

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 3, 2020**

CASE NOS. 21540

TAILS CC 10-3 FED COM #21H-#26H WELLS

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF A 1,278.62-ACRE NON-STANDARD
SPACING UNIT IN THE BONE SPRING FORMATION
COMPRISED OF ACREAGE SUBJECT TO A
PROPOSED COMMUNITIZATION AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21540

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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF A 1,278.62-ACRE NON-
STANDARD SPACING UNIT IN THE
BONE SPRING FORMATION COMPRISED
OF ACREAGE SUBJECT TO A PROPOSED
COMMUNITIZATION AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21540

APPLICATION

OXY USA Inc. (“OXY” or “Applicant”) (OGRID No. 16696) is the designated operator under a Joint Operating Agreement covering federal leases in the Bone Spring formation and seeks approval of a 1,278.62-acre non-standard spacing unit to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 3 and 10, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. In support of this application, Oxy states:

1. There is a single pool within the Bone Spring formation underlying the proposed non-standard spacing unit: The Pierce Crossing; Bone Spring, East Pool (Pool Code 96473).
2. Within the proposed non-standard spacing unit, Oxy intends to drill or has drilled the following wells within the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473):
 - **Tails CC 10_3 Federal Com #21H well (30-015-pending)**
 - **Tails CC 10_3 Federal Com #22H well (30-015-pending)**
 - **Tails CC 10_3 Federal Com #24H well (30-015-pending)**
 - **Tails CC 10_3 Federal Com #25H well (30-015-pending)**
 - **Tails CC 10_3 Federal Com #26H well (30-015-pending)**

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A

Submitted by: OXY USA INC.

Hearing Date: December 3, 2020

Case No. 21540

3. Oxy's drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard project area.

4. Oxy seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.

5. Oxy understands that the Bureau of Land Management will approve a Communitization Agreement for the Bone Spring formation underlying the acreage comprising the proposed non-standard spacing unit once the Division approves the proposed non-standard spacing unit.

6. To allow the existing and permitted wells to be dedicated to the acreage subject to the desired Communitization Agreement, Oxy requires approval of corresponding non-standard spacing unit in the Bone Spring formation.

7. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.*, 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC; 19.15.16.15.C(7) NMAC.

8. Approval of this application will allow Oxy to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines, and promote effective well spacing.

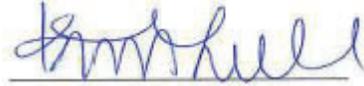
9. Notice of this application will be provided as required by Division rules.

10. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

11. WHEREFORE, Oxy requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 3, 2020, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP



By: _____
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Adam G. Rankin
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ATTORNEYS FOR OXY USA INC.

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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF A 1,278.62-ACRE NON-STANDARD
SPACING UNIT IN THE BONE SPRING FORMATION
COMPRISED OF ACREAGE SUBJECT TO A
PROPOSED COMMUNITIZATION AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21540

**AFFIDAVIT OF PETER R. VAN LIEW
IN SUPPORT OF CASE NO. 21540**

Peter R. Van Liew, of lawful age and being first duly sworn, declares as follows:

1. My name is Peter R. Van Liew. I work for Occidental Petroleum Company (“Oxy”) as a Senior Land Negotiator.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness. My credentials in petroleum land matters 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 for approval of nonstandard horizontal spacing units in the Bone Spring formation, and I am familiar with the status of the lands in the subject area.
4. None of the parties have indicated opposition to this application, and I do not expect any opposition to the presentation of this case by affidavits at the hearing.
5. In this case, Oxy seeks an order approving a 1,278.62-acre, more or less, non-standard spacing unit in the Bone Spring formation comprised of acreage subject to a corresponding Communitization Agreement underlying Sections 3 and 10, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (“Proposed Unit”).

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540**

6. **Oxy's Exhibit B-1** is a land plat outlining the Proposed Unit and identifying the tracts that includes both fee and federal lands.

7. Oxy is the designated operator under a Joint Operating Agreement covering federal leases in the Bone Spring formation in the acreage comprising the Proposed Unit.

8. Oxy seeks approval of the Proposed Unit to conform to the Bureau of Land Management's ("BLM") requested communitization agreement, and to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the Proposed Unit.

9. Oxy understands that the BLM requires Division approval of the Proposed Unit and that the BLM only approves communitization agreements that conform to a state-approved spacing unit. Without Division approval of the Proposed Unit, Oxy would be required to construct separate facilities for standard spacing units.

10. **Oxy's Exhibit B-2** is a copy of the proposed communitization agreement for the Bone Spring formations underlying the subject acreage for the Proposed Unit in this case.

11. With this proposed non-standard horizontal spacing unit, Oxy plans to initially develop in the Bone Spring formation, and Oxy intends to drill the following wells within the Pierce Crossing; Bone Spring, East Pool (Pool Code 96473):

- **Tails CC 10_3 Federal Com #21H well** (30-015-pending)
- **Tails CC 10_3 Federal Com #22H well** (30-015-pending)
- **Tails CC 10_3 Federal Com #24H well** (30-015-pending)
- **Tails CC 10_3 Federal Com #25H well** (30-015-pending)
- **Tails CC 10_3 Federal Com #26H well** (30-015-pending).

12. **Oxy Exhibit B-3** includes the Form C-102s for each of the proposed wells, which reflect the first and last take points for each well in the Proposed Unit.

13. **Oxy Exhibit B-4** is a plat identifying the operators or lessees in Proposed Unit and the adjoining tracts that were provided notice of this hearing as required by Division Rules.

14. I provided the law firm of Holland & Hart LLP a list of names and addresses for the each of the interest owners within the Proposed Unit, and the affected parties in the tracts adjoining the Proposed Unit. In compiling these addresses, Oxy conducted a diligent search of all public records in the county where the Proposed Unit is located and of phone directories, including computer searches.

15. The BLM was also provided notice since the Proposed Unit contains only federal lands.

16. **Oxy Exhibits B-1** through **B-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



PETER R. VAN LIEW

STATE OF TEXAS)
)
COUNTY OF Harris)

SUBSCRIBED and SWORN to before me this 30th day of November 2020,
by Peter R. Van Liew.

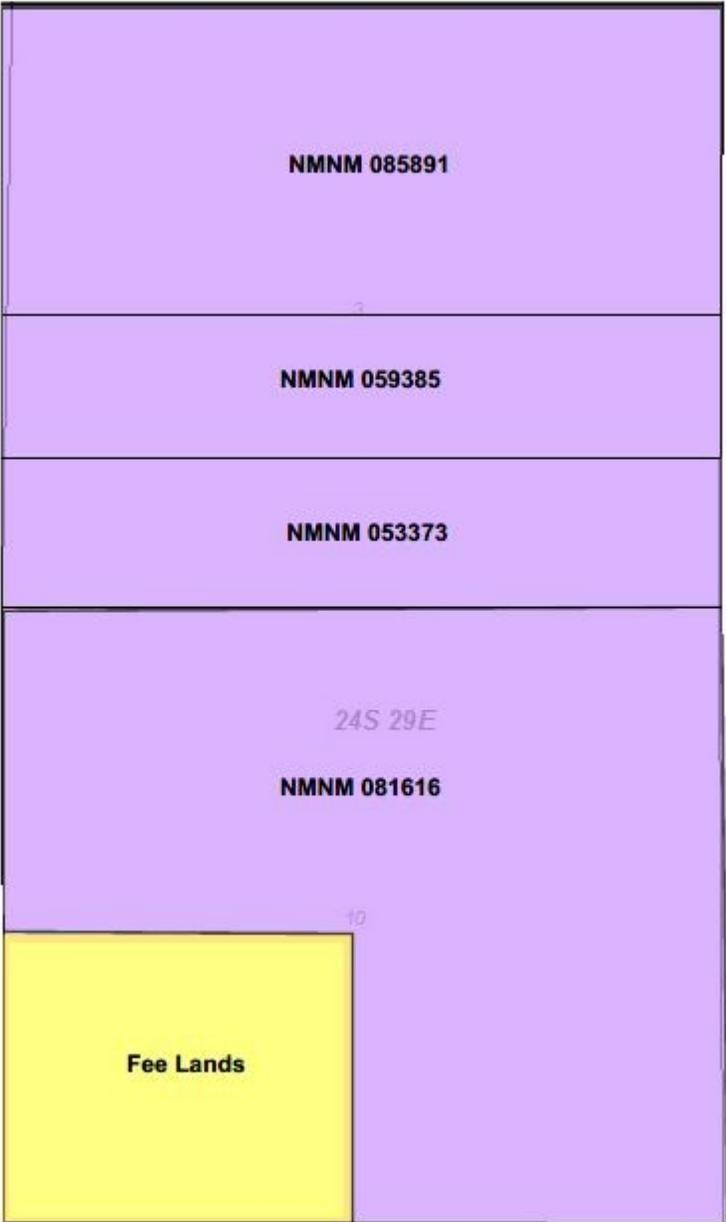


NOTARY PUBLIC

My Commission Expires:
10-23-2023



Section 3 & 10 Tract Map



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B1
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of October, 2020, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 24 South, Range 29 East, NMPM
Section 3: Lots 1, 2, 3, 4, S/2N/2 & S/2
Section 10: All

Eddy County, New Mexico

Containing **1,278.62** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B2

Submitted by: OXY USA INC.

Hearing Date: December 3, 2020

Case No. 21540

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Suite 110, Houston, Texas 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is October 1, 2020, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OPERATOR:

OXY USA INC.

DATE: _____

BY: _____

John V. Schneider
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the _____ day of _____, 20___, by JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of **OXY USA INC.**, a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 053373, NMNM 081616, NMNM 059385 & FEE LEASE

OXY USA INC.

DATE: _____

BY: _____
John V. Schneider
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the _____ day of _____, 20___, by JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of **OXY USA INC.**, a Delaware corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

OPERATING RIGHTS & LESSEE OF RECORD OWNER FOR LEASE NMNM 085891

OXY Y-1 COMPANY

DATE: _____

BY: _____

John V. Schneider
Attorney-in-Fact

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on this the _____ day of _____, 20____, by JOHN V. SCHNEIDER, ATTORNEY-IN-FACT of **OXY Y-1 COMPANY**., a New Mexico corporation, on behalf of said corporation.

Notary Public in and for the State of Texas

OPERATING RIGHTS & LESSEE OF RECORD OWNER FOR LEASE NMNM 085891

EOG RESOURCES INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____ of **EOG**
RESOURCES, INC., a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of Texas
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373
LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

DEVON ENERGY PRODUCTION COMPANY, LP

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____ of **DEVON**
ENERGY PRODUCTION COMPANY, LP, a _____ limited partnership, on
behalf of said limited partnership.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385, NMNM 081616 & NMNM 053373
LESSEE OWNER OF RECORD FOR LEASE NMNM 059385 & 053373

TAP ROCK RESOURCES, LLC

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by _____, as _____ of **TAP ROCK RESOURCES, LLC**, a _____ limited liability company, on behalf of said limited liability company.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385, NMNM 081616 & NMNM 053373

VISION ENERGY, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by _____, as _____ of Vision Energy, Inc., a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373

ENERSTAR RESOURCES LTD CO.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____ of **ENERSTAR RESOURCES LTD
CO.**, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASES NMNM 059385 & NMNM 053373

BOB BLUNDELL, JR.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
BOB BLUNDELL, JR.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASE NMNM 081616

MCNIC OIL & GAS PROPERTIES, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **MCNIC OIL & GAS PROPERTIES,
INC.**, a _____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

COG OPERATING, LLC

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **COG OPERATING, LLC**, a
_____ limited liability company, on behalf of said limited liability company.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

OPERATING RIGHTS OWNER OF RECORD FOR LEASE NMNM 081616

CCS RESOURCES, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **CCS RESOURCES, INC.**, a
_____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____

Notary's name Printed: _____

Notary's commission expires: _____

LESSEE OWNER OF RECORD FOR LEASE NMNM 081616

MBR RESOURCES, INC.

DATE: _____

BY: _____

NAME: _____

TITLE: _____

STATE OF _____)

COUNTY OF _____)

This instrument was acknowledged before me on _____, 20____, by
_____, as _____, of **MBR RESOURCES, INC.**, a
_____ corporation, on behalf of said corporation.

Notary Public in and for the State of _____
Notary's name Printed: _____
Notary's commission expires: _____

EXHIBIT "A"

Plat of communitized area covering **1,278.62** acres in Township 24 South, Range 29 East, Section 3 & 10, N.M.P.M., Eddy County, New Mexico.

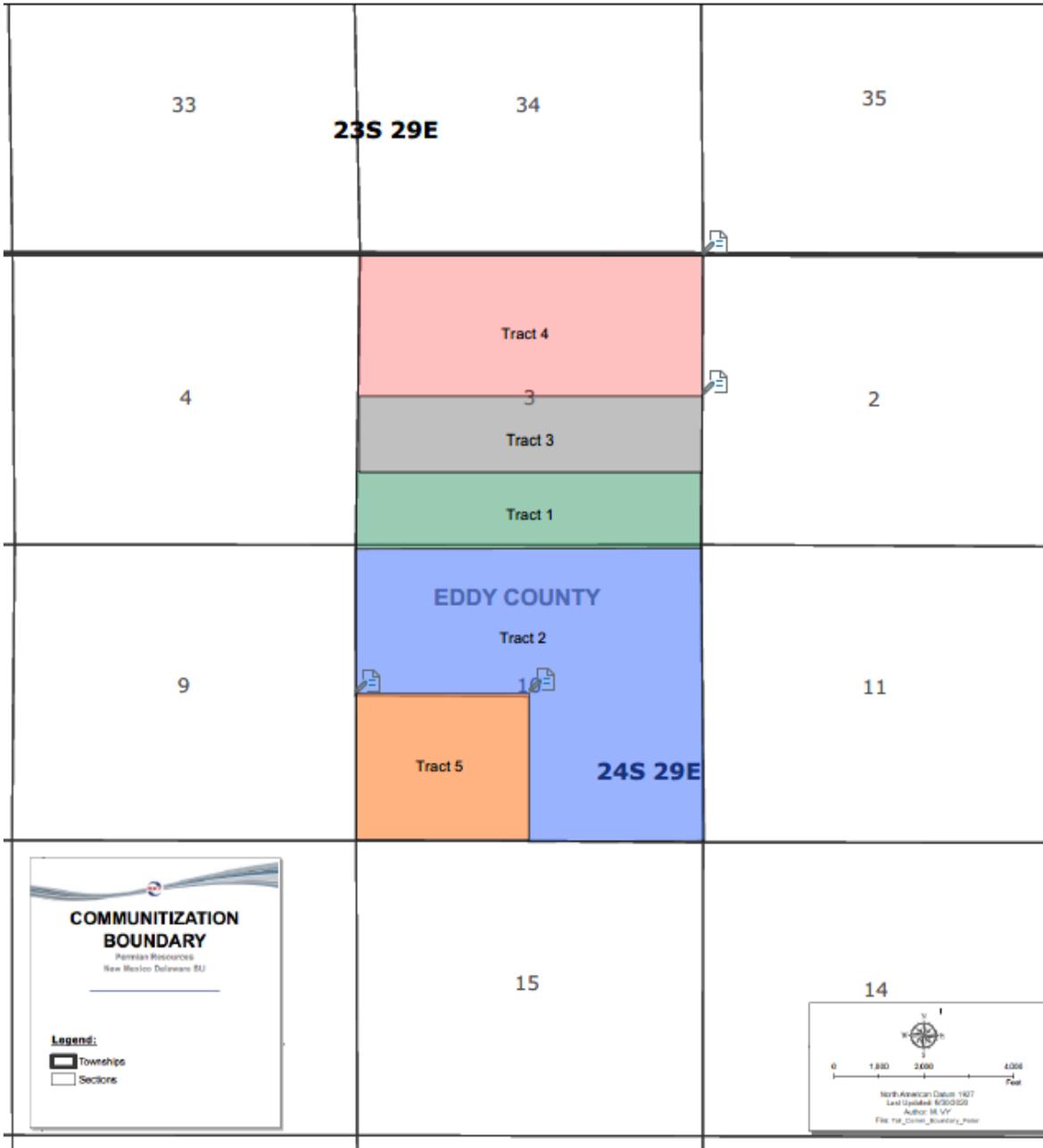


EXHIBIT “B”

To Communitization Agreement dated October 1, 2020 embracing the following described land in Section 3 & Section 10, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 053373

Description of Land Committed: Township 24 South, Range 29 East,
Section 3: S/2S/2

Number of Acres: 160 acres

Current Lessee of Record: Tap Rock Resources, LLC

Name of Operating Rights Owners: Surface to 8,200’ or Base of First Bone Spring,
whichever is the shallower depth:
OXY USA Inc. – 82.84085%
Devon Energy Production Co. LP – 14.0%
Enerstar Resources Ltd. Co. – 2.159150%
Bob Blundell, Jr. – 1.0%

All depths below 8,200’ or Base of First Bone
Spring, whichever is the shallower depth:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 3.159150%

Tract No. 2

Lease Serial Number: NMNM 081616

Description of Land Committed: Township 24 South, Range 29 East,
Section 10: N/2 & SE/4

Number of Gross Acres: 480 acres

Current Lessee of Record: MBR Resources Inc.
Devon Energy Production Co. LP
COG Operating LLC

Name of Working Interest Owners: Surface to 8,200' or base of First Bone Spring,
whichever is the shallower depth, as to the NE/4:
OXY USA Inc. – 59.29%
Tap Rock Resources, LLC – %
MCNIC Oil & Gas Properties Inc. – 30.71%
Vision Energy Inc. – 10.0%

All depths below 8,200' or base of First Bone
Spring as to the NE/4:
OXY USA Inc. – 52.7625%
MCNIC Oil & Gas Properties Inc. – 27.2375%
Vision Energy Inc. – 20.0%

Surface to 8,200' or base of First Bone Spring,
whichever is the shallower depth, as to the
N/2NW/4:
OXY USA Inc. – 30.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 10.0%

All depths below 8,200' or base of First Bone
Spring as to the N/2NW/4:
OXY USA Inc. – 20.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 20.0%

Surface to 8,200' or base of First Bone Spring,
whichever is the shallower depth, as to the
S/2NW/4:
OXY USA Inc. – 20.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 10.0%
Tap Rock Resources, LLC – 10.0%

All depths below 8,200' or base of First Bone
Spring as to the S/2NW/4:
OXY USA Inc. – 20.0%
CCS Resources Inc. – 60.0%
Vision Energy Inc. – 20.0%

All depths as to the SE/4:
OXY USA Inc. – 60.2625%
MCNIC Oil & Gas Properties Inc. – 39.7375%

Tract No. 3

Lease Serial Number: NMNM 059385

Description of Land Committed: Township 24 South, Range 29 East,
Section 3: N/2S/2

Number of Gross Acres: 160 acres

Current Lessee of Record: Tap Rock Resources, LLC

Name of Working Interest Owners: Surface to 8,200' or Base of First Bone Spring,
whichever is the shallower depth, as to NW/4SE/4:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

All depths below 8,200' or Base of First Bone
Spring, whichever is the shallower depth, down to
14,130' as to NW/4SE/4:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

Surface to 8,200' or Base of First Bone Spring,
whichever is the shallower depth, as to N/2SW/4 &
NE/4SE/4:
OXY USA Inc. – 82.84085%
Devon Energy Production Co. LP – 14.0%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

All depths below 8,200' or Base of First Bone
Spring, whichever is the shallower depth, down to
14,130' as to N/2SW/4 & NE/4SE/4:
OXY USA Inc. – 96.84085%
Enerstar Resources Ltd. Co. – 2.15915%
Bob Blundell Jr. – 1.0%

Tract No. 4

Lease Serial Number: NMNM 085891

Description of Land Committed: Township 24 South, Range 29 East,
Section 3: Lots 1, 2, 3 & 4 & S/2N/2

Number of Gross Acres: 318.62 acres

Current Lessee of Record: OXY Y-1 Company
EOG Resources, Inc.

Name of Working Interest Owners: OXY Y-1 Company – 4.0%
EOG Resources Inc. – 96.0%

Tract No. 5

Lease Serial No.: Fee

Description of Land Committed: Township 24 South, Range 29 East
SW/4 Section 10

Number of Gross Acres: 160 acres

Authority for Pooling: Lease contains pooling clause

Name and Percent of WI Owners: OXY USA Inc. – 100%

Lease No. 1

Lessor: D.S. Harroun, et al

Lease Owner: OXY USA Inc.

OXY Lease No.: 63021514

Date of Lease: 2/2/1972

Authority for Pooling: Lease contains pooling clause

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	160.00	12.5134911%
2	480.00	37.5404733%
3	160.00	12.5134911%
4	318.62	24.9190534%
<u>5</u>	<u>160.00</u>	<u>12.5134911%</u>
Total	1,278.62	100.0000000%

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 RD., 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, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 96473	Pool Name PIERCE CROSSING, BONE SPRING, EAST
Property Code	Property Name TAILS CC 10_3 FEDERAL COM	Well Number 21H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2942.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	24-S	29-E		220	SOUTH	1415	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	24-S	29-E		20	NORTH	700	WEST	EDDY

Dedicated Acres 640	Joint or Infill y	Consolidation Code	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

LTP
100' FNL & 700' FWL
Y=456230.2 N
X=650963.2 E
LAT.=32.253755° N
LONG.=103.978709° W

FTP
100' FSL & 700' FWL
Y=445825.6 N
X=651011.5 E
LAT.=32.225153° N
LONG.=103.978664° W

KOP
50' FSL & 700' FWL
Y=445775.6 N
X=651011.8 E
LAT.=32.225016° N
LONG.=103.978664° W

PROPOSED BOTTOM HOLE LOCATION
Y=456310.2 N
X=650962.8 E
LAT.=32.253974° N
LONG.=103.978710° W

SURFACE LOCATION
Y=445945.1 N
X=651725.8 E
LAT.=32.225475° N
LONG.=103.976353° W

POINT LEGEND

1	Y=456330.3 N	X=650262.8 E
2	Y=453688.3 N	X=650273.5 E
3	Y=451034.0 N	X=650284.7 E
4	Y=448382.0 N	X=650298.1 E
5	Y=445726.2 N	X=650312.0 E
6	Y=445724.1 N	X=652967.9 E
7	Y=451032.4 N	X=652940.0 E
8	Y=456330.2 N	X=652902.2 E

GRID AZ. = 256°38'57"
HORIZ. DIST. = 733.9'

* ALL COORDINATES ARE NAD 83 VALUES

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Janacek 08/03/2020
Signature Date

Stephen Janacek
Printed Name

Stephen_Janacek@oxy.com
E-mail Address

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.

MARCH 5, 2019
Date of Survey

Signature & Seal of Professional Surveyor

Chad L. Harcrow 10/25/19
Certificate No. CHAD HARCROW 17777
W.O. #19-1958 DRAWN BY: WN

Map Key:

Purple cross hatched: Federal Lands
Blue cross hatched: State Lands
No cross hatch: Fee Lands

Olwick Corporation
Matador Petroleum Corp.
XTO Holdings, LLC
Marathon Oil Permian LLC
Bird Creek Resources Inc.
Penwell Energy Inc.

Tap Rock Resources, LLC

Tap Rock Resources, LLC
Highland Texas Energy Co.
Echo Production Inc.
The Allar Company
Chevron U.S.A. Inc.
Twin Montana Inc.
Talus Inc.
Chesapeake Exploration Inc.
Animas Energy LLC

OXY USA Inc.

Devon Energy Production Co.

OXY USA Inc.

Devon Energy Production Co.

OXY USA Inc.

OXY USA Inc.

Devon Energy Production Co.
Shackelford Oil Co.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B4
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540

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

**APPLICATION OF OXY USA INC. FOR APPROVAL
OF A 1,278.62-ACRE NON-STANDARD SPACING
UNIT IN THE BONE SPRING FORMATION
COMPRISED OF ACREAGE SUBJECT TO A
PROPOSED COMMUNITIZATION AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21540

**AFFIDAVIT OF TONY TROUTMAN
IN SUPPORT OF CASE NO. 21540**

Tony J. Troutman, of lawful age and being first duly sworn, declares as follows:

1. My name is Tony J. Troutman. I work for Occidental Petroleum Company (“Oxy”) as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist 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 for approval of a non-standard horizontal spacing unit in the Bone Spring formation, and I have conducted a geologic study of the lands in the subject area.
4. Oxy is targeting the Bone Spring formation with this proposed non-standard unit.
5. **Oxy Exhibit C-1** is a locator map that outlines the proposed non-standard spacing unit in the Bone Spring formation. It shows the path of the wellbores for the **Tails CC 10_3 Federal Com #21H, #22H, #24H, #25H, and #26H wells.**
6. **Oxy Exhibit C-2** depicts a subsea structure map that I prepared off the top of the Bone Spring formation with a contour interval of 25 feet. The **Tails CC 10_3 Federal Com #21H,**

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540**

#22H, #24H, #25H, and #26H wells are depicted with red lines, and I have identified the surface and bottom hole locations for the wells. The structure map shows the top of the Bone Spring is gently dipping to the east. The structure appears consistent across the intended wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling these proposed wells within this non-standard spacing unit in the Bone Spring formation.

7. **Oxy Exhibit C-2** also shows the location of the wells used to create the stratigraphic cross-section from A to A' on **Oxy Exhibit C-3**. These three wells are representative of the geology in the Bone Spring formation underlying the proposed non-standard horizontal spacing unit.

8. **Oxy Exhibit C-3** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the lower Bone Spring formation from the three representative wells denoted from A to A' on Oxy Exhibit D-2. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The targeted interval is labeled and marked. The logs in the cross-section demonstrate that the targeted interval, within the Bone Spring formation, is consistent in thickness, across the proposed nonstandard horizontal spacing unit.

9. 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, and the proposed non-standard unit will result in significant efficiencies due to the ability of Oxy to consolidate surface facilities.

10. In my opinion, each tract comprising the proposed non-standard horizontal spacing unit will be productive and contribute more-or-less equally to production from the wellbore.

11. In my opinion, the granting of Oxy's applications in these cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Oxy Exhibits C-1 through C-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

TONY J. TROUTMAN

STATE OF TEXAS)

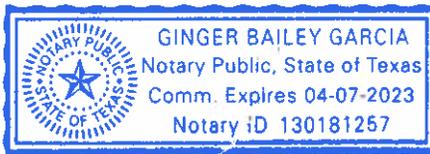
COUNTY OF Harris)

SUBSCRIBED and SWORN to before me this 1st day of December 2020
by Tony J. Troutman.

NOTARY PUBLIC

My Commission Expires:

4/7/23

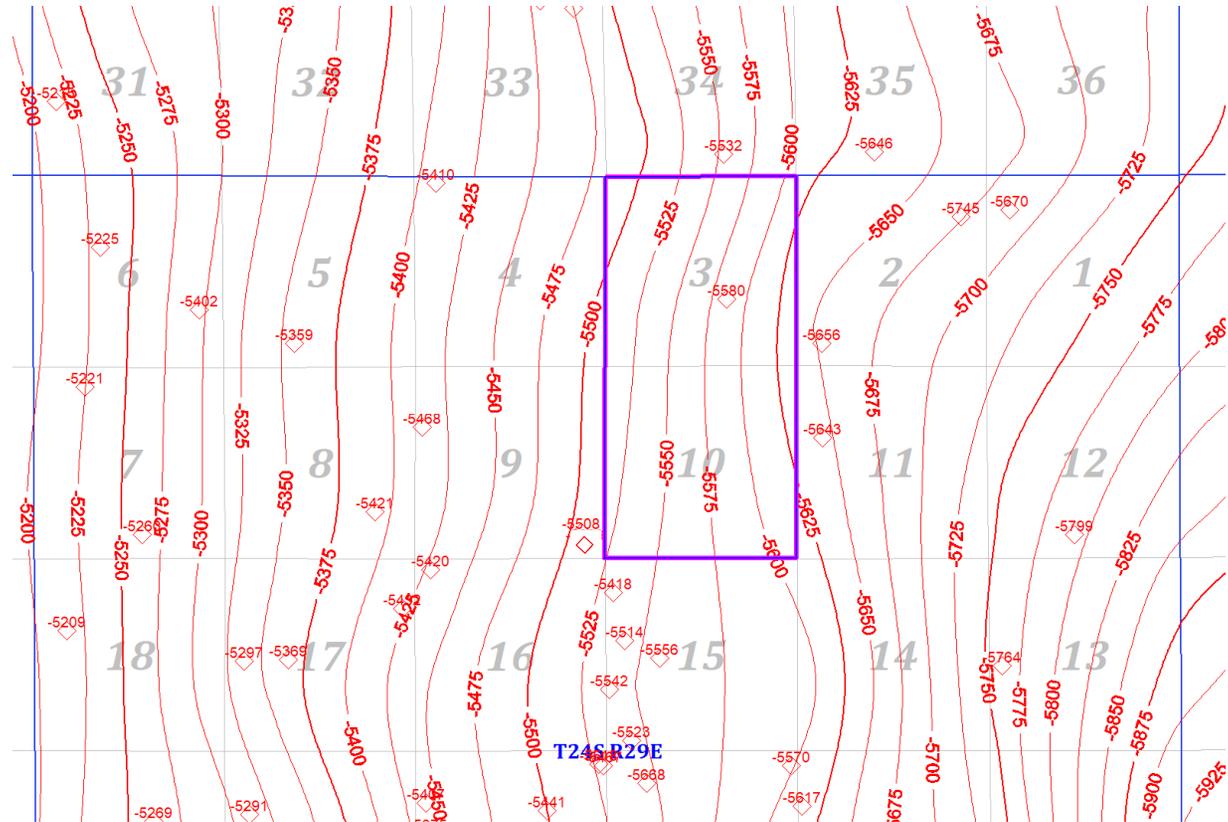


Tails: Subsea Structure Map 2nd Bone Spring

 Project area

 Control points

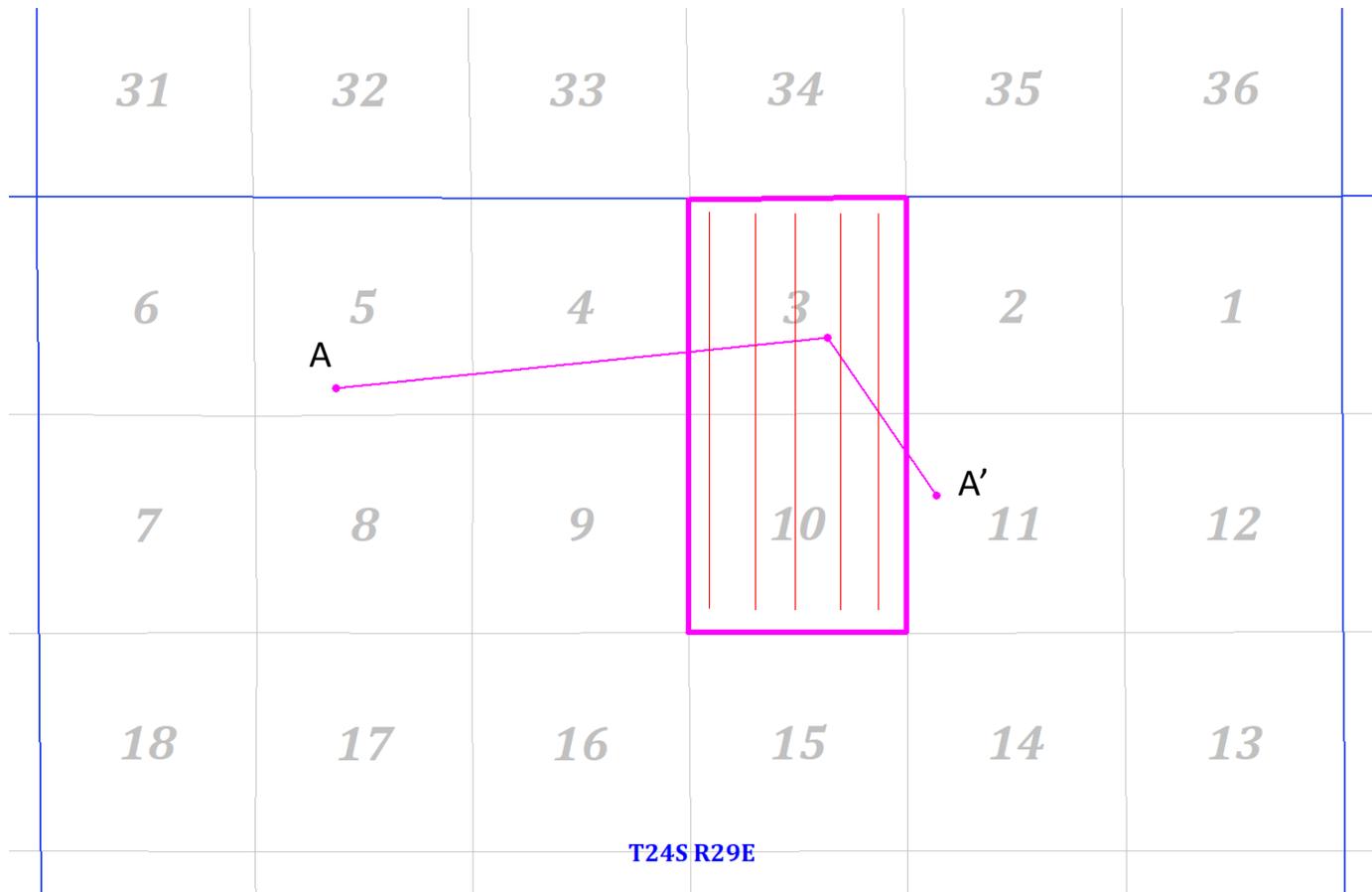
Contour Interval 25 ft.



Author: Tony Troutman, Geological Advisor, Oxy USA, Inc., 11/30/2020

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C1
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540

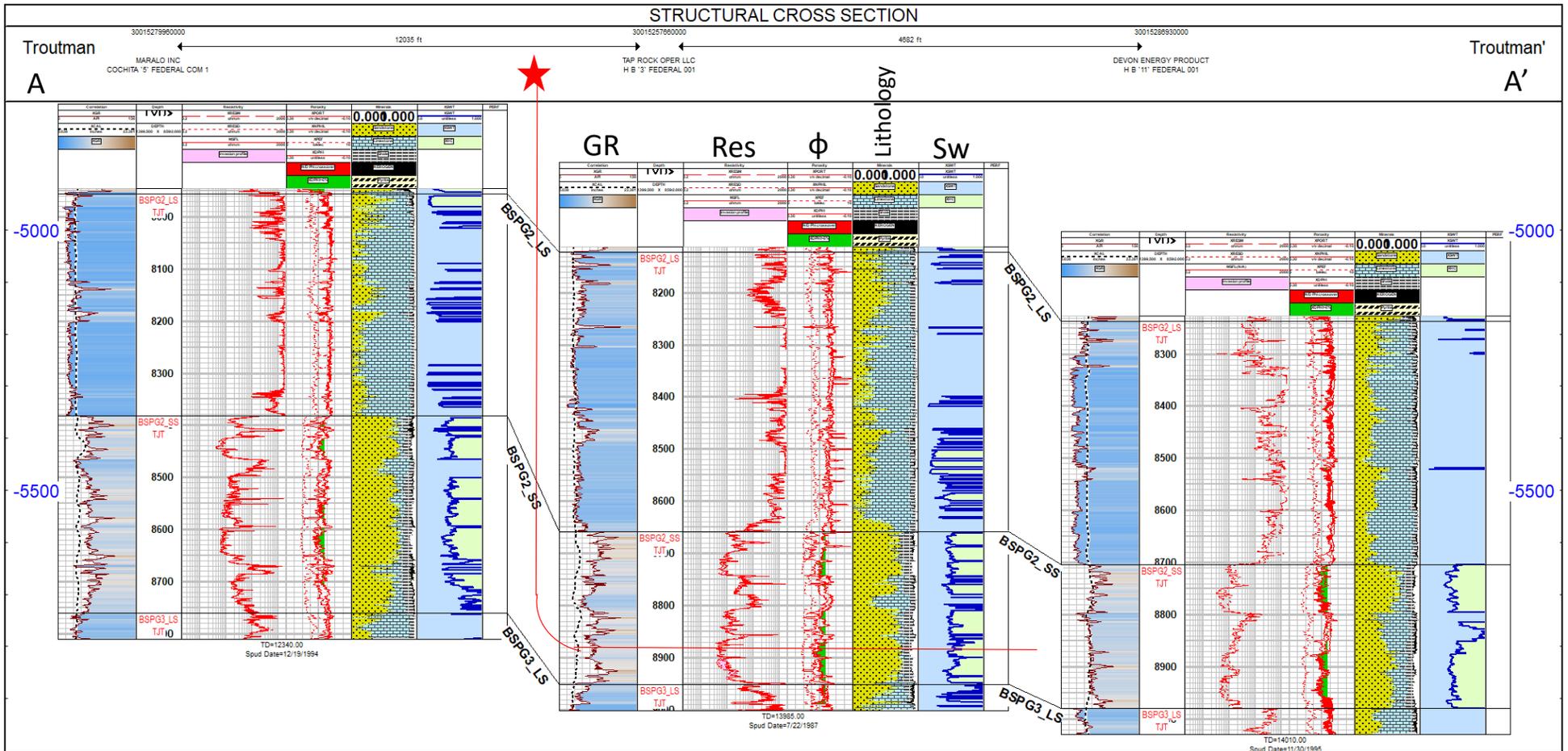
Tails: Cross section location map



Author: Tony Troutman, Geological Advisor, Oxy USA, Inc., 11/30/2020

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540

Tails: Cross-section



Author: Tony Troutman, Geological Advisor, Oxy USA, Inc., 11/30/2020

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Submitted by: OXY USA INC.
 Hearing Date: December 3, 2020
 Case No. 21540

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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF A 1,278.62-ACRE NON-STANDARD
SPACING UNIT IN THE BONE SPRING FORMATION
COMPRISED OF ACREAGE SUBJECT TO A
PROPOSED COMMUNITIZATION AGREEMENT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21540

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Kaitlyn A. Luck, attorney in fact and authorized representative of OXY USA Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.



Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 23rd day of November, 2020 by
Kaitlyn A. Luck.

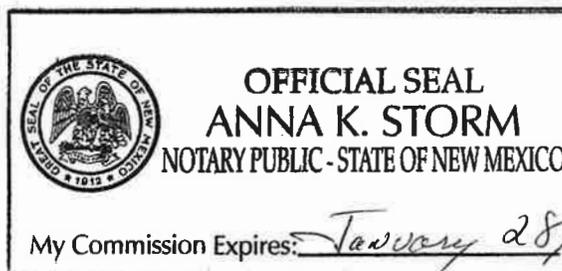


Notary Public

My Commission Expires:

January 28, 2023

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540





Michael H. Feldewert
Phone (505) 988-4421
Fax (505) 983-6043
mfeldewert@hollanhart.com

November 13, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

**Re: Application of OXY USA Inc. for approval of a 1,278.62-acre non-standard spacing unit in the Bone Spring formation comprised of acreage subject to a proposed communitization agreement, Eddy County, New Mexico.
Tails CC 10 3 Fed Com #21H, #22H, #24H, #25H, #26H Wells**

Ladies & Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on December 3, 2020 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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 by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Peter Van Liew, at (713) 627-6880, or Peter_VanLiew@oxy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

Michael H. Feldewert
ATTORNEY FOR OXY USA INC.

Oxy - Tail 21H-22H, 24H-26H
Case No. 21540 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765826924220	Devon Energy Production Company, LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826924763	Chesapeake Exploration LP	6100 N Western Ave	Oklahoma City	OK	73118-1044	Your item has been delivered and is available at a PO Box at 7:46 am on November 16, 2020 in OKLAHOMA CITY, OK 73154.
9414811898765826924701	Animas Energy LLC	PO Box 369	Ignacio	CO	81137-0369	Your item was delivered at 11:24 am on November 16, 2020 in IGNACIO, CO 81137.
9414811898765826924787	Olwick Corporation	PO Box 10886	Midland	TX	79702-7886	This is a reminder to arrange for redelivery of your item or your item will be returned to sender.
9414811898765826924916	Matador Petroleum Corp.	5400 Lbj Fwy Ste 1500	Dallas	TX	75240-1017	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765826924961	XTO Holdings, LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your item was picked up at a postal facility at 10:16 am on November 16, 2020 in SPRING, TX 77379.
9414811898765826924909	Marathon Oil Permian LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to the front desk, reception area, or mail room at 2:38 pm on November 16, 2020 in HOUSTON, TX 77056.
9414811898765826924947	Bird Creek Resources Inc.	1437 S Boulder Ave Ste 930, 1412 South Boston, Suite 550	Tulsa	OK	74119-3618	Your item was delivered to the front desk, reception area, or mail room at 9:46 am on November 17, 2020 in TULSA, OK 74119.
9414811898765826924930	Penwell Energy Inc.	800 Bering Dr Ste 410	Houston	TX	77057-2131	Your item was delivered to an individual at the address at 1:03 pm on November 16, 2020 in HOUSTON, TX 77057.
9414811898765826924664	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to an individual at the address at 12:55 pm on November 17, 2020 in SANTA FE, NM 87508.
9414811898765826924602	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was delivered at 7:31 am on November 17, 2020 in SANTA FE, NM 87501.
9414811898765826924299	Shackelford Oil Company	11417 W County Road 33	Midland	TX	79707-9027	Your item has been delivered to an agent for final delivery in MIDLAND, TX 79707 on November 17, 2020 at 6:05 pm.
9414811898765826924282	Tap Rock Resources, LLC	602 Park Point Dr Ste 200	Golden	CO	80401-9359	Your item has been delivered to an agent for final delivery in GOLDEN, CO 80401 on November 16, 2020 at 1:32 pm.
9414811898765826924275	Highland Texas Energy Company	11886 Greenville Ave Ste 106	Dallas	TX	75243-3569	Your item was delivered to an individual at the address at 10:55 am on November 17, 2020 in DALLAS, TX 75243.
9414811898765826924855	Echo Production Inc.	PO Box 1210	Graham	TX	76450-1210	Your item was delivered at 11:19 am on November 17, 2020 in GRAHAM, TX 76450.
9414811898765826924824	The Allar Company	PO Box 1567	Graham	TX	76450-7567	Your item was delivered at 10:28 am on November 17, 2020 in GRAHAM, TX 76450.
9414811898765826924848	Chevron U.S.A. Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to the front desk, reception area, or mail room at 11:04 am on November 17, 2020 in MIDLAND, TX 79706.
9414811898765826924831	Twin Montana Inc.	PO Box 1210	Graham	TX	76450-1210	Your item arrived at the GRAHAM, TX 76450 post office at 9:19 am on November 20, 2020 and is ready for pickup.
9414811898765826924718	Talus Inc.	PO Box 1210	Graham	TX	76450-1210	Your item was delivered at 11:19 am on November 17, 2020 in GRAHAM, TX 76450.

Affidavit of Publication

Ad # 0004468075

This is not an invoice

HOLLAND & HART
POBOX 2208

SANTA FE, NM 87504

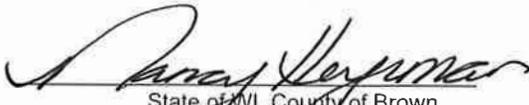
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

11/17/2020



Legal Clerk

Subscribed and sworn before me this November 17,
2020:



State of WI, County of Brown
NOTARY PUBLIC
5.15.23

My commission expires

NANCY HEYRMAN
Notary Public
State of Wisconsin

Ad # 0004468075
PO #: Tails CC
of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: OXY USA INC.
Hearing Date: December 3, 2020
Case No. 21540

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 case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, December 3, 2020, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.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 Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **November 23, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:
<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ec97b56813f60ba7489b2ffd641268714>
Event number: 146 523 3652
Event password: pMmKMtff654
Join by video: 1465233652@nmemnrd.webex.com
Numeric Password: 834052
You can also dial 173.243.2.68 and enter your meeting number
Join by audio: 1-844-992-4726 United States Toll Free
Access code: 146 523 3652.

**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 pooled parties, including: Devon Energy Production Company, LP; Shackelford Oil Company; Tap Rock Resources, LLC; Highland Texas Energy Company; Echo Production Inc.; The Allar Company; Chevron U.S.A. Inc.; Twin Montana Inc.; Talus Inc.; Chesapeake Exploration LP; Animas Energy LLC; Olwick Corporation; Matador Petroleum Corp.; XTO Holdings, LLC; Marathon Oil Permian LLC; Bird Creek Resources Inc.; Penwell Energy Inc.; Bureau of Land Management; and New Mexico State Land Office.

Case No. 21540: Application of OXY USA Inc. for approval of a 1,278.62-acre non-standard spacing unit in the Bone Spring formation comprised of acreage subject to a proposed communitization agreement, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order approving 1,278.62-acre non-standard spacing unit in the Bone Spring formation comprised of acreage subject to a proposed communitization agreement underlying Sections 3 and 10, Township 24 South, Range 29 East, N10PM, Eddy County, New Mexico. The acreage underlying the proposed non-standard spacing unit is located within the Division's Pierce Crossing; Bone Spring, East Pool (Pool Code 96473), and Oxy has proposed the following initial wells in the non-standard spacing unit:

- Tails CC 10_3 Federal Com #21H well (30-015-pending)
- Tails CC 10_3 Federal Com #22H well (30-015-pending)
- Tails CC 10_3 Federal Com #24H well (30-015-pending)
- Tails CC 10_3 Federal Com #25H well (30-015-pending)
- Tails CC 10_3 Federal Com #26H well (30-015-pending)

The subject area is located approximately 7.5 miles south-east of Loving, New Mexico.

#4468075, Current Argus, Nov. 17, 2020