

**Oxy USA WTP LP**  
**Authorization for Expenditure Form**

DATE PREPARED: 06/08/2007 15:05

RMT/PMT Frontier

Control No. 10220

PROJECT NAME: Govt AC #4 Plugback to Wolfcamp

LEASE/UNIT: Government AC #4

OPERATOR: Oxy USA WTP LP

LEGAL LOCATION: 660' FSL & 660' FEL, Sec. 15, T20S, R28E, Eddy Co., NM

BUDGET CATEGORY: Development

**PROJECT DESCRIPTION:**

**PEEP CASE: OP\_EDDY\_1\_I\_N\_NEW MEXICO 2007 PB&D**

It is proposed to plugback the Government AC #4 from the Morrow to the Wolfcamp formation. The Government AC #4 is currently completed in the Morrow (11105' - 11112'). The current Morrow zone is depleted and the average daily rate is less than 50 mcf/d and is producing erratically and declining rapidly. Due to the limited GIP the rate is expected to continue to decline rapidly. It is proposed to recompleting the well to the Wolfcamp. This recompletion will be a followup to the successful drilling and workover program which includes stimulation of existing wells, grass roots horizontal drilling and horizontal drilling from existing vertical wells. Based on conservative rates of 10 bcpd and 150 mcf/d the workover cost of 100 m\$ will be paid out in less than 6 months.

**ACCOUNTING USE ONLY:**

Lse/Pk Name: Government AC #4  
AFE Type: RECOMPLETION PRIMARY  
Production Coordinator No.: 14201441  
State/County: New Mexico/Eddy  
Operator Name: Oxy USA WTP LP  
Lease/Plant CC: 73001408  
Company/Division No.: 24177  
Oxy Wt: (%) 88.9713  
AFE Category: Original  
Project AFE No.: 99199999  
Organization Rollup Key: SPA  
Overhead Type: None  
**OSI INPUT ONLY:**  
Oracle AFE No.:

**COMPLETE FOR NEW WELLS:**

☐ PRODUCER ☐ OIL WELL ☐ WATER DISPOSAL  
☐ DEVELOPMENT WELL ☐ GAS WELL  
☐ SINGLE COMPLETION ☐ EXPLORATORY WELL  
☐ DUAL COMPLETION  
Regulatory Horizon Name:  
Regulatory District Number:

PROJECT QUALIFIED FOR EOR TAX CREDITS? ☐ YES ☐ NO

IF YES, WHAT % QUALIFIES? \_\_\_\_\_

EXPENSE/CAPITAL/ PXA	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL	INTANGIBLES	\$100,000	\$88,971
TOTAL PROJECT COST		\$100,000	\$88,971

**PROJECT CONTACTS:**

NAME	TITLE	PHONE NUMBER
Scott Gengler	Engineering	432-685-5825
David Evans	Land	432-685-5769
Sonny Self / Tim Keys	Financial Analyst(s)	432-685-5814 / 5722
Vince Miller	Technical Team Lead	432-685-5870

PROJECT APPROVED BY: (signature) JOHN R. NICHOLAS

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. Nonoperators should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

APPROVAL: YES ☒ NO ☐  
Company Name: Joseph L. Dunigan Trust, Trustee  
BY: THOMAS L. DUNIGAN DATE June 20, 07  
(print name)  
BY: (signature) Trustee  
(signature)

BEFORE THE OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
Case No. 13908...Exhibit No. 6  
Submitted by:  
OXY USA WTP LP  
Hearing Date: June 21, 2007

### Detail of Estimated Cost

<b>Reg. AFE No.</b>	
<b>Asset name</b>	Government AC #4
<b>Activity</b>	Plugback to the Wolfcamp

[illegible]

# **Oxy USA WTP LP** **Authorization for Expenditure Form**

DATE PREPARED: 06/06/2007 15:05

RMT/PMT

Frontier

Control No. 10220

PROJECT NAME:

Govt AC #4 Plugback to Wolfcamp

LEASE/UNIT:

Government AC #4

OPERATOR:

Oxy USA WTP LP

LEGAL LOCATION:

560' P&amp;L &amp; 560' FEL, Sec. 15, T20S, R26E, Eddy Co., NM

BUDGET CATEGORY: Development

## PROJECT DESCRIPTION:

PEEP CASE: OP\_EDDY\_1\_I\_N\_NEW MEXICO 3007 PB&amp;D

It is proposed to plugback the Government AC #4 from the Morrow to the Wolfcamp formation. The Government AC #4 is currently completed in the Morrow (11105' - 11112'). The current Morrow zone is depleted and the average daily rate is less than 50 mcf and is producing erratically and declining rapidly. Due the limited GIP the rate is expected to continue to decline rapidly. It is proposed to recomplate the well to the Wolfcamp. This recompletion will be a followup to the successful drilling and workover program which includes stimulation of existing wells, grass roots horizontal drilling and horizontal drilling from existing vertical wells. Based on conservative rates of 10 bopd and 150 mcf the workover cost of 100 m\$ will be paid out in less than 6 months.

## ACCOUNTING USE ONLY:

Lease/Plt Name: Government AC #4  
 AFE Type: RECOMPLETION PRIMARY  
 Production Coordinator No.: 14201441  
 State/County: New Mexico/Eddy  
 Operator Name: Oxy USA WTP LP  
 Lease/Plant CC: 73891408  
 Company/Division No.: 24177  
 Oxy WI: (%) 88.9713  
 AFE Category: Original  
 Project AFE No. 99189900  
 Organization Rollup Key: SPA  
 Overhead Type: None  
 OSI INPUT ONLY:  
 Oracle AFE No.:

## COMPLETE FOR NEW WELLS:

☐ PRODUCER ☐ OIL WELL ☐ GAS WELL ☐ WATER DISPOSAL  
☐ DEVELOPMENT WELL ☐ EXPLORATORY WELL  
☐ SINGLE COMPLETION ☐ DUAL COMPLETION  
 Regulatory Horizon Name:  
 Regulatory District Number:

PROJECT QUALIFIED FOR EOR TAX CREDITS?

☐ YES☐ NO

IF YES, WHAT % QUALIFIES?

EXPENSE/CAPITAL/ PKA	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL	INTANGIBLES	\$100,000	\$88,971
TOTAL PROJECT COST		\$100,000	\$88,971

## PROJECT CONTACTS:

NAME	TITLE	PHONE NUMBER
Scott Genger	Engineering	432-685-5625
David Evans	Land	432-685-5769
Sonny Self / Tim Keys	Financial Analyst(s)	432-685-5814 / 5722
Vince Miller	Technical Team Lead	432-685-5870

PROJECT APPROVED BY:

(signature)

JOHN R. NICHOLAS

APPROVAL: YES ☒ NO ☐

Company Name: DEVON ENERGY PRODUCTION COMPANY, L.P.

BY: DATE

(print name)

BY: (signature)

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David Frank  
 Division Land Manager  
 For AFE Approval Only 6/18/07

# **Oxy USA WTP LP** **Authorization for Expenditure Form**

DATE PREPARED: 06/06/2007 15:05

RMT/PMT

Frontier

Control No. 10220

PROJECT NAME:

Govt AC #4 Plugback to Wolfcamp

LEASE/UNIT:

Government AC #4

OPERATOR:

Oxy USA WTP LP

LEGAL LOCATION:

860' FSL &amp; 650' FEL, Sec. 15, T20S, R36E, Eddy Co., NM

BUDGET CATEGORY:

Development

PROJECT DESCRIPTION:

PEEP CASE: OP\_EDDY\_1\_LN\_NEW MEXICO 2007 PB&amp;D

It is proposed to plugback the Government AC #4 from the Morrow to the Wolfcamp formation. The Government AC #4 is currently completed in the Morrow (11108' - 11112'). The current Morrow zone is depleted and the average daily rate is less than 50 mcf and is producing erratically and declining rapidly. Due to the limited GIP the rate is expected to continue to decline rapidly. It is proposed to recompletes the well to the Wolfcamp. This recompletion will be a followup to the successful drilling and workover program which includes stimulation of existing wells, grass roots horizontal drilling and horizontal drilling from existing vertical wells. Based on conservative rates of 10 bopd and 150 mcf/d the workover cost of 100 m\$ will be paid out in less than 8 months.

**ACCOUNTING USE ONLY:**

Lea/Pit Name: Government AC #4

AFE Type: RECOMPLETION PRIMARY

Production Coordinator No.: 14201441

State/Country: New Mexico/Eddy

Operator Name: Oxy USA WTP LP

Lease/Plant CC: 73001408

Company/Division No.: 24177

Oxy Wt: (%) 88.9713

AFE Category: Original

Project AFE No. 88198888

Organization Rollup Key: SPA

Overhead Type: None

OSI INPUT ONLY:

Oracle AFE No.:

**COMPLETE FOR NEW WELLS:**

- ☐ PRODUCER    ☐ OIL WELL    ☐ GAS WELL    ☐ WATER DISPOSAL  
☐ DEVELOPMENT WELL    ☐ EXPLORATORY WELL  
☐ SINGLE COMPLETION    ☐ DUAL COMPLETION

Regulatory Horizon Name:

Regulatory District Number:

PROJECT QUALIFIED FOR EOR TAX CREDITS?

☐ YES☐ NO

IF YES, WHAT % QUALIFIES?

EXPENSE/CAPITAL/ FXA	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL	INTANGIBLES	\$100,000	\$88,971
TOTAL PROJECT COST		\$100,000	\$88,971

PROJECT CONTACTS:

NAME

TITLE

PHONE NUMBER

Scott Gangler

Engineering

432-685-5825

David Evans

Land

432-685-5788

Sonny Self / Tim Kays

Financial Analyst(s)

432-685-5814 / 5722

Vince Miller

Technical Team Lead

432-685-5870

PROJECT APPROVED BY:

JOHN R. NICHOLAS

(signature)

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APPROVAL: YES ☒ NO

Company Name: FIDELITY EXPLORATION &amp; PRODUCTION CO.

BY: GEORGE SOULS DATE 6-12-07

BY: (print name) George M. Soules

(signature)

# Oxy USA WTP LP Authorization for Expenditure Form

DATE PREPARED: 08/08/2007 15:05

Control No. 10220

RMT/PMT FrontierPROJECT NAME: Govt AC #4 Plugback to WolfcampLEASE/UNIT: Government AC #4OPERATOR: Oxy USA WTP LPLEGAL LOCATION: 680 FSL & 650 FEL, Sec. 15, T20S, R28E, Eddy Co., NMBUDGET CATEGORY: Development

## PROJECT DESCRIPTION:

PEEP CASE: OP\_EDDY\_1\_L\_N, NEW MEXICO 2007 P&amp;S&amp;D

It is proposed to plugback the Government AC #4 from the Morrow to the Wolfcamp formation. The Government AC #4 is currently completed in the Morrow (11105 - 11112). The current Morrow zone is depleted and the average daily rate is less than 50 mcf and is producing erratically and declining rapidly. Due to the limited GUP the rate is expected to continue to decline rapidly. It is proposed to recompletes the well to the Wolfcamp. This recompletion will be a followup to the successful drilling and workover program which includes stimulation of existing wells, grass roots horizontal drilling and horizontal drilling from existing vertical wells. Based on conservative rates of 10 bopd and 150 mcf the workover cost of 100 mcf will be paid out in less than 6 months.

## ACCOUNTING USE ONLY:

Lease/Plt Name: Government AC #4  
 AFE Type: RECOMPLETION PRIMARY  
 Production Coordinator No.: 14301441  
 State/Country: New Mexico/Eddy  
 Operator Name: Oxy USA WTP LP  
 Lease/Plant CC: 73001458  
 Company/Division No.: 24177  
 Oxy Wt. (%): 88.9713  
 AFE Category: Original  
 Project AFE No.: 99199999  
 Organization Rollup Key: SPA  
 Overhead Type: None  
 O&M INPUT ONLY:  
 Oracle AFE No.:

## COMPLETE FOR NEW WELLS:

☐ PRODUCER ☐ WATER DISPOSAL  
☐ OIL WELL ☐ GAS WELL  
☐ DEVELOPMENT WELL ☐ EXPLORATORY WELL  
☐ SINGLE COMPLETION ☐ DUAL COMPLETION  
 Regulatory Horizon Name: \_\_\_\_\_  
 Regulatory District Number: \_\_\_\_\_

PROJECT QUALIFIED FOR GOR TAX CREDITS?

☐ YES☐ NO

IF YES, WHAT % QUALIFIES? \_\_\_\_\_

EXPENSE/CAPITAL/ P&A	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL	INTANGIBLES	\$100,000	\$88,971
TOTAL PROJECT COST		\$100,000	\$88,971

## PROJECT CONTACTS:

NAME	TITLE	PHONE NUMBER
Scott Gungler	Engineering	432-685-5825
David Evans	Land	432-685-5789
Sonny Bell / Tim Keys	Financial Analyst(s)	432-685-5814 / 5722
Vince Miller	Technical Team Lead	432-685-5870

PROJECT APPROVED BY:

JOHN R. NICHOLAS

APPROVAL: YES ☒ NO ☐Company Name: Great Western DrillingBY: Donald Knipe DATE 6-11-07

BY: Donald Knipe  
 (signature)

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**Oxy USA WTP LP**  
**Authorization for Expenditure Form**

DATE PREPARED:

06/08/2007 15:05

RM/PMT

Frontier

Control No. 10220

PROJECT NAME:

Govt AC #4 Plugback to Wolfcamp

LEASE/UNIT:

Government AC #4

OPERATOR:

Oxy USA WTP LP

LEGAL LOCATION:

880' FSL & 880' FEL, Sec. 15, T20S, R28E, Eddy Co., NM

BUDGET CATEGORY:

Development

PROJECT DESCRIPTION:

PEEP CASE: OP\_EDDY\_1 LN\_NEW MEXICO 2007 PB&D

It is proposed to plugback the Government AC #4 from the Morrow to the Wolfcamp formation. The Government AC #4 is currently completed in the Morrow (11105' - 11112'). The current Morrow zone is depleted and the average daily rate is less than 50 mcf and is producing erratically and declining rapidly. Due to the limited GIP the rate is expected to continue to decline rapidly. It is proposed to recomplet the well to the Wolfcamp. This recompletion will be a followup to the successful drilling and workover program which includes stimulation of existing wells, grass roots horizontal drilling and horizontal drilling from existing vertical wells. Based on conservative rates of 10 bopd and 150 mcf the workover cost of 100 mcf will be paid out in less than 6 months.

**ACCOUNTING USE ONLY:**

Use/PA Name: Government AC #4  
AFE Type: RECOMPLETION PRIMARY  
Production Coordinator No.: 14201441  
State/County: New Mexico/Eddy  
Operator Name: Oxy USA WTP LP  
Lease/Plant CC: 73001400  
Company/Division No.: 24177  
Oxy Wt (%): 88.9713  
AFE Category: Original  
Project AFE No. 98198989  
Organization Rollup Key: SPA  
Overhead Type: None  
OSR INPUT ONLY:  
Oracle AFE No.:

**COMPLETE FOR NEW WELLS:**

☐ PRODUCER ☐ WATER DISPOSAL  
☐ OIL WELL ☐ GAS WELL  
☐ DEVELOPMENT WELL ☐ EXPLORATORY WELL  
☐ SINGLE COMPLETION ☐ DUAL COMPLETION  
Regulatory Horizon Name:  
Regulatory District Number:

PROJECT QUALIFIED FOR BOR TAX CREDITS?

☐ YES

☐ NO

IF YES, WHAT % QUALIFY?

EXPENSE/CAPITAL P&A	DESCRIPTION	ESTIMATED COST	
		100%	OXY NET
CAPITAL	INTANGIBLES	\$100,000	\$88,971
TOTAL PROJECT COST		\$100,000	\$88,971

PROJECT CONTACTS:

NAME	TITLE	PHONE NUMBER
Scott Gensler	Engineering	432-685-5825
David Evans	Land	432-685-5788
Sonny Saff / Tim Keys	Financial Analyst(s)	432-685-5814 / 5722
Vince Miller	Technical Team Lead	432-685-5870

PROJECT APPROVED BY:

JOHN R. NICHOLAS

APPROVAL: YES ☒ NO ☐

Company Name: DAVOIL, INC.

BY: DATE 6-11-07

BY: *Deborah L. Singleton*  
(signature)

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DEBORAH L. SINGLETON  
Vice President, Operations