date is May 14, 2020.

If the commingled well tests as a gas well and the well is not currently on schedule as a multi-completed well or never has been on schedule as a single completion in any of the non-reporting fields listed above, you must file a well-record-only G-1 for the field(s). This completion must be treated as a separate completion. It will not be eligible for allowable status, and will be carried on the proration schedule as a SWR 10 well. The only instances in which the production will be assigned to a field in which the allocation formula has been suspended are when: (1) The allocation formula has been suspended in all of the fields cited in the Rule 10 Exception application, or (2) If the production is less than 200 MCFPD. If the status for any of the fields changes it may be necessary to reassign the production to the prorated field. Contact your proration analyst to inquire as to which forms are necessary to change the reporting field.

Acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the above-referenced fields; such duplicate assignment of acreage is not acceptable, provided, however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The maximum daily allowable for the combined production will be limited to the top allowable for the reporting field and will become effective upon receipt of Form G-1 or W-2 showing combined completion data and results of a potential test performed after the physical work of down hole commingling has been completed and run in accordance with Statewide Rule 28. Please indicate in "remarks" the reason for filing this report, giving date of Commission approval of this Rule 10 Exception.

Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to segregate these zones. If surface-commingling authority has been granted, it may be necessary to amend or cancel this authority.

Permit conditions:

The commingled well will be subject to Statewide Rule 36 (operation in hydrogen sulfide areas) because at least one of the commingled fields requires a Certificate of Compliance for Statewide Rule 36. The well must be operated in accordance with Statewide Rule 36.

The completion of the commingled well must be a reasonable match with the wellbore diagram filed with the application. Variances in completion depths are acceptable provided that these completion depths remain within the designated correlative intervals for the commingled fields. A copy of this wellbore diagram must be filed with the completion report for the commingled well.

Note: The distribution of this document will be by E-MAIL ONLY. E-mail sent to emily_messer@oxy.com.

If you have any questions, you may contact the engineering unit in the Austin office at 512-463-1126.