

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 16, 2024**

CASE NO. 24405

TOP SPOT 12_13 FED #24H & #25H

EDDY COUNTY, NEW MEXICO



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF AN OVERLAPPING
HORIZOTNAL WELL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24405

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 - OXY Exhibit D-2: Subsea Structure Map
 - OXY Exhibit D-3: Structural Cross-Section
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- **OXY Exhibit E:** Self-Affirmed Statement of Notice
- **OXY Exhibit F:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24405	APPLICANT'S RESPONSE
Date	May 16, 2024
Applicant	OXY USA Inc.
Designated Operator & OGRID (affiliation if applicable)	OXY USA Inc. (OGRID No. 16696)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF OXY USA INC. FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Top Spot
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Bilbrey Basin; Bone Spring [5695]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	40 acres
Orientation:	East-West
Description: TRS/County	W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico


Exhibit No. A

Submitted by: OXY USA INC.

Hearing Date: May 16, 2024

Case No. 24405

Well #1: <i>Received by OCD: 5/14/2024 4:29:48 PM</i>	Top Spot 12_13 Fed 24H well SHL: 310' FSL, 1,216' FEL (Unit P) of Section 13 BHL: 20' FNL, 1,750' FEL (Unit B) of Section 12 Target: Bone Spring Orientation: South-North Completion: Standard
Well #2	Top Spot 12_13 Fed 25H well SHL: 520' FSL, 1,375' FEL (Unit O) of Section 13 BHL: 20' FNL, 2,200' FEL (Unit B) of Section 12 Target: Bone Spring Orientation: South-North Completion: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	Exhibit C-5
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4

Received by OCD: 5/14/2024 4:29:48 PM Cost Estimate for Production Facilities	Exhibit C-4	Page 5 of 3
Geology		
Summary (including special considerations)	Exhibit D	
Spacing Unit Schematic	Exhibit D-1	
Gunbarrel/Lateral Trajectory Schematic	N/A	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D, D-4	
HSU Cross Section	Exhibit D-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit C-2	
Tracts	Exhibit C-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3	
General Location Map (including basin)	Exhibit D-1	
Well Bore Location Map	Exhibit D-1	
Structure Contour Map - Subsea Depth	Exhibit D-2	
Cross Section Location Map (including wells)	Exhibit D-3	
Cross Section (including Landing Zone)	Exhibit D-4	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Paula M. Vance	
Signed Name (Attorney or Party Representative):		
Date:		5/14/2024

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24405

APPLICATION

OXY USA Inc. ("OXY" or "Applicant") (OGRID No. 16696) through its undersigned attorneys, files this application with the Oil Conservation Division for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. In support of this application, Oxy states:

1. OXY is a working interest owner in the subject acreage and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced overlapping horizontal well spacing unit to the proposed:
 - **Top Spot 12_13 Fed Com 24H** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12; and
 - **Top Spot 12_13 Fed Com 25H** to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 13, with a first take point in the SW/4 SE/4

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: OXY USA INC.
Hearing Date: May 16, 2024
Case No. 24405**

(Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12.

3. This horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- 320-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 12, dedicated to OXY's Federal 12 #14H (API: 30-015-40821).

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral interest owners in the subject spacing unit.

5. The pooling of interests and approval of this overlapping spacing unit will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing on May 2, 2024, before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Applicant as operator of this overlapping horizontal well spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin
Paula Vance
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ATTORNEYS FOR OXY USA INC.

CASE _____: **Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. This spacing unit will be initially dedicated to the **Top Spot 12_13 Fed Com 24H** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12; and **Top Spot 12_13 Fed Com 25H** to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12. This horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- 320-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 12, dedicated to OXY's Federal 12 #14H (API: 30-015-40821).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 23 miles northeast of Loving, New Mexico.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF OXY USA INC. FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

CASE NO. 24405

SELF-AFFIRMED STATEMENT OF COURTNEY CARR

1. My name is Courtney Carr. I work for OXY USA Inc. ("OXY") as a Senior Land Negotiator.

2. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters. My credentials as a landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by OXY in this case, and I am familiar with the status of the lands in the subject area.

4. OXY was able to reach voluntary agreement with all interest owners and therefore no longer requires pooling of those interests. OXY still requires approval of the non-standard spacing unit.

5. Under **Case No. 24405**, OXY seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. OXY seeks to initially dedicate the above-referenced spacing unit to the proposed **Top Spot 12_13 Fed Com 24H**, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 13,

with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12; and the **Top Spot 12_13 Fed Com 25H** to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12. This horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

- 320-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 12, dedicated to OXY's Federal 12 #14H (API: 30-015-40821).

6. **OXY Exhibit C-1** is a diagram depicting the newly proposed spacing unit in relation to the existing spacing units. OXY provided notice to the other working interest owners since OXY is the operator of the existing spacing units. OXY also provided notice to the Bureau of Land Management since federal lands are involved. A sample copy of the notice, and mailing report, is included in Exhibit E.

7. **OXY Exhibit C-2** contains a draft Form C-102 for the wells. The exhibit shows that the wells will be assigned to the Bilbrey Basin; Bone Spring [Pool Code 5695].

8. **OXY Exhibit C-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of federal lands. The parties OXY seeks to pool either have and asterisk or are highlighted in yellow.

9. **OXY Exhibit C-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what OXY and other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. OXY requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

11. **OXY Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, OXY has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, OXY has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

12. OXY has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that OXY seeks to pool and instructed that they be notified of this hearing. OXY has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

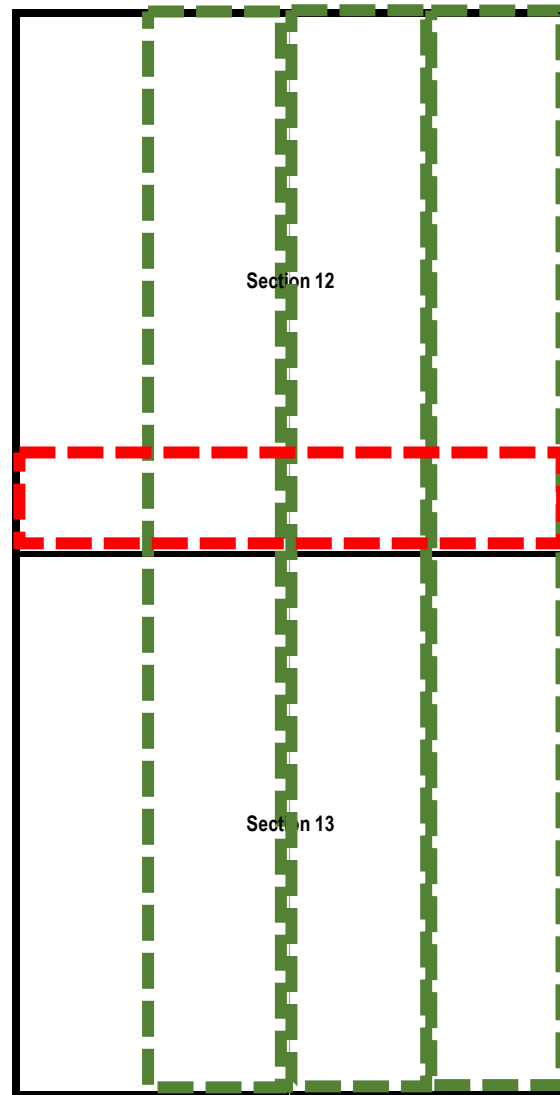
13. **OXY Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Courtney Carr
Courtney Carr

5/14/24
Date

Overlapping Spacing Unit



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name TOP SPOT 12 13 FED COM			⁶ Well Number 24H
⁷ OGRID No.		⁸ Operator Name OXY USA INC.			⁹ Elevation 3583.6'

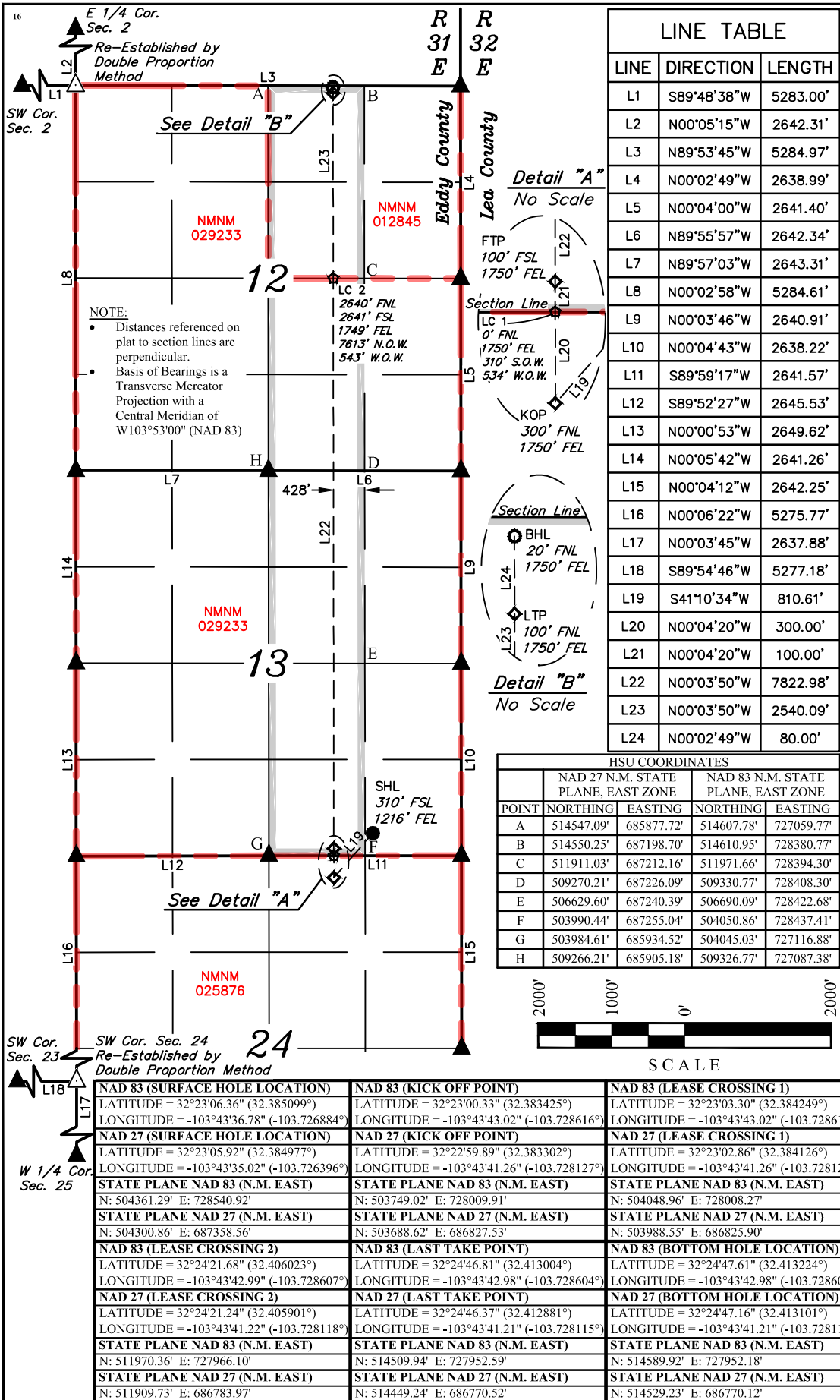
¹⁰ Surface Location

UL or lot no. P	Section 13	Township 22S	Range 31E	Lot Idn	Feet from the 310	North/South line SOUTH	Feet from the 1216	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 12	Township 22S	Range 31E	Lot Idn	Feet from the 20	North/South line NORTH	Feet from the 1750	East/West line EAST	County EDDY
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2024

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number: _____

DRAWN BY: D.J.S. 10-24-23
REV. 1 03-05-24 L.M.W.
(TYPO FIX)

NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°23'06.36" (32.385099°) LONGITUDE = -103°43'36.78" (-103.726884°)	NAD 83 (KICK OFF POINT) LATITUDE = 32°23'00.33" (32.383425°) LONGITUDE = -103°43'43.02" (-103.728616°)	NAD 83 (LEASE CROSSING 1) LATITUDE = 32°23'03.30" (32.384249°) LONGITUDE = -103°43'43.02" (-103.728616°)	NAD 83 (FIRST TAKE POINT) LATITUDE = 32°23'04.29" (32.384524°) LONGITUDE = -103°43'43.02" (-103.728616°)
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°23'05.92" (32.384977°) LONGITUDE = -103°43'35.02" (-103.726396°)	NAD 27 (KICK OFF POINT) LATITUDE = 32°22'59.89" (32.383302°) LONGITUDE = -103°43'41.26" (-103.728127°)	NAD 27 (LEASE CROSSING 1) LATITUDE = 32°23'02.86" (32.384126°) LONGITUDE = -103°43'41.26" (-103.728127°)	NAD 27 (FIRST TAKE POINT) LATITUDE = 32°23'03.84" (32.384401°) LONGITUDE = -103°43'41.26" (-103.728127°)
STATE PLANE NAD 83 (N.M. EAST) N: 504361.29' E: 728540.92'	STATE PLANE NAD 83 (N.M. EAST) N: 503749.02' E: 728009.91'	STATE PLANE NAD 83 (N.M. EAST) N: 504048.96' E: 728008.27'	STATE PLANE NAD 83 (N.M. EAST) N: 504148.94' E: 728007.72'
STATE PLANE NAD 27 (N.M. EAST) N: 504300.86' E: 687358.56'	STATE PLANE NAD 27 (N.M. EAST) N: 503688.62' E: 686827.53'	STATE PLANE NAD 27 (N.M. EAST) N: 503988.55' E: 686825.90'	STATE PLANE NAD 27 (N.M. EAST) N: 504088.52' E: 686825.36'
NAD 83 (LEASE CROSSING 2) LATITUDE = 32°24'21.68" (32.406023°) LONGITUDE = -103°43'42.99" (-103.728607°)	NAD 83 (LAST TAKE POINT) LATITUDE = 32°24'46.81" (32.413004°) LONGITUDE = -103°43'42.98" (-103.728604°)	NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°24'47.61" (32.413224°) LONGITUDE = -103°43'42.98" (-103.728604°)	
NAD 27 (LEASE CROSSING 2) LATITUDE = 32°24'21.24" (32.405901°) LONGITUDE = -103°43'41.22" (-103.728118°)	NAD 27 (LAST TAKE POINT) LATITUDE = 32°24'46.37" (32.412881°) LONGITUDE = -103°43'41.21" (-103.728115°)	NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°24'47.16" (32.413101°) LONGITUDE = -103°43'41.21" (-103.728114°)	
STATE PLANE NAD 83 (N.M. EAST) N: 511970.36' E: 727966.10'	STATE PLANE NAD 83 (N.M. EAST) N: 514509.94' E: 727952.59'	STATE PLANE NAD 83 (N.M. EAST) N: 514589.92' E: 727952.18'	
STATE PLANE NAD 27 (N.M. EAST) N: 511909.73' E: 686783.97'	STATE PLANE NAD 27 (N.M. EAST) N: 514449.24' E: 686770.52'	STATE PLANE NAD 27 (N.M. EAST) N: 514529.23' E: 686770.12'	

● = SURFACE HOLE LOCATION
◆ = KICK OFF POINT/TAKE POINTS
◇ = LEASE CROSSING
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
— = LEASE LINE
— = HORIZONTAL SPACING UNIT
N.O.W. = NORTH OF WELL
S.O.W. = SOUTH OF WELL
W.O.W. = WEST OF WELL

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name TOP SPOT 12 13 FED COM	
⁷ OGRID No.	⁸ Operator Name OXY USA INC.	⁶ Well Number 25H
		⁹ Elevation 3583.5'

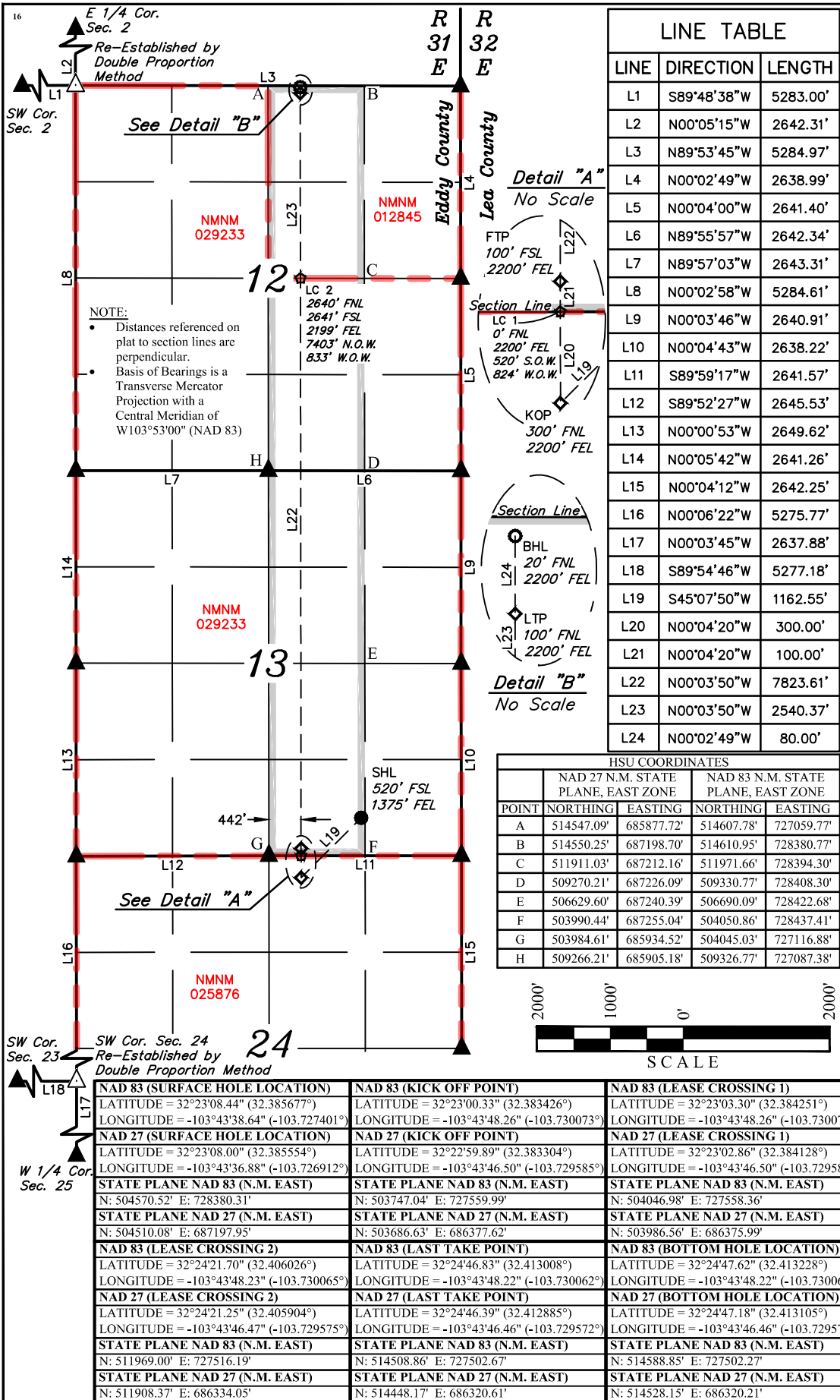
¹⁰ Surface Location

UL or lot no. O	Section 13	Township 22S	Range 31E	Lot Idn	Feet from the 520	North/South line SOUTH	Feet from the 1375	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 12	Township 22S	Range 31E	Lot Idn	Feet from the 20	North/South line NORTH	Feet from the 2200	East/West line EAST	County EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 26, 2024
Date of Survey
Signature and Seal of Professional Surveyor:



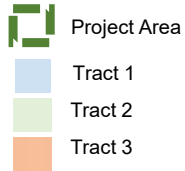
Certificate Number: _____

DRAWN BY: D.J.S. 10-24-23
REV. 1 02-28-24 L.M.W.
(SHL MOVE)

NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°23'08.44" (32.385677°) LONGITUDE = -103°43'38.64" (-103.727401°)	NAD 83 (KICK OFF POINT) LATITUDE = 32°23'00.33" (32.383426°) LONGITUDE = -103°43'48.26" (-103.730073°)	NAD 83 (LEASE CROSSING 1) LATITUDE = 32°23'03.30" (32.384251°) LONGITUDE = -103°43'48.26" (-103.730073°)	NAD 83 (FIRST TAKE POINT) LATITUDE = 32°23'04.29" (32.384525°) LONGITUDE = -103°43'48.26" (-103.730073°)
NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°23'08.00" (32.385554°) LONGITUDE = -103°43'36.88" (-103.726912°)	NAD 27 (KICK OFF POINT) LATITUDE = 32°22'59.89" (32.383304°) LONGITUDE = -103°43'46.50" (-103.729585°)	NAD 27 (LEASE CROSSING 1) LATITUDE = 32°23'02.86" (32.384128°) LONGITUDE = -103°43'46.50" (-103.729584°)	NAD 27 (FIRST TAKE POINT) LATITUDE = 32°23'03.85" (32.384403°) LONGITUDE = -103°43'46.50" (-103.729584°)
STATE PLANE NAD 83 (N.M. EAST) N: 504570.52' E: 728380.31'	STATE PLANE NAD 83 (N.M. EAST) N: 503747.04' E: 727559.99'	STATE PLANE NAD 83 (N.M. EAST) N: 504046.98' E: 727558.36'	STATE PLANE NAD 83 (N.M. EAST) N: 504146.96' E: 727557.81'
STATE PLANE NAD 27 (N.M. EAST) N: 504510.08' E: 687197.95'	STATE PLANE NAD 27 (N.M. EAST) N: 503686.63' E: 686377.62'	STATE PLANE NAD 27 (N.M. EAST) N: 503986.56' E: 686375.99'	STATE PLANE NAD 27 (N.M. EAST) N: 504086.54' E: 686375.45'
NAD 83 (LEASE CROSSING 2) LATITUDE = 32°24'21.70" (32.406026°) LONGITUDE = -103°43'48.23" (-103.730065°)	NAD 83 (LAST TAKE POINT) LATITUDE = 32°24'46.83" (32.413008°) LONGITUDE = -103°43'48.22" (-103.730062°)	NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°24'47.62" (32.413228°) LONGITUDE = -103°43'48.22" (-103.730062°)	
NAD 27 (LEASE CROSSING 2) LATITUDE = 32°24'21.25" (32.405904°) LONGITUDE = -103°43'46.47" (-103.729575°)	NAD 27 (LAST TAKE POINT) LATITUDE = 32°24'46.39" (32.412885°) LONGITUDE = -103°43'46.46" (-103.729572°)	NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°24'47.18" (32.413105°) LONGITUDE = -103°43'46.46" (-103.729572°)	
STATE PLANE NAD 83 (N.M. EAST) N: 511969.00' E: 727516.19'	STATE PLANE NAD 83 (N.M. EAST) N: 514508.86' E: 727502.67'	STATE PLANE NAD 83 (N.M. EAST) N: 514588.85' E: 727502.27'	
STATE PLANE NAD 27 (N.M. EAST) N: 511908.37' E: 686334.05'	STATE PLANE NAD 27 (N.M. EAST) N: 514448.17' E: 686320.61'	STATE PLANE NAD 27 (N.M. EAST) N: 514528.15' E: 686320.21'	

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/TAKE POINTS
- ◇ = LEASE CROSSING
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = LEASE LINE
- = HORIZONTAL SPACING UNIT
- N.O.W. = NORTH OF WELL
- S.O.W. = SOUTH OF WELL
- W.O.W. = WEST OF WELL

**W/2 E/2 of Sections 12 and 13, T22S-R31E,
Eddy County, New Mexico, containing 320 acres**



Tract 1:

OXY USA Inc. - 78.306692%

Chisos, Ltd. - 4.166750%

Rockport Oil and Gas, L.L.C. - 0.462972%

Larry T. Long, L. Allan Long and Sammy Adamson, Trustees of the Larry Thomas Long Trust, the Charles Edward Long Trust, the Lawrence Allan Long Trust, and the John Stephen Long Trust, collectively d/b/a the Long Trust - 5.706935%

XTO Holdings, LLC - 11.111111%

Pooled Parties:

Charles Andrew Spradlin/Billy Glenn Spradlin - 0.245540%

Tract 2:

OXY USA Inc. - 88.095028%

Chisos, Ltd. - 4.687594%

Rockport Oil and Gas, L.L.C. - 0.520844%

Larry T. Long, L. Allan Long and Sammy Adamson, Trustees of the Larry Thomas Long Trust, the Charles Edward Long Trust, the Lawrence Allan Long Trust, and the John Stephen Long Trust, collectively d/b/a the Long Trust - 6.420302%

Pooled Parties:

Charles Andrew Spradlin/Billy Glenn Spradlin - 0.276232%

Tract 3:

OXY USA Inc. - 100.0%

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-3
Submitted by: OXY USA INC.
Hearing Date: May 16, 2024
Case No. 24405**

W2E2 of Sections 12 and 13, Township 22 South, Range 31 East, Eddy County, NM

Total Acres in proposed spacing unit: 320

Tract 1 W/2 NE/4 Sec. 12

Acres contributed to proposed spacing unit: 80

78.306692% OXY USA Inc.
11.111111% XTO Holdings, LLC
4.166750% Chisos, Ltd.
0.462972% Rockport Oil and Gas, L.L.C.
Larry T. Long, L. Allan Long and Sammy Adamson, Trustees of the Larry Thomas Long Trust, the Charles Edward Long Trust, the Lawrence Allan Long Trust, and the John Stephen Long Trust, collectively d/b/a the Long Trust
5.706935%
0.245540% Charles Andrew Spradlin/Billy Glenn Spradlin

Total Committed Interest 99.754460%
Total Uncommitted Interest 0.245540%

Tract 2 W/2 SE/4 Sec. 12

Acres contributed to proposed spacing unit: 80

88.095028% OXY USA Inc.
4.687594% Chisos, Ltd.
0.520844% Rockport Oil and Gas, L.L.C.
Larry T. Long, L. Allan Long and Sammy Adamson, Trustees of the Larry Thomas Long Trust, the Charles Edward Long Trust, the Lawrence Allan Long Trust, and the John Stephen Long Trust, collectively d/b/a the Long Trust
6.420302%
0.276232% Charles Andrew Spradlin/Billy Glenn Spradlin

Total Committed Interest 99.723768%
Total Uncommitted Interest 0.276232%

Tract 3 W/2 E/2 Sec. 13

Acres contributed to proposed spacing unit: 160

100.000000% OXY USA Inc.

Total Committed Interest 100.000000%
Total Uncommitted Interest 0.000000%

Working Interest for each party in 640 acre proposed spacing unit:

OXY USA Inc. 91.60043%
XTO Holdings, LLC 2.777778%
Chisos, Ltd. 2.213586%
Rockport Oil and Gas, L.L.C. 0.245954%
Larry T. Long, L. Allan Long and Sammy Adamson, Trustees of the Larry Thomas Long Trust, the Charles Edward Long Trust, the Lawrence Allan Long Trust, and the John Stephen Long Trust, collectively d/b/a the Long Trust 3.031809%
Charles Andrew Spradlin/Billy Glenn Spradlin 0.130443%

Total: 100.000000%

Page 18 of 37
Received by OCD: 5/14/2024 4:29:48 PM
Released to Imaging: 5/15/2024 9:26:22 AM



OXY USA INC.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 27570, Houston, Texas 77227-7570

February 28, 2024

RETURN RECEIPT REQUESTED

BILLY GLENN SPRADLIN
29 RIM ROAD
KILGORE, TEXAS 75662

Re: Top Spot Fed 12 13 Fed 22H and 23H
Top Spot 12 13 Fed Com 24H, 25H, 26H and 33H
Sections 12 and 13, Township 22 South, Range 31 East
Eddy County, New Mexico

Dear WI Owner,

OXY USA Inc. ("Oxy") hereby proposes the drilling of six wells, the Top Spot Fed 12 13 Fed 22H, Top Spot Fed 12 13 Fed 23H, Top Spot 12 13 Fed Com 24H, Top Spot 12 13 Fed Com 25H, Top Spot 12 13 Fed Com 26H and Top Spot 12 13 Fed Com 33H.

- Top Spot 12 13 Fed 22H – Second Bone Spring
 - SHL: 2,318' FWL, 426' FSL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 1,760' FWL (Section 12-T22S-R31E)
 - Approximate TVD: 10,430', Approximate MD: 21,386'
- Top Spot 12 13 Fed 23H – First Bone Spring
 - SHL: 2,318' FWL, 396' FSL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 2,150' FWL (Section 12-T22S-R31E)
 - Approximate TVD: 9,895', Approximate MD: 20,779'
- Top Spot 12 13 Fed Com 24H – First Bone Spring
 - SHL: 297' FSL, 1,225' FEL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 1,750' FEL (Section 12-T22S-R31E)
 - Approximate TVD: 9,895', Approximate MD: 20,564'
- Top Spot 12 13 Fed Com 25H – Second Bone Spring
 - SHL: 507' FSL, 1,374' FEL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 2,200' FEL (Section 12-T22S-R31E)
 - Approximate TVD: 10,430', Approximate MD: 21,130'
- Top Spot 12 13 Fed Com 26H – Second Bone Spring
 - SHL: 507' FSL, 1,344' FEL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 880' FEL (Section 12-T22S-R31E)
 - Approximate TVD: 10,430', Approximate MD: 21,081'
- Top Spot 12 13 Fed Com 33H – First Bone Spring
 - SHL: 297' FSL, 1,195' FEL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 545' FEL (Section 12-T22S-R31E)
 - Approximate TVD: 9,895', Approximate MD: 20,603'

A detailed description of the total estimated cost to drill, complete and equip the wells is provided in the enclosed AFEs.

Simultaneously with this letter, Oxy is proposing to drill these wells under the terms of a modified 1989 AAPL form of Operating Agreement, with OXY USA Inc., as Operator, covering All of Sections 12 and 13, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. This proposed Operating Agreement will supersede any and all existing Operating Agreements on all wells drilled after the effective date of the Operating Agreement.

If we do not reach an agreement within 30 days of the date of this letter, Oxy will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the six proposed wells.

Please indicate your elections to participate in the drilling, completing, and equipping of the proposed wells by executing and returning one copy of this letter and the enclosed AFEs in the self-addressed stamped envelope provided.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-4

Submitted by: OXY USA INC.

Hearing Date: May 16, 2024

Case No. 24405

In the event you do not wish to participate in this development, OXY is willing to discuss a deal to either trade for, or purchase your interest in Sections 12 and 13, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

If you have any questions or would like to discuss this proposal in greater detail, please do not hesitate to call or e-mail.

Very truly yours,

OXY USA Inc.

Courtney Carr
713.599.4116
Courtney_Carr@oxy.com

Enclosures

WIO elects to:

____ participate in the drilling of the Top Spot Fed 12 13 Fed 22H
____ non-consent the drilling of the Top Spot Fed 12 13 Fed 22H

By: _____
Name: _____
Title: _____
Date: _____

WIO elects to:

____ participate in the drilling of the Top Spot Fed 12 13 Fed 23H
____ non-consent the drilling of the Top Spot Fed 12 13 Fed 23H

By: _____
Name: _____
Title: _____
Date: _____

WIO elects to:

____ participate in the drilling of the Top Spot 12 13 Fed Com 24H
____ non-consent the drilling of the Top Spot 12 13 Fed Com 24H

By: _____
Name: _____
Title: _____
Date: _____

WIO elects to:

___ participate in the drilling of the Top Spot 12 13 Fed Com 25H

___ non-consent the drilling of the Top Spot 12 13 Fed Com 25H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Top Spot 12 13 Fed Com 26H

___ non-consent the drilling of the Top Spot 12 13 Fed Com 26H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Top Spot 12 13 Fed Com 33H


___ non-consent the drilling of the Top Spot 12 13 Fed Com 33H

By: _____

Name: _____

Title: _____

Date: _____

		Occidental Oil and Gas Corporation TOP SPOT 12_13 FED COM 24H						RMT: PERMAN RESOURCES NEW MEXICO State & County: NEW MEXICO, EDDY Field: Sand Dunes Well Type: TA_DEEP_1BS_3S_LS_H_2500_250_1.7_10K Date: 2/28/2024	
Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 150,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 12,000	\$ 126,000	\$ -	\$ 155,000	\$ 22,000	\$ 55,000	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Routabouts	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ 7,000	\$ 70,000	\$ -	\$ 57,000	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 5,000	\$ 123,000	\$ -	\$ -	\$ 71,000	\$ 150,000	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 150,000	\$ -	\$ 83,000	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ 1,000	\$ 92,000	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ 2,000	\$ 16,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 435,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 292,000	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 866,000	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 8,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 238,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 5,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 3,000	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ 12,000	\$ 222,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ 1,000	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 16,000	\$ 90,000	\$ -	\$ 713,000	\$ 20,000	\$ 80,000	\$ -
Construction Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 220,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 62,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
5027	Material Subsurface LR Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 1,139,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5050	Material Consumables	\$ -	\$ -	\$ 13,000	\$ -	\$ 551,000	\$ -	\$ -	\$ -
5052	Drilling Fluids Products	\$ -	\$ -	\$ 205,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
5053	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ -	\$ -	\$ -
5055	Fuel & Lubricants	\$ -	\$ 14,000	\$ 143,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 2,000	\$ 41,000	\$ -	\$ 16,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 21,000	\$ 484,000	\$ -	\$ 21,000	\$ 10,000	\$ 25,000	\$ -
8910	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ 67,000	\$ (67,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 596,000	\$ 4,729,000	\$ -	\$ 4,139,000	\$ 223,000	\$ 630,000	\$ -
<div><div>Signature: _____ Company: _____ Printed Name: _____ Title: _____ Date: _____</div><div>Approval _____ % W0</div></div> <div><div>Total Drilling (1+2+3): \$ 5,220,000</div><div>Total Completion (5+6): \$ 4,382,000</div><div>Total Facilities (7+8): \$ 630,000</div><div>Total Well Cost (1+2+3+4+5+6+7+8): \$ 10,112,000</div><div>Matt Post - Project Manager Courtney Carr - Land Negotiator</div></div>									
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.									



Occidental Oil and Gas Corporation
TOP SPOT 12_13 FED COM 25H

RMT: PERMIAN RESOURCES NEW MEXICO
 State & County: NEW MEXICO, EDDY
 Field: Sand Dunes
 Well Type: TA_DEEP_28S_3S_LS_H_2500_275_1.7_10K
 Date: 2/28/2024

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 150,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 12,000	\$ 115,000	\$ -	\$ 160,000	\$ 22,000	\$ 55,000	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ 7,000	\$ 64,000	\$ -	\$ 54,000	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 5,000	\$ 121,000	\$ -	\$ -	\$ 71,000	\$ 150,000	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 155,000	\$ -	\$ 81,000	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ 1,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ 2,000	\$ 16,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 401,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 270,000	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 247,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 1,976,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 5,000	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 3,000	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4006	Rental Downhole Equipment & Tools	\$ -	\$ 12,000	\$ 211,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ 1,000	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 16,000	\$ 81,000	\$ -	\$ 704,000	\$ 20,000	\$ 80,000	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 220,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 82,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 1,182,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5000	Material Consumables	\$ -	\$ -	\$ 13,000	\$ -	\$ 551,000	\$ -	\$ -	\$ -
5082	Drilling Fluids Products	\$ -	\$ -	\$ 205,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
5083	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 73,000	\$ -	\$ -	\$ -	\$ -	\$ -
5085	Fuel & Lubricants	\$ -	\$ 14,000	\$ 131,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Logistics, Insurance & Tax									
6000	Land Transportation	\$ -	\$ 2,000	\$ 40,000	\$ -	\$ 16,000	\$ -	\$ -	\$ -
6102	Tax & contingency	\$ -	\$ 21,000	\$ 451,000	\$ -	\$ 21,000	\$ 10,000	\$ 25,000	\$ -
6018	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6021	Waste Handling and Disp	\$ -	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -
6045	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6000	Other Costs	\$ -	\$ 67,000	\$ (67,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 500,000	\$ 4,582,000	\$ -	\$ 4,064,000	\$ 223,000	\$ 530,000	\$ -

Signature:		Total Drilling (1+2+3):		\$ 5,082,000
Company:		Total Completion (5+6):		\$ 4,307,000
Printed Name:		Total Facilities (7+8):		\$ 530,000
Title:		Total Well Cost (1+2+3+4+5+6+7+8):		\$ 9,919,000
Date:		Matt Post - Project Manager Courtney Carr - Land Negotiator		
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.				

<u>Pooled Party</u>	<u>Correspondence Status</u>
Charles Andrew Spradlin	4/3/24 - confirmed delivery of well proposals via FedEx. 4/8/24 - used people finder service to obtain phone number for Mr. Spradlin. 4/9 - left a voicemail for Mr. Spradlin regarding the well proposals. 4/10 - spoke with Charles Andrew (Andy) Spradlin and confirmed he received well proposals, but is still reviewing.
Billy Glenn Spradlin	4/3/24 - confirmed delivery of well proposals via FedEx. 4/10 - spoke with Charles Andrew Spradlin (Andy) and he confirmed his brother (Billy Glenn Spradlin) is deceased, and he is handling Billy Glenn Spradlin's estate.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF AN OVERLAPPING
HORIZOTNAL WELL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24405

SELF-AFFIRMED STATEMENT OF JARED ROUNTREE

1. My name is Jared Rountree, and I work for OXY USA Inc. ("OXY") as a Geologist. I am familiar with the application filed in this case and have personal knowledge of the information provided in this self-affirmed statement.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters and my credentials as an expert petroleum geologist have been accepted by the Division and been made a matter of record.

3. In this case, OXY is targeting the Bone Spring formation.

4. **OXY Exhibit D-1** is a locator map depicting OXY's proposed spacing unit. Existing producing wells in the Bone Spring formation are also depicted. The approximate wellbore paths for the proposed initial wells in this case are shown with dashed lines.

5. **OXY Exhibit D-2** shows a subsea structure map that I prepared for the top of the Second Bone Spring formation. The contour interval is 50-feet and the approximate wellbore paths for the proposed initial wells are depicted with dashed lines. This map shows that the Bone Spring formation gently dips to the southeast. I do not observe any faulting, pinch outs, or geologic impediments to developing this targeted interval with horizontal wells.

6. **OXY Exhibit D-3** is a structural cross-section that identifies the three wells penetrating the targeted intervals that I used to construct a cross-section from A to A'. I utilized

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: OXY USA INC.
Hearing Date: May 16, 2024
Case No. 24405

these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology within the proposed spacing unit.

7. **OXY Exhibit D-4** is a stratigraphic cross section using the representative wells depicted on Exhibit D-3. It contains a gamma ray and resistivity logs for each well. The proposed target interval within the Bone Spring formation is labeled on the exhibit. The cross-section demonstrates that the targeted interval is continuous and consistent in thickness across the proposed spacing unit.

8. In my opinion, the standup orientation of the wells is the preferred orientation for horizontal well development of the targeted interval in the Bone Spring formation in this area. This standup orientation will efficiently and effectively develop the subject acreage.

9. Based on my geologic study, the targeted interval within the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the tracts comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores.

10. In my opinion, the granting of OXY's application will be in the best interest of conservation, the preservation of waste, and protection of correlative rights.

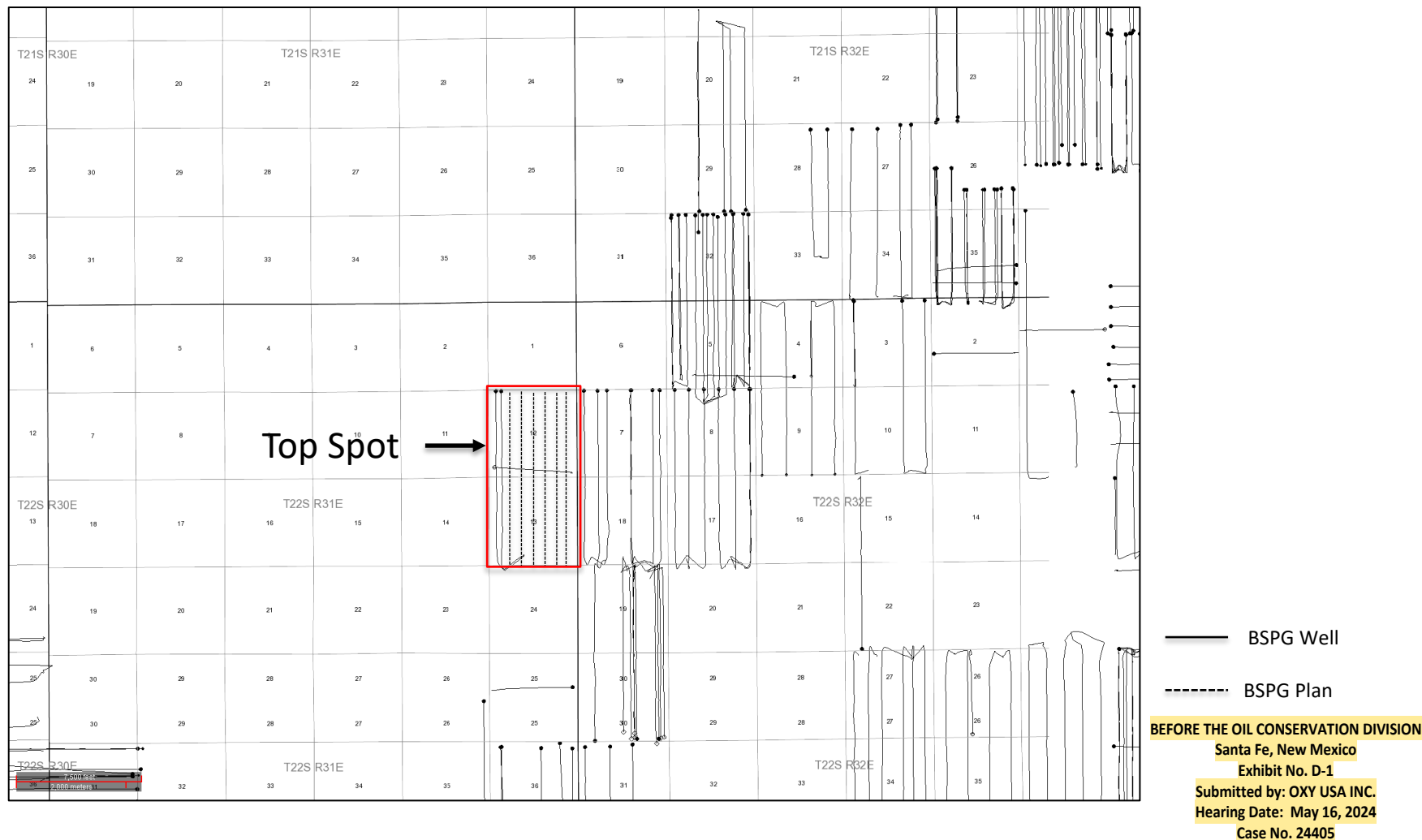
11. **OXY Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

12. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Jared Rountree

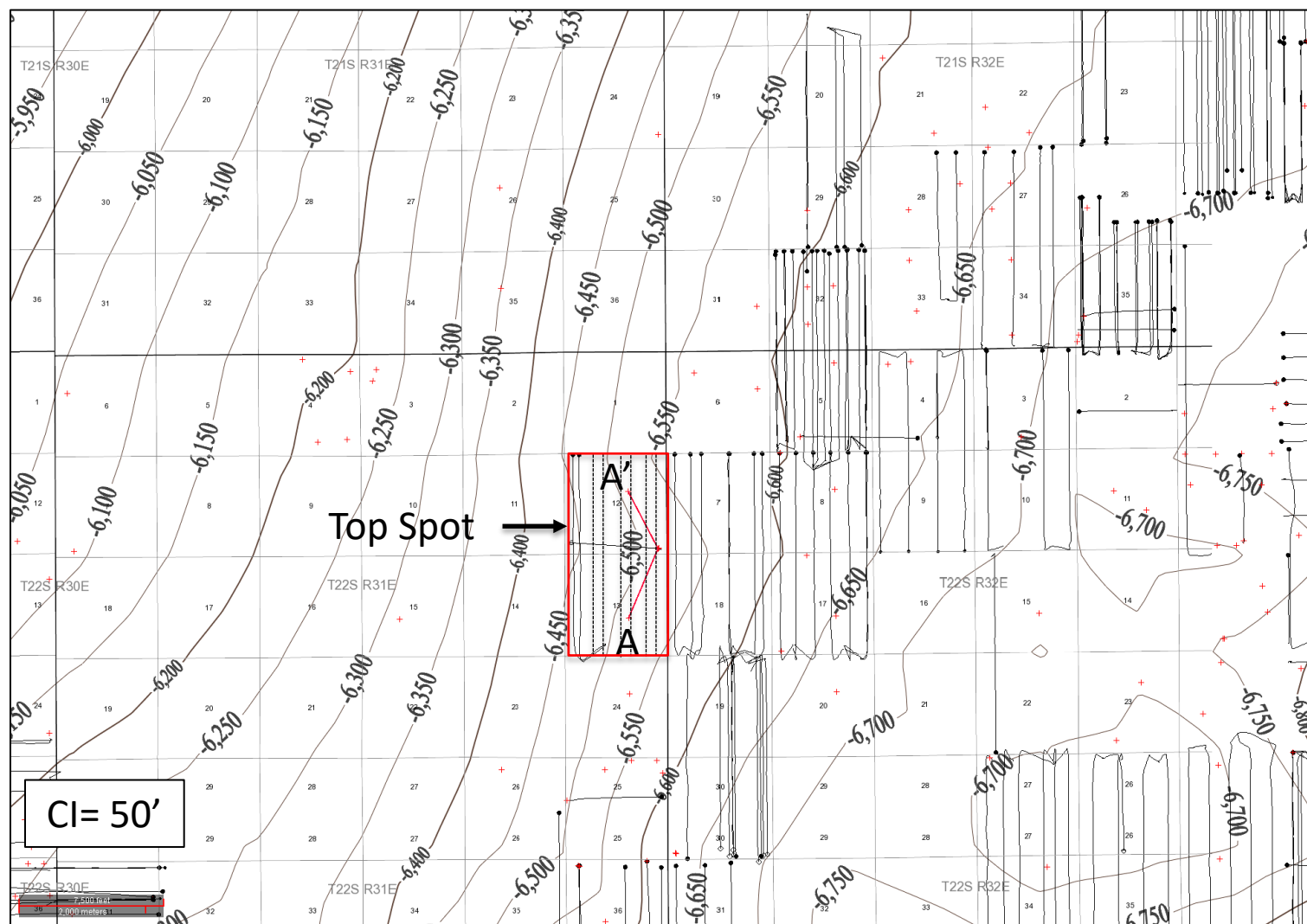
5/14/2024
Date

Locator Map – Top Spot DSU Exhibit D - 1



Structure Map (SSTVD)– 2nd Bone Spring Sand

Exhibit D - 2



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D-2

Submitted by: OXY USA INC.

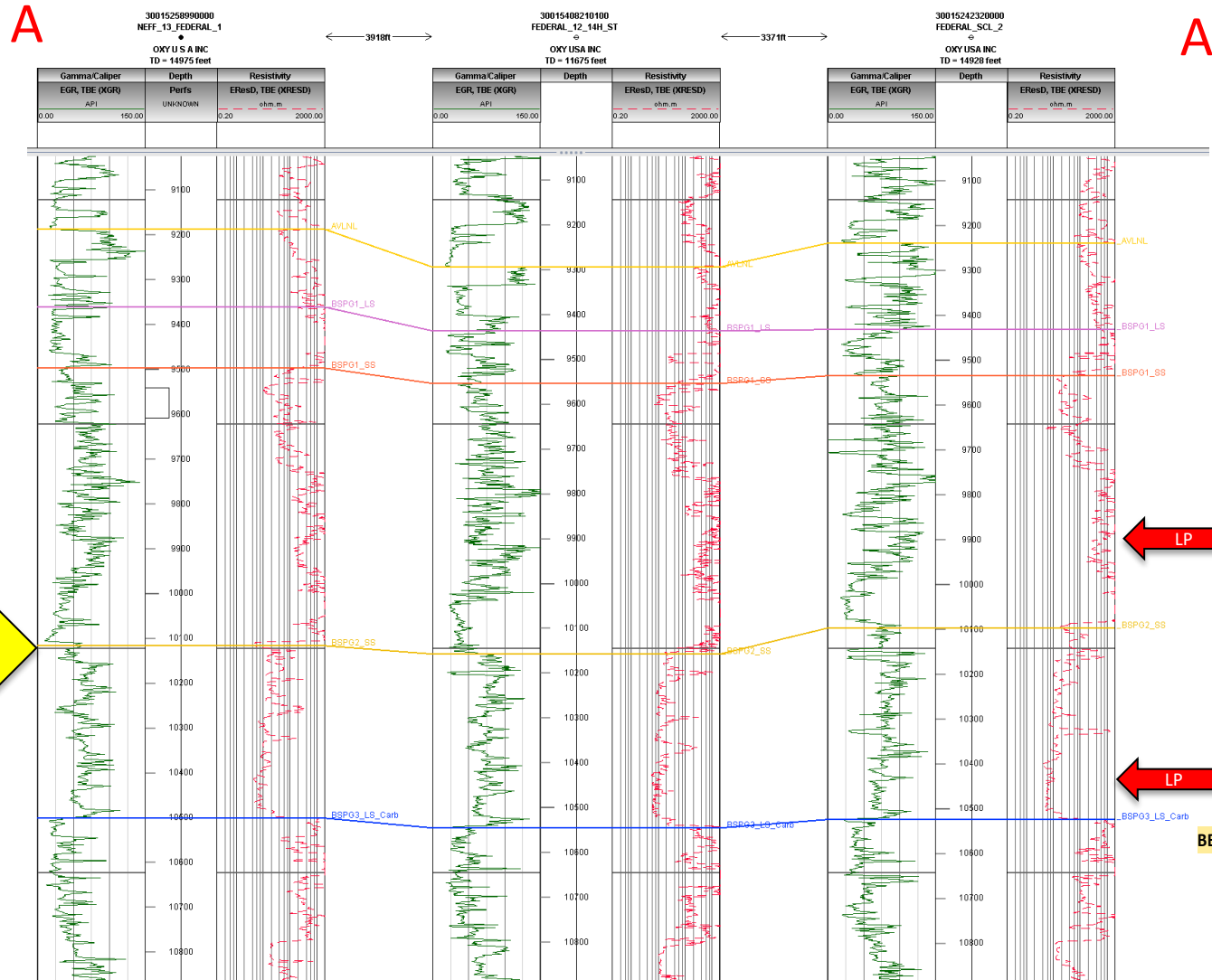
Hearing Date: May 16, 2024

Case No. 24405

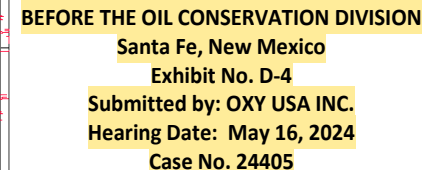
- BSPG Well
- - - - - BSPG Plan
- + Structural datapoint

Structural Cross-Section – Bone Spring

Exhibit D - 3



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. Ex. D-3
Submitted by: OXY USA INC.
Hearing Date: May 16, 2024
Case No. 24405



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

CASE NO. 24405

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of OXY USA Inc. ("OXY"), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto. Also, included is a sample copy of the overlap notice that was sent out by OXY.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 10, 2024.

5. I caused a notice to be published to all parties subject to this request for compulsory pooling proceeding. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: OXY USA INC.
Hearing Date: May 16, 2024
Case No. 24405**



Paula M. Vance

5/14/2024

Date



Paula M. Vance
Associate Attorney
Phone (505) 988-4421
Email pmvance@hollandhart.com

April 26, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *Top Spot 12_13 Fed Com 24H and 25H well*

Ladies & Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on May 16, 2024, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Courtney Carr at (713) 599-4116 or at Courtney_Carr@oxy.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR OXY USA INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

March 14, 2024

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY PROPOSED OVERLAPPING SPACING UNIT

XTO Holdings, LLC
22777 Springwoods Village Pkwy
Spring, Tx 77389

Re: Notice of Overlapping Spacing Unit
Bone Spring
Top Spot Fed 12 13 Fed Com 24H and 25H
W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East
Eddy County, New Mexico

To Whom It May Concern:

OXY USA Inc. has proposed the Top Spot Fed 12 13 Fed Com 24H and 25H wells for development of the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of a 320-acre spacing unit comprised of the W/2 E/2 of Sections 12 and 13 to be initially dedicated to the following wells:

- Top Spot 12 13 Fed Com 24H – First Bone Spring
 - SHL: 297' FSL, 1,225' FEL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 1,750' FEL (Section 12-T22S-R31E)
 - Approximate TVD: 9,895', Approximate MD: 20,564'
- Top Spot 12 13 Fed Com 25H – Second Bone Spring
 - SHL: 507' FSL, 1,374' FEL (Section 13-T22S-R31E)
 - BHL: 20' FNL, 2,200' FEL (Section 12-T22S-R31E)
 - Approximate TVD: 10,430', Approximate MD: 21,130'

The proposed 320-acre spacing unit will overlap the following existing spacing unit and well:

- Federal 12 #14H (API: 30-015-40821) – Second Bone Spring
 - SHL: 330' FSL, 405' FEL (Section 12)
 - BHL: 637' FSL, 328' FWL (Section 12)
 - TVD: 10,414'
 - Spacing Unit: S/2 S/2 Section 12-T22S-R31E
 - Producing Interval: 10,115' TVD – 10,520' TVD

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact me at courtney_carr@oxy.com or call 713.599.4116.

Sincerely,

Courtney Carr
Land Negotiator

April 11, 2024

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

TO ALL OWNERS IN THE AGREAGE AFFECTED BY PROPOSED OVERLAPPING SPACING UNIT

Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

Re: Notice of Overlapping Spacing Unit
Bone Spring
Top Spot Fed 12 13 Fed Com 24H and 25H
W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East
Eddy County, New Mexico

To Whom It May Concern:

OXY USA Inc. has proposed the Top Spot Fed 12 13 Fed Com 24H and 25H wells for development of the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of a 320-acre spacing unit comprised of the W/2 E/2 of Sections 12 and 13 to be initially dedicated to the following wells:

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 - Approximate TVD: 9,895', Approximate MD: 20,564'
- Top Spot 12 13 Fed Com 25H – Second Bone Spring
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 - BHL: 20' FNL, 2,200' FEL (Section 12-T22S-R31E)
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 - BHL: 637' FSL, 328' FWL (Section 12)
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 - Producing Interval: 10,115' TVD – 10,520' TVD

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact me at courtney_carr@oxy.com or call 713.599.4116.

Sincerely,

Courtney Carr
Land Negotiator

OXY - Top Spot 22H, 23H, 24H, 25H, 26H and 33H wells - Case nos. 24404, 24405, 24406
Postal Delivery Report

9214 8901 9403 8359 2990 27	CHARLES ANDREW SPRADLIN 2451 WALKER ST GRAND PRAIRIE TX 75052	Delivered Signature Received
9214 8901 9403 8359 2990 34	BILLY GLENN SPRADLIN 29 RIM ROAD KILGORE TX 75662	Delivered Signature Received



PO Box 631667 Cincinnati, OH 45263-1667

AFFIDAVIT OF PUBLICATION

Holland And Hart
Holland And Hart
110 N Guadalupe ST # 1
Santa Fe NM 87501-1849

STATE OF WISCONSIN, COUNTY OF BROWN

The Carlsbad Current Argus, a newspaper published in the city of Carlsbad, Eddy County, State of New Mexico, and personal knowledge of the facts herein state and that the notice hereto annexed was Published in said newspapers in the issue:

05/02/2024

and that the fees charged are legal.
Sworn to and subscribed before on 05/02/2024

Legal Clerk

Notary, State of WI, County of Brown

4-6-27

My commission expires

Publication Cost: \$237.00
Order No: 10108050 # of Copies:
Customer No: 1360634 1
PO #:

THIS IS NOT AN INVOICE!*Please do not use this form for payment remittance.*

DENISE ROBERTS
Notary Public
State of Wisconsin

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
DEPARTMENT
OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO
The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, May 16, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/oil/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than May 7, 2024.
Persons may view and participate in the hearings through the following link:
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m32aaf777e9d082c47d69dd41d9276ffa>
Webinar number: 2486 275 6900
Join by video system:
Dial 24862756900@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number.
Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9368 United States Toll
Access code: 2486 275 6900
Panelist password: PxJvPfrv278 (79587378 from phones and video systems)

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Charles Andrew Spradlin, his heirs and devisees, and Billy Glenn Spradlin, his heirs and devisees.

Case No. 24405: Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in the Bone Spring formation underlying the W/2 E/2 of Sections 12 and 13, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. This spacing unit will be initially dedicated to the Top Spot 12_13 Fed Com 24H to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12; and Top Spot 12_13 Fed Com 25H to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 13, with a first take point in the SW/4 SE/4 (Unit O) of Section 13, and the last take point in the NW/4 NE/4 (Unit B) of Section 12. This horizontal well spacing unit will overlap the following existing Bone Spring spacing unit:

*320-acre horizontal well spacing unit comprised of the S/2 S/2 of Section 12, dedicated to OXY's Federal 12 #14H (API: 30-015-40821).

Also, to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 23 miles northeast of Loving, New Mexico.
#10108050, Current Argus, May 2, 2024

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. F

Submitted by: OXY USA INC.

Hearing Date: May 16, 2024

Case No. 24405

Page 1 of 1