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

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

CASE NO. 25106

NOTICE OF REVISED EXHIBITS

OXY USA Inc. ("Oxy"), applicant in the above referenced case, gives notice that it is filing the attached revised exhibit for acceptance into the record.

OXY *Revised* **Exhibit A** is revised compulsory pooling checklist with the corrected vertical target listed, as well as the corrected pool name and code.

OXY *Revised* **Exhibit** C-2 are updated C-102s with the corrected pool name and code.

OXY Revised Exhibit C-3 is revised pooling exhibit that includes the ownership

breakdown and identifies the parties being pooled.

OXY Revised Exhibit C-5 is an updated chronology of contacts showing that OXY

reached voluntary agreement with some of the parties it originally sought to pool.

OXY *Revised* Exhibits D-1 through D-4 corrects some spelling errors and includes updated maps.

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Respectfully submitted,

HOLLAND & HART LLP

By: Pathur

Michael H. Feldewert Adam G. Rankin Paula M. Vance Post Office Box 2208 Santa Fe, NM 87504 505-988-4421 505-983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com

ATTORNEYS FOR OXY USA INC.

CERTIFICATE OF SERVICE

I hereby certify that on April 15, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Elizabeth Ryan Keri L. Hatley 1048 Paseo de Peralta Santa Fe, New Mexico 87501 (505) 780-8000 beth.ryan@concophillips.com keri.hatley@conocophillips.com

Attorneys for COG Operating, LLC / Marathon Oil Company

Dana S. Hardy Jaclyn M. McLean Timothy B. Rode HARDY MCLEAN LLC 125 Lincoln Ave., Suite 223 Santa Fe, NM 87505 (505) 230-4410 dhardy@hardymclean.com jmclean@hardymclean.com trode@hardymclean.com

Attorneys for 3R Operating, LLC

Paula M. Vance

BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING APRIL 10, 2025

CASE NO. 25106

SORO 19-30 71H & 72H WELLS

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 OVERLAPPING HORIZONTAL WELL SPACING UNITS AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 25106

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0	OXY Revised Exhibit C-2:	C-102s
0	OXY Revised Exhibit C-3:	Land Tract Map & Ownership Breakdown & Overlap
0	OXY Exhibit C-4:	Sample Well Proposal Letters with AFE
0	OXY Revised Exhibit C-5:	Chronology of Contacts

• OXY Exhibit D: Self-Affirmed Statement of Seth Brazell, Geologist

0	OXY Revised Exhibit D-1:	Locator Map
0	OXY Revised Exhibit D-2:	Subsea Structure Map
0	OXY Revised Exhibit D-3:	Structural Cross-Section
	OVVD : I = 1'1' + D A	

- OXY *Revised* Exhibit D-4: Stratigraphic Cross-Section
- 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: 25106	APPLICANT'S RESPONSE							
Date	April 10, 2025							
Applicant	OXY USA Inc.							
Designated Operator & OGRID (affiliation if applicable)	OXY USA Inc. (OGRID No. 24875)							
Applicant's Counsel: BEFORE THE OIL CONSERVATION DIVISION Case Title: Santa Fe, New Mexico Revised Exhibit No. A Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106	Holland & Hart LLP 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:	COG Operating, LLC/Marathon Oil Permian LLC; 3R Operating LLC							
Well Family	SORO CC 19_30							
Formation/Pool								
Formation Name(s) or Vertical Extent:	Bone Spring							
Primary Product (Oil or Gas):	Oil							
Pooling this vertical extent:	Third Bone Spring							
Pool Name and Pool Code (Only if NSP is requested):	Pierce Crossing; Bone Spring, South [96671] (Section 30) & Pierce Crossing; Bone Spring [50371] (Section 19)							
Well Location Setback Rules (Only if NSP is Requested):	Statewide oil pool							
Spacing Unit								
Type (Horizontal/Vertical)	Horizontal							
Size (Acres)	317.34-acre							
Building Blocks:	40 acres							
Orientation:	Stand-up							
Description: TRS/County	Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico							
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes							
Other Situations								
Depth Severance: Y/N. If yes, description	Νο							
Proximity Tracts: If yes, description	Νο							
Proximity Defining Well: if yes, description	N/A							
Applicant's Ownership in Each Tract	See Exhibit C-3							

Name & API (if assigned), surface and bottom hole location,	Add wells as needed
ootages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	SORO CC 19_30 Fed Com 71H well:
	API: 30-015-PENDING
	SHL: 391' FSL, 1,710' FWL (Unit N), Section 30
	BHL: 20' FNL, 450' FWL (Lot 1), Section 19
	Target: Third Bone Spring
	Orientation: Stand-up
	Completion: Standard Location
Well #2	SORO CC 19_30 Fed Com 72H well:
	API: 30-015-PENDING
	SHL: 380' FSL, 1,738' FWL (Unit N), Section 30
	BHL: 20' FNL, 900' FWL (Lot 1), Section 19
	Target: Third Bone Spring Orientation: Stand-up
	Completion: Standard Location
Use State Markell Floret and Last Tales Datate	
Horizontal Well First and Last Take Points	Exhibit C-2 Exhibit C-4
Completion Target (Formation, TVD and MD)	
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$12,000
Production Supervision/Month \$	\$1,200
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	N/A
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) Released to Imaging: 4/16/2025 9:50:21 AM	Exhibit C-3

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Received by OCD: 4/15/2025 2:50:20 PM	Page 8 of 6
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
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D; D-3; D-4
HSU Cross Section	Exhibit D-3; D-4
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-2
Cross Section (including Landing Zone)	Exhibit D-3; D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information pro	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	Phalip
Date:	

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. 25106

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 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, Township 24 South, Range 29 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 horizontal well spacing unit to the proposed **SORO CC 19_30 Fed Com 71H** and **SORO CC 19_30 Fed Com 72H** wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30, and last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19.

3. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
- 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently operated by Mewbourne Oil Company; and
- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company.
 - 4. This proposed horizontal well spacing unit will overlap the following proposed

spacing unit in the Bone Spring formation:

- 320-acre spacing unit comprised of Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal #551H (API: 30-015-PENDING).
 - 5. Oxy seeks to pool only a portion of the Bone Spring formation, limited to the depths

from the top of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 8,653 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292) to the base of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 9,687 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292).

6. 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.

7. Approval of this overlapping horizontal well spacing unit and the pooling of interests therein 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 January 9, 2025, 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 proposed overlapping horizontal well spacing unit and pooling all uncommitted interests within a portion of the Bone Spring formation;
- B. Designating Applicant as operator of this overlapping 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

attur By: †

Michael H. Feldewert Adam G. Rankin Paula Vance Post Office Box 2208 Santa Fe, NM 87504 505-988-4421 505-983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com

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 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, Township 24 South, Range 29 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 SORO CC 19 30 Fed Com 71H and SORO CC 19 30 Fed Com 72H wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30, and last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:
 - 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
 - 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
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 - 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company.

This proposed horizontal well spacing unit will overlap the following proposed spacing unit in the Bone Spring formation:

 320-acre spacing unit comprised of Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal #551H (API: 30-015-PENDING). Also, to be considered will be approval of the overlapping spacing unit, 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 4 miles southeast of Malaga, 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. 25106

SELF-AFFIRMED STATEMENT OF ALISSA PAYNE

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

2. I have not previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters. I have included a copy of my resume as **OXY Exhibit C-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and I be tendered as an expert in land matters.

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. None of the uncommitted parties in this case has indicated opposition to proceeding by affidavit and, therefore, I do not expect any opposition at the hearing.

5. Under **Case No. 25106**, OXY seeks an order (a) approving a standard 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, Township 24 South, Range 29 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 **SORO CC 19_30 Fed Com 71H** and **SORO CC 19_30 Fed Com 72H** wells, to be

> BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106

horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30, and last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19. This horizontal well spacing unit will overlap the following existing and proposed Bone Spring spacing units:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
- 320-acre spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
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6. Oxy seeks to pool only a portion of the Bone Spring formation, limited to the depths

from the top of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 8,653 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292) to the base of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 9,687 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292).

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 Pierce Crossing; Bone Spring, South [96671].

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 are highlighted in yellow.

9. The diagram included with OXY Exhibit C-3 also depicts the newly proposed spacing unit in relation to the existing spacing units. A sample copy of the notice, and mailing report, is included in OXY Exhibit E.

10. **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.

11. OXY requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$12,000 per month while drilling and \$1,200 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

12. **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.

13. 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

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located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

OXY Exhibits C-1 through C-5 were either prepared by me or compiled under 14. my direction and supervision.

I affirm under penalty of perjury under the laws of the State of New Mexico that 15. 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.

Alissa Payne

4/3/25

Date

Alissa Dawn Payne

| 2000 Taylor St. Houston, TX 77007 | (940) 231-4103 |alissa_payne@oxy.com|

PROFESSIONAL EXPERIENCE

Occidental Petroleum Corporation

Land Negotiator-Senior

Land Negotiator-Staff

- Effectively communicate with landowners from different backgrounds, tailoring strategies to meet specific needs while securing favorable deal terms for Oxy
- Maintain critical development positions by overseeing the production status of operated wells proactively evaluating lease performance to prevent loss
- Coordinate with federal and state agencies to obtain approval for Oxy developments on government owned leases

Land Negotiator

- Evaluated non-operated JOAs from industry competitors, ensuring data driven decision making of time sensitive offers
- Transacted with third party buyers to sell down interests in non-operated wellbores, preventing loss of value by circumventing non-consent penalties
- Evaluated lease obligations such as pooling authority and offset wells to help maintain legal agreements
- Initiated and closed valuable divestitures of non-core assets including Operated wells and leases

Land Negotiator Intern

- Conducted mineral leasing in Reeves County to core up future development areas for Oxy
- Corresponded with mineral owners and working interest partners in Oxy developments
- Evaluated lease obligations such as pooling authority and offset wells for Delaware Texas team
- Formally presented two summer projects to upper management at the conclusion of the internship

EDUCATION

Texas Tech University, Rawls College of Business

Bachelor of Business Administration, Energy Commerce

Terry Foundation Scholar •

COMMUNITY ENAGAMENT AND PROFESSIONAL ORGANIZATIONS

- Municipal Utility District Board 578, Assistant Secretary
- American Association of Professional Landmen, Member
- Houston Livestock Show and Rodeo, Volunteer

2021- Present 2018- Present March 2022

Lubbock, TX

Graduation: May 2018

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C-1 Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106

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Present

Houston, TX

April 2022-April 2025

July 2018-April 2022

May 2017-August 2017

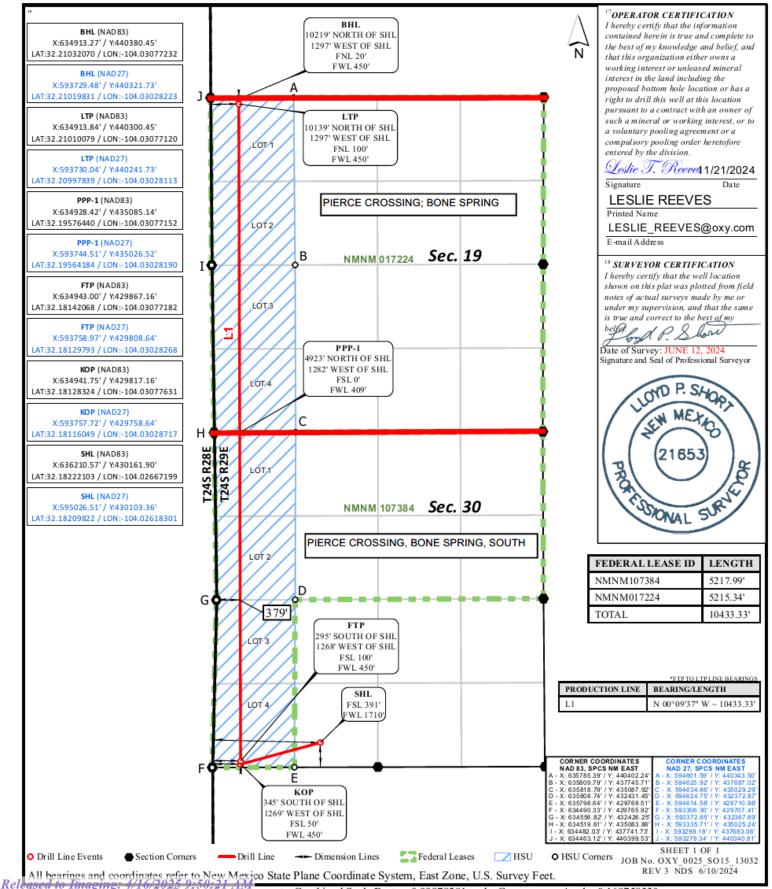
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			T		WELL LOCAT	ION INFORM	MATION			
API N 30-01			Pool Code 50371]	Pool Name P	IERCI	E CROSSII	NG; BON	NE SPRING
Proper	rty Code		Property N	Name SC	RO CC	19 30	FED) COM	Well Num 71H	ıber
OGRII 16696					Y USA					evel Elevation
		State 🗆 Fee 🗆	Tribal 🗆 Fed	eral		Mineral	Owner: 🗆 S	State 🗆 Fee 🗆 Tribal	Federal	
					Surf	ce Location				
ul N	Section 30	Township 24S	Range	Lot	Ft. from N/S	Ft. from E		Latitude 32.18222103	Longitude -104.0266719	County 99 EDDY
		_	_		Bottom	Hole Locatio	n			
UL	Section 19	Township 24S	Range 29E	Lot 1	Ft. from N/S 20' FNL	Ft. from E		Latitude 32.21032070	Longitude -104.0307723	2 EDDY
Dedica 160	ated Acres	Infill or Def	ining Well		g Well API • PENDING		ng Spacing	Unit (Y/N) Consol	lidation Code	
Order	Numbers.					Well setba	acks are und	ler Common Ownersh	ip: □Yes □No	
					Kick O	ff Point (KOP)			
ul M	Section 30	Township 24S	Range	Lot 4	Ft. from N/S 50' FSL	Ft. from E 450'		Latitude 32.18128324	Longitude	County EDDY
			1=0=	-		ke Point (FTI				
ul M	Section 30	Township 24S	Range 29E	Lot 4	Ft. from N/S	Ft. from E		Latitude 32.18142068	Longitude -104.0307718	County 2 EDDY
			1			ke Point (LTI				
UL D	Section 19	Township 24S	Range 29E	Lot 1	Ft. from N/S 100' FN	Ft. from E 450'		Latitude 32.21010079	Longitude -104.0307712	County EDDY
Unitize	ed Area or A	rea of Uniform	Interest	Spacing	Unit Type 🖬 Horiz	ontal 🗆 Vertio	cal	Ground Floor 2907'	Elevation:	
OPER	ATOR CER	TIFICATIONS				SURVEYOR	CERTIFIC	CATIONS		
I hereby my know organiz includir location interest	y certify that th wledge and bei cation either ow ng the proposed n pursuant to a	e information con lief, and, if the we vns a working into d bottom hole loc contract with an lary pooling agree	ll is a vertical o erest or unleased ation or has a ru owner of a word	r directional d mineral inte ight to drill th king interest o	erest in the land	I hereby certif	y that the we	ll location shown on thi.	s plat was plotted j nat the same is true "science or the same is true "science of the same same same made my supervision, and that the inner of occurs or the begind my science of the same same made my supervision.	n Sield :or same
consent in each	t of at least one tract (in the ta	lessee or owner	of a working int ation) in which	erest or unlea any part of th	n has received the used mineral interest ne well's completed n the division.				Signature and Scal of Professional Sun	eyor
Mel	líssa G	uídry	04/10/2	25					P 21653	5
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		y@oxy.cor	n			Certificate Nun	nber	Date of Survey June 12, 202	24	

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Received by OCD: 4/15/2025 2:50:20 PM ACREAGE DEDICATION PLATS

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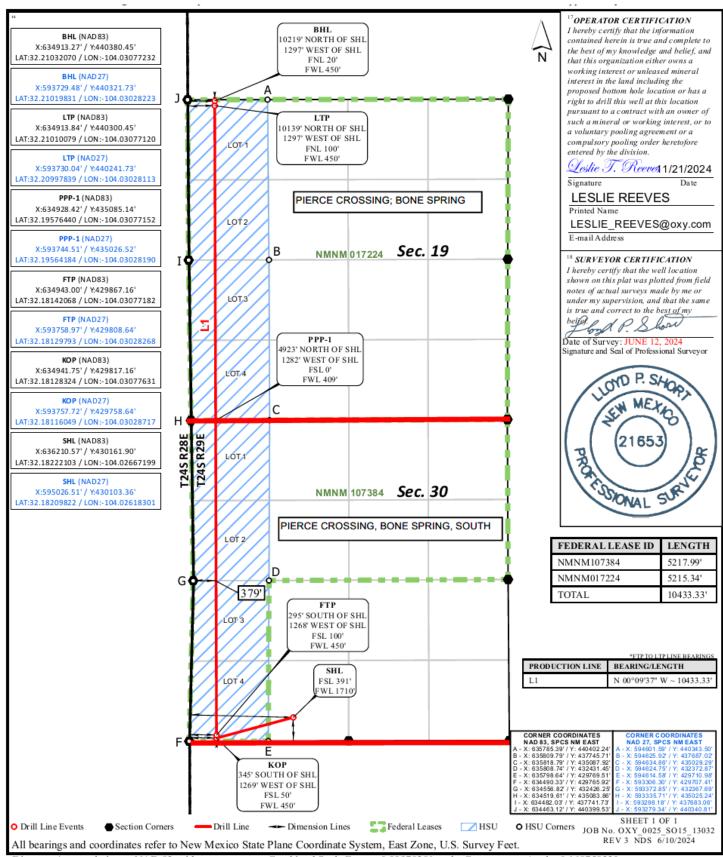
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Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99978281 and a Convergence Angle: 0.16875833 Released to Imaging: 4/16/2025 9:50:21 AM

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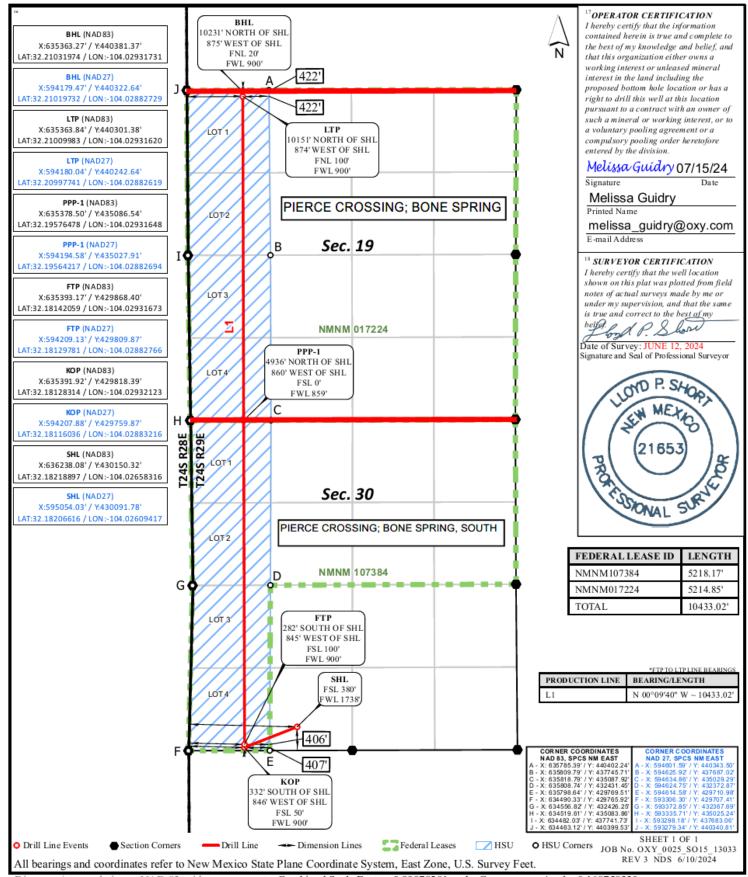
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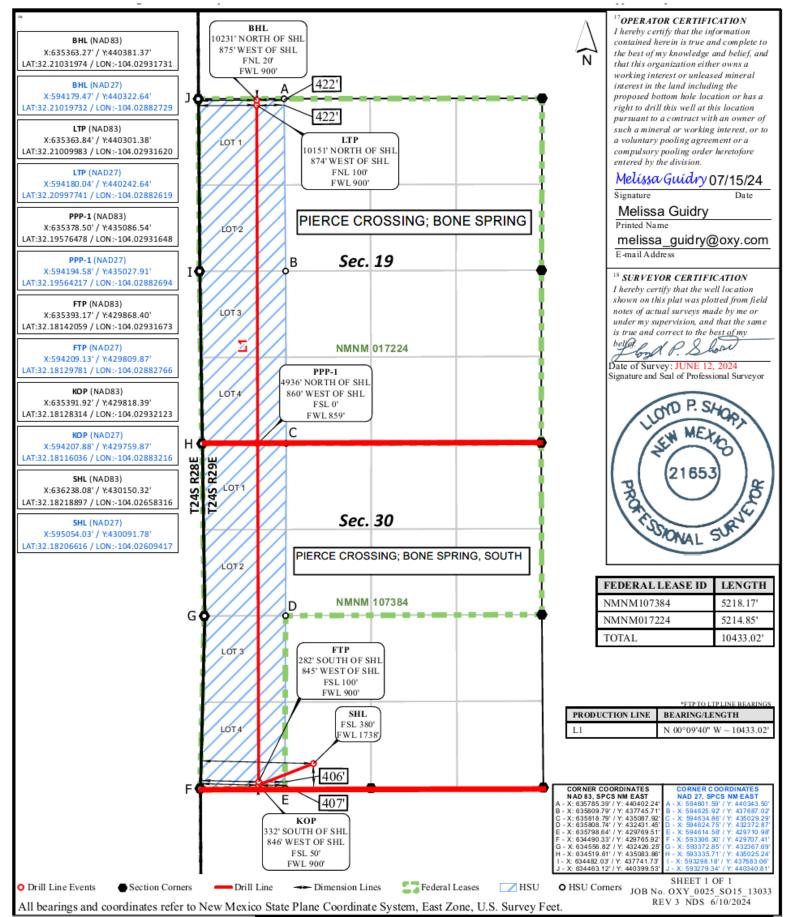
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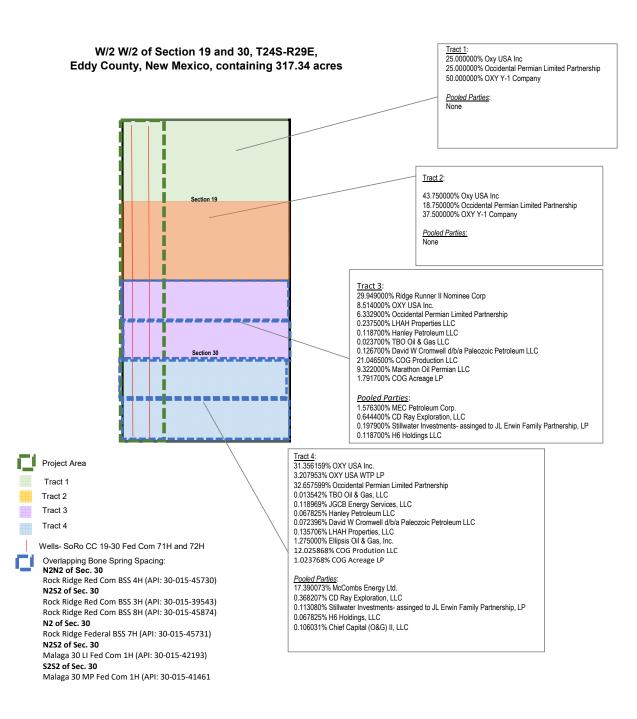
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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico *Revised* Exhibit No. C-3 Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106

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	Lots 1-4 of Sec. 19 and Lots 1-4 of Sec. 30, Township 24 South, Range 29 East, Eddy C	ounty, NM Total Acres in proposed spacing uni	t: 317.34
Tract 1	Lots 1 and 2 of Section 19	A	
	25.000000% Oxy USA Inc	Acres contributed to proposed spacing uni	t: 79.65
	25.00000% Occidental Permian Limited Partnership		
	50.000000% OXY Y-1 Company		
	100.000000%		
	Total Committed Interest		100.00000%
	Total Uncommitted Interest		0.000000%
T			
Tract 2	Lots 3 and 4 of Section 19	· · · · · · · · · · · · · · · · · · ·	
	42 750000% on LION L	Acres contributed to proposed spacing uni	t: 79.45
	43.750000% Oxy USA Inc		
	18.750000% Occidental Permian Limited Partnership		
	<u>37.500000%</u> OXY Y-1 Company 100.000000%		
	Total Committed Interest		100.000000%
	Total Uncommitted Interest		0.000000%
Tract 3	Lots 1 and 2 of Section 30		
		Acres contributed to proposed spacing uni	t: 79.24
	29.949000% Ridge Runner II Nominee Corp		
	28.514000% OXY USA Inc.		
	21.046500% COG Production LLC		
	6.332900% Occidental Permian Limited Partnership		
	9.322000% Marathon Oil Permian LLC		
	1.791700% COG Acreage LP		
	1.576300% MEC Petroleum Corp.		
	0.644400% CD Ray Exploration, LLC		
	0.237500% LHAH Properties LLC		
	0.197900% Stillwater Investments- assinged to JL Erwin Family Partnership, LP Jan. 2025		
	0.126700% David W Cromwell d/b/a Paleozoic Petroleum LLC		
	0.118700% H6 Holdings LLC		
	0.118700% Hanley Petroleum LLC		
	0.023700% TBO Oil & Gas LLC		
	100.000000%		
	Total Committed Interest		97.462700%
	Total Uncommitted Interest		2.537300%
Tract 4	Lots 3 and 4 of Section 30		
		Acres contributed to proposed spacing uni	t: 79
	31.356159% OXY USA Inc.		
	3.207953% OXY USA WTP LP		
	32.657599% Occidental Permian Limited Partnership		
	17.390073% McCombs Energy Ltd.		
	12.025868% COG Production LLC		
	1.275000% Ellipsis Oil & Gas, Inc.		
	1.023768% COG Acreage LP		
	0.368207% CD Ray Exploration, LLC		
	0.135706% LHAH Properties, LLC		
	0.113080% Stillwater Investments- assinged to JL Erwin Family Partnership, LP Jan. 2025		
	0.072396% David W Cromwell d/b/a Paleozoic Petroleum LLC		
	0.067825% H6 Holdings, LLC		
	0.013542% TBO Oil & Gas, LLC		
	0.118969% JGCB Energy Services, LLC		
	0.067825% Hanley Petroleum LLC		
	0.106031% Chief Capital (O&G) II, LLC		

Total Committed Interest Total Uncommitted Interest		81.954784% 18.045216%
Working Interest for each party in 317.34 acre proposed spacing unit:		
Oxy USA Inc		32.15407%
Occidental Permian Limited Partnership		20.68036%
OXY USA WTP LP		0.79860%
OXY Y-1 Company		21.938221%
Ridge Runner II Nominee Corp		7.478284%
McCombs Energy Ltd.		4.329160%
COG Production LLC		8.249096%
Marathon Oil Permian LLC		2.327709%
COG Acreage LP		0.702250%
MEC Petroleum Corp.		0.393603%
CD Ray Exploration, LLC		0.252570%
LHAH Properties LLC		0.093087%
Stillwater Investments- assinged to JL Erwin Family Partnership, LP Jan. 2025		0.077566%
David W Cromwell d/b/a Paleozoic Petroleum LLC		0.049660%
H6 Holdings LLC		0.046524%
Hanley Petroleum LLC		0.046524%
TBO Oil & Gas LLC		0.009289%
Ellipsis Oil & Gas, Inc.		0.317404%
Chief Capital (O&G) II, LLC		0.026396%
JGCB Energy Services, LLC	Total:	0.029617%

KEY: Parties highlighted yellow are being pooled.



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

October 17, 2024

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

WORKING INTEREST PARTIES

Re: Ten Well Proposals – SORO CC 19_30 Fed Com Wells All of Sections 19 and 30 Township 24 South, Range 29 East Eddy County, New Mexico

Dear WI Owner,

OXY USA Inc. ("OXY") hereby proposes the drilling of eight wells at the following locations:

- SORO CC 19_30 Fed Com 11H- First Bone Spring
 - SHL: 426' FSL, 1626' FWL (Section 30)
 - BHL: 20' FNL, 330' FWL (Section 19)
 - Approximate TVD: 7,568'
- SORO CC 19_30 Fed Com 12H First Bone Spring
 - SHL: 415' FSL, 1654' FWL (Section 30)
 - BHL: 20' FNL, 1770' FWL (Section 19)
 - Approximate TVD: 7,590'
- SORO CC 19_30 Fed Com 13H First Bone Spring
 - SHL: 1246' FNL, 633' FEL (Section 19)
 - BHL: 20' FSL, 2480' FWL (Section 30)
 - Approximate TVD: 7,601'
- SORO CC 19_30 Fed Com 14H First Bone Spring
 - SHL: 1216' FNL, 633' FEL (Section 19)
 - BHL: 20' FSL, 1600' FEL (Section 30)
 - Approximate TVD: 7,626'
- SORO CC 19_30 Fed Com 71H Harkey
 - SHL: 391' FSL, 1710' FWL (Section 30)
 - BHL: 20' FNL, 450' FWL (Section 19)
 - Approximate TVD: 8,898'
- SORO CC 19_30 Fed Com 72H Harkey
 - SHL: 380' FSL, 1738' FWL (Section 30)
 - BHL: 20' FNL, 900' FWL (Section 19)
 - Approximate TVD: 9,045'
- SORO CC 19_30 Fed Com 73H Harkey
 - SHL: 368'FSL, 1766' FWL (Section 30)
 - BHL: 20' FN, 2170FWL (Section 19)
 - Approximate TVD: 8,901'
- SORO CC 19_30 Fed Com 74H-- Harkey
 - SHL: 1336'FNL, 633' FEL (Section 19)
 - BHL: 20' FSL, 2180FEL (Section 30)
 - Approximate TVD: 9,046'
- SORO CC 19_30 Fed Com 75H Harkey
 - SHL: 1306'FNL, 633' FEL (Section 19)
 - BHL: 20' FSL, 1250FEL (Section 30)
 - Approximate TVD: 8,886'
- SORO CC 19_30 Fed Com 76H- Harkey

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C-4 Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106

- SHL: 1276'FNL, 633' FEL (Section 19)
- BHL: 20' FSL, 330FEL (Section 30)
- Approximate TVD: 9,115'

The proposed operations include drilling and completing these SORO CC 19_30 Fed Com wells at the above stated locations, subject to modification, as approximate 10,000' laterals in the above stated formation. A detailed description of the total estimated cost to drill and complete 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 two separate contract areas one limited to the First Bone Spring and another limited to the Third Bone Spring/Harkey Formations covering all of Sections 19 and 30-24S-29E, Eddy County, New Mexico. A form of said Operating Agreement will be forwarded to you following your receipt of this proposal. This proposed Operating Agreement will supersede any and all existing Operating Agreements as to these wells.

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 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.

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 the proposed development area.

If you have any questions or would like to discuss this proposal in greater detail, please don't hesitate to call or email.

OXY USA Inc.

Alissa Payne 713.497.2413 Alissa_payne@oxy.com

Enclosures

•

WIO elec	cts to:
	participate in the drilling of the SORO CC 19_30 Fed Com 11H
	non-consent the drilling of the SORO CC 19_30 Fed Com 11H
	Ву:
	Name:
	Title:
	Date:
WIO elec	cts to:
	participate in the drilling of the SORO CC 19_30 Fed Com 12H
	non-consent the drilling of the SORO CC 19_30 Fed Com 12H
	Ву:
	Name:
	Title:
WIO elec	Date:cts to:
	participate in the drilling of the SORO CC 19_30 Fed Com 13H
	non-consent the drilling of the SORO CC 19_30 Fed Com 13H
	Ву:
	Name:
	Title:
	Date:
WIO elec	cts to:
	participate in the drilling of the SORO CC 19_30 Fed Com 14H
	non-consent the drilling of the SORO CC 19_30 Fed Com 14H
	Ву:
	Name:
	Title:
	Date:

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WIO elects to:							
participate in the drilling of the SORO CC 19_30 Fed Com 71H							
non-consent the drilling of the SORO CC 19_30 Fed Com 71H							
Ву:							
Name:							
Title:							
Date:							
WIO elects to:							
participate in the drilling of the SORO CC 19_30 Fed Com 72H							
non-consent the drilling of the SORO CC 19_30 Fed Com 72H							
Ву:							
Name:							
Title:							
Date:							
WIO elects to:							
participate in the drilling of the SORO CC 19_30 Fed Com 73H							
non-consent the drilling of the SORO CC 19_30 Fed Com 73H							
Ву:							
Name:							
Title:							
Date:							
WIO elects to:							
participate in the drilling of the SORO CC 19_30 Fed Com 74H							
non-consent the drilling of the SORO CC 19_30 Fed Com 74H							
Ву:							
Name:							
Title:							

WIO elects to:
participate in the drilling of the SORO CC 19_30 Fed Com 75H
non-consent the drilling of the SORO CC 19_30 Fed Com 75H
_
Ву:
Name:
Title:
Date:

WIO elects to:

____ participate in the drilling of the SORO CC 19_30 Fed Com 76H

____ non-consent the drilling of the SORO CC 19_30 Fed Com 76H

Title: _____

Date: _____

)ccid	ental	Oil and	Gae	s Corpo	oratio	'n					State	RMT: e & County:	PERMIAN RESOUR NEW MEXICO, EDI	RCES NEW MEXICO
OX	Y								/11						Field:	Cedar Canyon	
			SO	RO CO	; 19-30	FEL	о сом	71H							Well Type:	CC_DEEP_3BS_3S	LS H 2500 250 1.4 3 10K
															Date:	10/22/2024	
Code	Code Element Name		1 Prep Phase		2 Location/Rig Move		3 Drilling		1 3A	5 Completion		6 Artificial Lift	7 Hookup		8 Facilities		
	n, Mobilization, Rig Move																
3010	Major Mob / Demob	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3011	Location & Roads + Maintenance	\$	-	\$	150,000	\$	-	\$	-	\$	1,000	\$	-	\$	-	\$	
3021	Rig Move	\$	-	\$	147,000	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
Labor, S	ervices & Equipment Rentals																
1000	Employee Wages	\$	-	\$	13,000	\$	151,000	\$	-	\$	105,000	\$	-	\$	-	\$	
1050	Location Services	\$	-	\$	-	\$	-	\$	-	\$	-	\$		\$	-	\$	
2004	Contractor Maintenance/Roustabouts	\$	-	\$	-	\$	-	\$	-	\$	16,000	\$	-	\$	-	\$	
2017	Contract Supervision	\$		\$	-	\$	-	\$	-	\$	57,000	\$	-	\$		\$	
2017		ծ \$	-	\$	-	۵ ۶	-	\$ \$	-		57,000		-	ې \$	-	\$	
	Contractor HES	\$			- 4,000					\$		\$	- 104,000		- 430,000	\$	
2034	Labor services		-	\$		\$	111,000	\$	-	\$	158,000	\$		\$			
3001	Services Hot Oiling	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3002	Services Misc Heavy Equipment	\$	-	\$	-	\$	-	\$	-	\$	25,000	\$	-	\$	-	\$	
3003	Fluid Haul	\$	-	\$	-	\$	125,000	\$	-	\$	83,000	\$	-	\$	-	\$	
3005	Services Inspection	\$	-	\$	1,000	\$	71,000	\$	-	\$	-	\$	-	\$	-	\$	
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	\$	-	\$	-	\$	310,000	\$	-	\$	-	\$	-	\$	-	\$	
3015	Fishing	\$	-	\$		\$	-	s	-	\$	-	\$	-	\$	-	\$	
3016	Mud Logging	\$		\$	-	\$	9,000	\$	-	\$	-	\$	-	\$	-	\$	
3018	Services Perforating	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
	-																
3019	Wire line & Slick line	\$	-	\$	-	\$	-	\$	-	\$	292,000	\$	-	\$	-	\$	
3020	Rig Work	\$	-	\$	-	\$	762,000	\$	-	\$	-	\$	-	\$	-	\$	
3022	Drilling & Completion Fluids	\$	-	\$	5,000	\$	74,000	\$	-	\$	-	\$	-	\$	-	\$	
3023	Cementing	\$	-	\$	-	\$	214,000	\$	-	\$	-	\$	-	\$	-	\$	
3024	Services Stimulation	\$	-	\$	-	\$	-	\$	-	\$	2,003,000	\$	-	\$	-	\$	
3025	Services Downhole Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3026	Formation Testing and Coring	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3029	Camp & Catering	\$	-	\$	9,000	\$	25,000	\$	-	\$	-	\$	-	\$	-	\$	
3032	Communications & IT	\$	-	\$	3,000	\$	30,000	\$	-	\$	-	\$	-	\$	-	\$	
3035	Services Disposal	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3039	Services Fluid Hauling from Site	\$	-	\$		\$		\$		\$		\$		\$		\$	
4005	Rental Downhole Equipment & Tools	\$	-	\$	10,000	\$	229,000	\$	-	\$	-	\$	-	\$	-	\$	
4007	HES & Industrial waste handling	\$		\$	-	\$	3,000	\$	-	\$		\$	-	\$		\$	
4007		\$ \$		۵ ۶	- 19,000	ې \$		ې ۲	-	э \$		ې ۲		ې S	645.000	9 S	
	Rental Surface Equipment & Tools	\$	-	2	19,000	Э	77,000	\$	-	¢	596,000	¢	155,000	Э	645,000	ð	
	Consumables																
5021	Material Surface Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
5023	Wellhead & X-mas tree	\$	-	\$	-	\$	116,000	\$	-	\$	14,000	\$	-	\$	-	\$	
5027	Materal Subsurface Lift Equipment Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
5028	Casing and Casing Accessories	\$	-	\$	-	\$	808,000	\$	-	\$	-	\$	-	\$	-	\$	
5029	Material Tubing and Accs	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
5500	Material Consumables	\$		\$		\$	17,000	\$	-	\$	593,000	\$	-	\$		\$	
5502	Drilling Fluids Products	\$	-	\$		\$	456,000	\$	-	\$	3,000	\$	-	\$	-	\$	
5503	Bits, Reamers, Scrapers, HO's	\$		\$		\$	48,000	\$	-	\$	-,000	\$	-	\$		\$ S	
5505	Fuel & Lubricants	\$		\$	- 11,000	\$	138,000	\$	-	\$	-	\$		\$		\$	
7004				\$ \$	-	э \$	-	\$ \$	-	э \$	-	۰ ۶	-	ې \$		\$	
	Utilities: Electricity, Water & Sewers & Trash s, Insurance & Tax	l D		\$	-	¢	-	à	-	¢	-	¢	-	Þ		φ	
		¢		^	0.000	<u>^</u>	00.000	6		^	40.000	^		-		¢	
8000	Land Transportation	\$	-	\$	2,000	\$	38,000	\$	-	\$	16,000	\$	-	\$	-	\$	
8102	Tax & contingency	\$	-	\$	18,000	\$	326,000	\$	-	\$	-	\$	-	\$	-	\$	
8918	Permits/Settlements/Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
8921	Waste Handling and Disp	\$	-	\$	-	\$	29,000	\$	-	\$	-	\$	-	\$	-	\$	
	1 AL E D.1	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
8945	Loss & Loss Expenses Paid	φ								Ψ							
8945 9999	Other Costs	\$	-	\$	106,000	\$	(106,000)	\$	-	\$	-	\$	-	\$	-	\$	

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Signature:		
Company:		
Printed Name:		
Title:		
Date:	Approval	% WI
This AFE is only an estimate. By sig	gning, you agree to pay your proportional share o	of the actual costs incurred.

Total Drilling (1+2+3):	\$ 4,577,000
Total Completion (5+6):	\$ 4,404,000
Total Facilities (7+8):	\$ 1,075,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 10,056,000
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Michael Brake - Project Manager Alissa Payne - Land Negotiator

															RMT:	PERMIAN RES	OURCES NEW MEXICO
		6	Docid	ontal	∩il and	Ga	s Corpo	oratio	n					State	e & County:	NEW MEXICO,	EDDY
OX	Y														Field:	Cedar Canyon	
			50	RUCC	5 19-30	FEI	р сом	/2H							Well Type:	CC_DEEP_3BS	3S_LS_H_2500_250_1.4_3_10K
															Date:	10/22/2024	
Code	Element Name	1 Prep Pl	haco	Location	2 n/Rig Move		3 Drilling		4 &A	Con	5 npletion		6 icial Lift		7 ookup		8 Facilities
Logatio	n, Mobilization, Rig Move	Fieht	liase	Location	Intig Move		Jinnig		aA	COII	piecion	Arun			оокир		1 actitues
3010	Major Mob / Demob	\$		\$	-	\$	-	\$	-	\$		\$		\$	-	\$	
3011	Location & Roads + Maintenance	\$	-	\$	150,000	\$	-	\$	-	\$	1,000	\$	-	\$		\$	
3021	Rig Move	\$	-	\$	147,000	\$	-	ŝ	-	\$	-	ŝ		\$	-	\$	
	ervices & Equipment Rentals	, t		Ŷ	,	<u> </u>		÷		Ŷ		<u> </u>		, v		Ŷ	
1000	Employee Wages	\$		\$	13,000	\$	151,000	ŝ		\$	105,000	s		\$		\$	
1050	Location Services	\$	-	\$	-	\$	-	\$	-	\$	-	\$		\$		\$	
2004	Contractor Maintenance/Roustabouts	\$	-	\$	-	\$	-	\$	-	\$	16,000	\$	-	\$	-	\$	
2004	Contractor Maintenance/Coustabouts	\$		\$		\$		\$	-	\$	63,000	\$		\$		\$	
2019	Contractor HES	\$		\$		\$		ş S	-	\$	-	\$		\$		\$	
2034	Labor services	\$	-	\$	4,000	\$	111,000	ŝ	-	\$	158,000	\$	104,000	ŝ	430,000	\$	
3001	Services Hot Oiling	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3002	Services Misc Heavy Equipment	\$	-	\$		\$	-	\$	-	\$	25,000	\$	-	\$		\$	
3003	Fluid Haul	\$	-	\$	-	\$	125,000	\$	-	\$	86,000	\$	-	\$	-	\$	
3005	Services Inspection	\$	-	\$	1,000	\$	71,000	\$	-	\$	-	\$	-	\$	-	\$	
3009	Services Wellhead	\$	-	\$	2,000	\$	16,000	s	-	\$	14,000	s	-	s	-	\$	
3012	Cased/Open Hole Logging	\$	-	\$	-	\$	-	\$	-	\$	25,000	\$	-	\$		\$	
3013	Services Coiled Tubing	\$	-	\$	-	\$	-	\$	-	\$	144,000	\$	-	\$		\$	
3014	Directional Drilling & LWD	\$	-	\$	-	\$	310,000	\$	-	\$	-	\$	-	\$	-	\$	
3015	Fishing	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	
3016	Mud Logging	\$	-	\$		\$	9,000	\$	-	\$	-	ŝ	-	\$		\$	
3018	Services Perforating	\$	-	\$		\$	-	\$	-	\$		\$	-	\$		\$	
3019	Wire line & Slick line	\$	_	\$	-	\$	-	\$	-	\$	362,000	\$	-	\$		\$	
3020	Rig Work	\$	-	\$		\$	762,000	\$	-	\$	-	\$		\$		\$	
3022	Drilling & Completion Fluids	\$		\$	5,000	\$	74,000	\$	-	\$	-	\$		\$		\$	
3022	Cementing	\$	-	\$	-	\$	214,000	\$	-	\$		\$	-	\$		\$	
3023	Services Stimulation	\$	-	\$	-	\$	-	\$	-		2,104,000	\$		\$		\$	
3025	Services Downhole Other	\$	-	\$	-	\$	-	\$	-	\$	2,104,000	\$	-	\$		\$	
3026	Formation Testing and Coring	\$	-	\$	-	\$	-	\$	-	\$	-	\$		\$		\$	
3029	Camp & Catering	\$	-	\$	9,000	\$	25,000	\$	-	\$		\$		ŝ		\$	
3032	Communications & IT	\$	-	\$	3,000	\$	30,000	\$	-	\$	-	\$		\$		\$	
3035	Services Disposal	\$	-	\$	-	\$	-	ŝ		\$	-	ŝ		\$		\$	
3039	Services Fluid Hauling from Site	\$	-	\$	-	\$		\$	-	\$	-	\$	-	\$	-	\$	
4005	Rental Downhole Equipment & Tools	\$	-	\$	10,000	\$	229,000	\$	-	\$	-	\$	-	\$	-	\$	
4007	HES & Industrial waste handling	\$	-	\$	-	\$	3,000	ŝ	-	\$		ŝ	-	\$		\$	
4013	Rental Surface Equipment & Tools	\$	-	\$	19,000	\$	77,000	\$	-	\$	624,000	\$	155,000	\$	645,000	\$	
	Consumables	. ·		· ·			,	· ·									
5021	Material Surface Other	\$		\$	-	\$	- 1	\$		\$	-	\$		\$		\$	
5021	Wellhead & X-mas tree	\$	-	\$	-	ب \$	- 116,000	ې \$	-	\$	- 14,000	ې \$	-	\$		\$	
5023	Materal Subsurface Lift Equipment Other	\$		\$		\$	-	\$	-	\$	-	\$		\$		\$	
5028	Casing and Casing Accessories	\$		\$		\$	808,000	\$	-	\$	-	\$		\$		\$	
5029	Material Tubing and Accs	\$		\$		\$	-	ş	-	\$	-	ŝ		\$		\$	
5500	Material Consumables	\$		\$		\$	17,000	\$	-	\$	593,000	\$		\$		\$	
5502	Drilling Fluids Products	\$		\$		\$	456,000	\$	-	\$	3,000	ŝ		\$		\$	
5503	Bits, Reamers, Scrapers, HO's	\$	-	\$	-	\$	48,000	\$	-	\$	-	\$	-	\$		\$	
5505	Fuel & Lubricants	\$	-	\$	11,000	\$	138,000	\$	-	\$	-	\$	-	\$		\$	
7004	Utilities: Electricity, Water & Sewers & Tras		-	\$	-	\$	-	ŝ	-	\$	-	ŝ	-	\$		\$	
	s, Insurance & Tax	'I Ψ		· •		Ψ		Ŷ		Ψ		Ŷ		, <i>,</i>		Ψ	
8000	Land Transportation	\$	-	\$	2.000	\$	38,000	\$	-	\$	16,000	s		\$		\$	
8000 8102	Tax & contingency	\$	-	\$ \$	2,000	ه \$	38,000	\$	-	ه \$	10,000	۵ ۶	-	> \$	-	\$ \$	
8102 8918	Permits/Settlements/Other	\$		\$ \$	18,000	۵ ۵	326,000	\$	-	۵ ۶	-	۵ ۶	-	> \$	-	\$	
8918	Waste Handling and Disp	\$		\$ \$	-	۵ ۶	- 29,000	\$	-	۵ ۶	-	۵ ۶	-	> \$	-	\$ \$	
0341	Loss & Loss Expenses Paid	\$		\$ \$	-	۵ ۵	23,000	\$ \$	-	۵ ۶	-	۵ ۶		> \$		\$ \$	
8945				ψ	-	ψ	-	φ	-	φ	-	φ	-	ψ	-	Ψ	
8945 9999	Other Costs	\$	-	\$	106.000	\$	(106,000)	s	-	\$	-	s		s		\$	

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Signature:		
Company:		
Printed Name:		
Title:		
Date:	Approval	% WI
This AFE is only an estimate. By signing,	you agree to pay your proportional share of	the actual costs incurred.

Total Drilling (1+2+3):	\$ 4,577,000
Total Completion (5+6):	\$ 4,612,000
Total Facilities (7+8):	\$ 1,075,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 10,264,000

Michael Brake - Project Manager Alissa Payne - Land Negotiator

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Revised Exhibit No. C-5 Submitted by: OXY USA INC. Hearing Date: April 10, 2025

				H	learing Date Case N	<mark>: April 10, 2025</mark> <mark>Io. 25106</mark>
Partner Ballots	BALLOT Correspondence	Ballot Rcvd. Election Rcvd.	<u>JOA</u> Tracking No.		JOA Signed	Comments
COG PRODUCTION LLC/COG ACREAGE LP ATTN: OUTSIDE OPERATED PROPERTIES 600 W ILLINOIS AVE MIDLAND, TX 79701 (432)683-7443 7794 4364 0110	JOA Signed 4/8/25	10/23/2024	7799 6475 6662	11/15/2024	4/8/2025	
MCCOMBS ENERGY LTD NOJV - LAND DEPARTMENT 755 E MULBERRY AVE STE 600 SAN ANTONIO, TX 78212 (713)621-0033 7794 4373 7194	1/7/25 Emails exchanged to relay new well timing and JOA progress.	10/23/2024 11/19/2024	7799 6574 9862	11/15/2024		
MARATHON OIL PERMIAN LLC ATTN: RYAN GYLLENBAND 990 TOWN & COUNTRY BLVD HOUSTON, TX 77024 (713)296-2453 MRGYLLENBRAND@MARATHONOIL.COM 7794 4380 0487	JOA Signed 4/8/25	10/23/2024	7799 6563 6469	11/15/2024	4/8/2025	Will be executed with COG's interes
COG ACREAGE LP ATTN: OUTSIDE OPERATED PROPERTIES 600 W ILLINOIS AVE MIDLAND, TX 79701 (432)683-7443 7794 4364 0110	JOA Signed 4/8/25	10/23/2024	7799 6475 6662	11/15/2024	4/8/2025	
MEC PETROLEUM CORP 414 W TEXAS, STE 410 MIDLAND, TX 79701 (432)556-3881 (281)840-2259 GCAUSEY@ROCKETMAILCOM 7794 4387 5886 MEC PETROLEUM CORP 500 W ILLINOIS AVE, STE 610 MIDLAND, TX 79701 MEC PETROLEUM CORP PO B0X 11265 MIDLAND, TX 79702-8265	3/27/25 Emails exchanged to confirm MEC's working interest and discuss JOA provisions. Indicated they will participate.	10/24/2024	7799 6591 7678 7704 8238 8919 9481 7118 9876 5455 4446 82	12/11/2024 12/9/2024		
7794 4387 5886 ELLIPSIS OIL & GAS INC. ATTN: PETE MARSHALL 3500 MAPLE AVE STE 1080 DALLAS, TX 75219 (713)594-2809 PETE.MARSHALL@ELIPSIS.US 7706 8891 1620	JOA signed 1/7/2025	12/12/2024	770 6889 11620	12/12/2024	1/7/2025	JOA pending amendments
Ridge Runner II Nominee Corp 20405 TX-249 STE 820 HOUSTON, TX, US 77070	JOA Signed 3/6/25	3/6/2025	Via email		3/6/2025	JOA pending amendments
HANLEY PETROLEUM LLC					3/24/2025	JOA pending amendments

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ATTN: BRETT BRACKEN 415 W WALL STREET, STE 1500 MIDLAND, TX 79707 7794 4406 8411 HANLEY PETROLEUM LLC DENNIS SLEDGE PO BOX 1348 FORT WORTH, TX 76101 (432)684-8051 <u>DSLEDGE@HANLEYPETROLEUM.COM</u> 9481 7118 9876 5486 3751 84	3/26/25 Received JOA signatures via email	10/24/2024	9481 7118 9876 5483 8549 96	11/25/2024		
CD RAY EXPLORATION, LLC ATTN: CHARLES D & LYNN W RAY PO BOX 51608 MIDLAND, TX 79710 CDR8602@AOL.COM 9481 7118 9876 5486 3751 39	3/27/25 Emails exchanged to confirm AFE costs. Indicated they are in the process of executing and returning AFEs and JOA.	10/29/2024	9481 7118 9876 5483 8549 41	11/21/2024		
LHAH PROPERTIES LLC ATTN: DENNIS SLEDGE 415 W WALL STREET STE 1500 MIDLAND, TX 79707 (432)684-8051 DSLEDGE@HANLEYPETROLEUM.COM 7794 4431 0686	3/26/25 Received JOA signatures via email		7799 6597 4620		3/24/2025	JOA pending amendments
LHAH PROPERTIES LLC ATTN: DENNIS SLEDGE PO BOX 1348 FORT WORTH, TX 76101-1348 9481 7118 9876 5481 2652 68		11/7/2024	9481 7118 9876 5483 7808 99	11/25/2024		
STILLWATER INVESTMENTS ATTN: JACK ERWIN 6403 SEQUOIA MIDLAND, TX 79707 7794 4435 3174	11/15/25- Mailed Proposals/AFE/JOA. AFE's signed. Pending JOA execution.	10/28/2024 10/31/202	4 7799 6608 8926	11/15/2024		
PALEOZOIC PETROLEUM LLC ATTN: DAVID CROMWELL 2008 COUNTRY CLUB DR MIDLAND, TX 79701 (432)689-8722 DCROMWELL2017@SUDDENLINK.NET (432)528-2245 (CELL) 7794 4442 1561	JOA Singed 12/2/24	10/23/2024 11/4/202	4 7799 6613 9460	11/15/2024	12/2/2024	Pending amendments
H6 HOLDINGS LLC ATTN: JANET HANSON 2300 N STREET MIDLAND, TX 79705 (432)638-5498 EKJRHANSON@SUDDENLINK.NET 7794 4532 5457 H6 HOLDINGS LLC ATTN: JANET HANSON PO BOX 1212 MIDLAND, TX 79702 9481 7118 9876 5459 5359 66	12/23/24- Mailed Proposals/AFE/JOA.	12/26/2024	7799 6617 3959 9481 7118 9876 5459 5359 66	12/26/2024		
TBO OIL & GAS LLC		10/23/2024 11/14/202	4 7799 6620 6689	11/15/2024	12/4/2024	

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ATTN: TAMMY MCCOMIC 415 WEST WALL STREET STE 475 MIDLAND, TX 79701 (432)682-1119 <u>TMCCOMIC@SBCGLOBAL.NET</u> 7794 4453 3752	JOA signed 12/4/2024			
JCGB Energy Services, LLC 23 Applehead Island Dr. Horseshoe Bay, TX 78657	3/28/25- Mailed Proposals/AFE/JOA.	3/31/2025	880143605139	4/2/2025
CHIEF CAPITAL (O&G) II LLC ATTN: CHRISTINA GEORGE 8111 WESTCHASETER DR STE 9000 DALLAS, TX 75225 (281)884-3207 CGEORGE@CHIEF.ENERGY.COM 7709 1765 2087	3/26/25- Emailed JOA to new land contact per previous contact's direction. They have siged AFEs and indicated they will participate.	12/20/2024 1/13/2025	7709 1765 2087 12/20/2024	

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Partner Ballots	BALLOT Correspondence	Ballot Rcvd. Election Rcvd.	<u>JO4</u> Tracking No.		OA Signed	Comments		
COG PRODUCTION LLC/COG ACREAGE LP ATTN: OUTSIDE OPERATED PROPERTIES 600 W ILLINOIS AVE MIDLAND, TX 79701 (432)683-7443 7794 4364 0110	3/27/25 Emails exchanged regarding GBA questions. Indicated they plan to execute JOA.	10/23/2024	7799 6475 6662	11/15/2024				
MCCOMBS ENERGY LTD NOJV - LAND DEPARTMENT 755 E MULBERRY AVE STE 600 SAN ANTONIO, TX 78212 (713)621-0033 7794 4373 7194	1/7/25 Emails exchanged to relay new well timing and JOA progress.		7799 6574 9862	11/15/2024				
MARATHON OIL PERMIAN LLC ATTN: RYAN GYLLENBAND 990 TOWN & COUNTRY BLVD HOUSTON, TX 77024 (713)296-2453 <u>MRGYLLENBRAND@MARATHONOIL.COM</u> 7794 4380 0487	3/27/25 Emails exchanged regarding GBA questions. Indicated they plan to execute JOA.	10/23/2024	7799 6563 6469	11/15/2024		Will be executed with COG's interest		
COG ACREAGE LP ATTN: OUTSIDE OPERATED PROPERTIES 600 W ILLINOIS AVE MIDLAND, TX 79701 (432)683-7443 7794 4364 0110	3/27/25 Emails exchanged regarding GBA questions. Indicated they plan to execute JOA.	10/23/2024	7799 6475 6662	11/15/2024				
MEC PETROLEUM CORP 414 W TEXAS, STE 410 MIDLAND, TX 79701 (432)556-3881 (281)840-2259 GCAUSEY@ROCKETMAIL.COM 7794 4387 5886 MEC PETROLEUM CORP 500 W ILLINOIS AVE, STE 610 MIDLAND, TX 79701 MEC PETROLEUM CORP PO BOX 11265 MIDLAND, TX 79702-8265 7794 4387 5886	3/27/25 Emails exchanged to confirm MEC's working interest and discuss JOA provisions. Indicated they will participate.		7799 6591 7678 7704 8238 8919 9481 7118 9876 5455 4446 82	12/11/2024 12/9/2024				
ELLIPSIS OIL & GAS INC. ATTN: PETE MARSHALL 3500 MAPLE AVE STE 1080 DALLAS, TX 75219 (713)594-2809 PETE.MARSHALL@ELIPSIS.US 7706 8891 1620	JOA signed 1/7/2025	12/12/2024	770 6889 11620	12/12/2024	1/7/2025	JOA pending amendments		
Ridge Runner II Nominee Corp		3/6/2025	Via email		3/6/2025	JOA pending amendments		

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C-5 Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106

20405 TX-249 STE 820	JOA Signed 3/6/25				
HOUSTON, TX, US 77070					
HANLEY PETROLEUM LLC ATTN: BRETT BRACKEN 415 W WALL STREET, STE 1500 MIDLAND, TX 79707 7794 4406 8411				3/24/2025	JOA pending amendments
HANLEY PETROLEUM LLC DENNIS SLEDGE PO BOX 1348 FORT WORTH, TX 76101 (432)684-8051 DSLEDGE@HANLEYPETROLEUM.COM 9481 7118 9876 5486 3751 84	3/26/25 Received JOA signatures via email	10/24/2024	9481 7118 9876 5483 8549 96 11/25/2)24	
CD RAY EXPLORATION, LLC ATTN: CHARLES D & LYNN W RAY PO BOX 51608 MIDLAND, TX 79710	3/27/25 Emails exchanged to confirm AFE costs. Indicated they are in the process of executing and returning AFEs and JOA.	10/29/2024	9481 7118 9876 5483 8549 41 11/21/2)24	
<u>CDR8602@AOL.COM</u> 9481 7118 9876 5486 3751 39					
LHAH PROPERTIES LLC ATTN: DENNIS SLEDGE 415 W WALL STREET STE 1500 MIDLAND, TX 79707 (432)684-8051 DSLEDGE@HANLEYPETROLEUM.COM 7794 4431 0686	3/26/25 Received JOA signatures via email		7799 6597 4620	3/24/2025	JOA pending amendments
LHAH PROPERTIES LLC ATTN: DENNIS SLEDGE PO BOX 1348 FORT WORTH, TX 76101-1348 9481 7118 9876 5481 2652 68		11/7/2024	9481 7118 9876 5483 7808 99 11/25/2)24	
STILLWATER INVESTMENTS ATTN: JACK ERWIN 6403 SEQUOIA MIDLAND, TX 79707 7794 4435 3174	11/15/25- Mailed Proposals/AFE/JOA. AFE's signed. Pending JOA execution.	10/28/2024 10/31/2024	7799 6608 8926 11/15/2	024	
PALEOZOIC PETROLEUM LLC ATTN: DAVID CROMWELL 2008 COUNTRY CLUB DR MIDLAND, TX 79701 (432)689-8722 DCROMWELL2017@SUDDENLINK.NET (432)528-2245 (CELL) 7794 4442 1561	JOA Singed 12/2/24	10/23/2024 11/4/2024	7799 6613 9460 11/15/2)24 12/2/2024	Pending amendments
H6 HOLDINGS LLC		12/26/2024	7799 6617 3959 12/26/2)24	

ATTN: JANET HANSON 2300 N STREET MIDLAND, TX 79705 (432)638-5498 <u>EKJRHANSON@SUDDENLINK.NET</u> 7794 4532 5457 H6 HOLDINGS LLC ATTN: JANET HANSON PO BOX 1212 MIDLAND, TX 79702 9481 7118 9876 5459 5359 66	12/23/24- Mailed Proposals/AFE/JOA.		9481 7118 9876 5459 5359 66	
TBO OIL & GAS LLC ATTN: TAMMY MCCOMIC 415 WEST WALL STREET STE 475 MIDLAND, TX 79701 (432)682-1119 TMCCOMIC@SBCGLOBAL.NET 7794 4453 3752	JOA signed 12/4/2024	10/23/2024 11/14/20	24 7799 6620 6689 11/15/2024 12/4/2024	1
JCGB Energy Services, LLC 23 Applehead Island Dr. Horseshoe Bay, TX 78657	3/28/25- Mailed Proposals/AFE/JOA.	3/31/2025	880143605139 4/2/202	5
CHIEF CAPITAL (O&G) II LLC ATTN: CHRISTINA GEORGE 8111 WESTCHASETER DR STE 9000 DALLAS, TX 75225 (281)884-3207 CGEORGE@CHIEF.ENERGY.COM 7709 1765 2087	3/26/25- Emailed JOA to new land contact per previous contact's direction. They have siged AFEs and indicated they will participate.	12/20/2024 1/13/20	25 7709 1765 2087 12/20/2024	

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. 25106

SELF-AFFIRMED STATEMENT OF SETH BRAZELL

My name is Seth Brazell, 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 Third 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 Bone Spring formation. The contour interval is 100-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 east. 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 four 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: April 10, 2025 Case No. 25106 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, resistivity, and porosity 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. Oxy seeks to pool only a portion of the Bone Spring formation, limited to the depths from the top of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 8,653 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292) to the base of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 9,687 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well Lake 19 Federal 1 well (API:30-015-24292).

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.

10. 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.

11. 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.

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

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13. 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.

igned by:

Seth Brazell

4/3/2025

Date

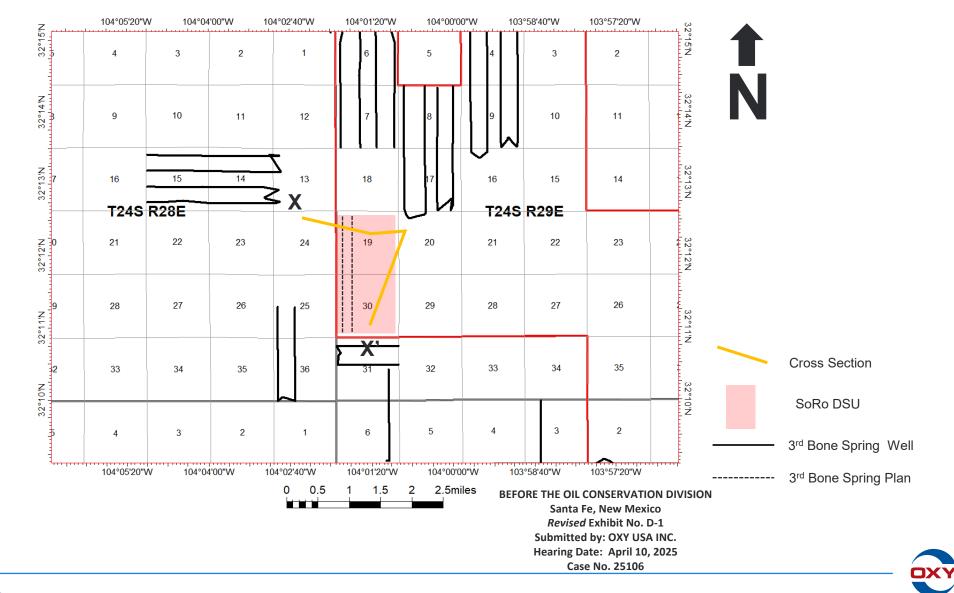
Received by OCD: 4/15/2025 2:50:20 PM

SORO 19-30 71H & 72H W2W2 25106



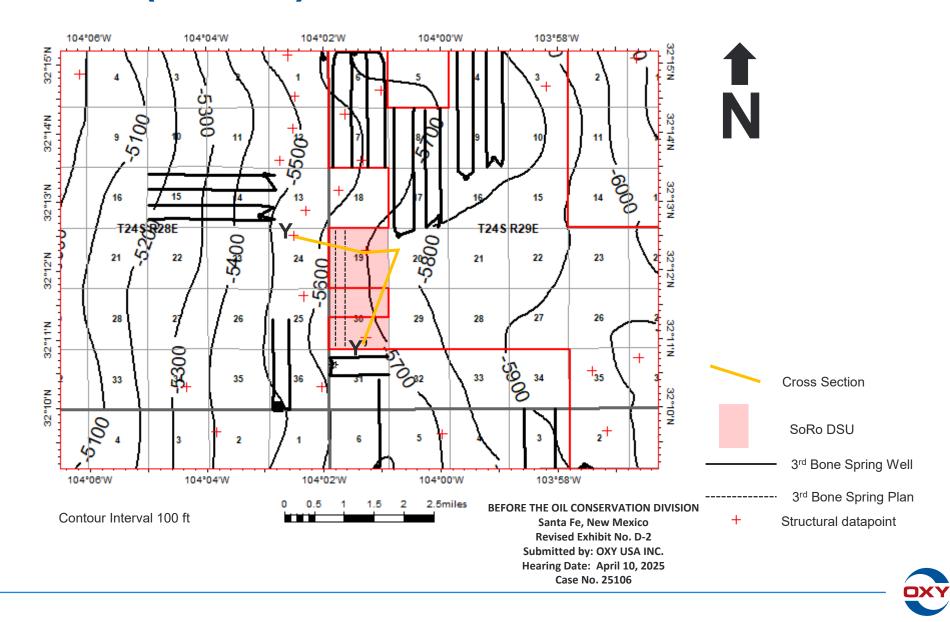
Released to Imaging: 4/16/2025 9:50:21 AM

LOCATOR MAP – SORO DSU – 3RD BONE SPRING

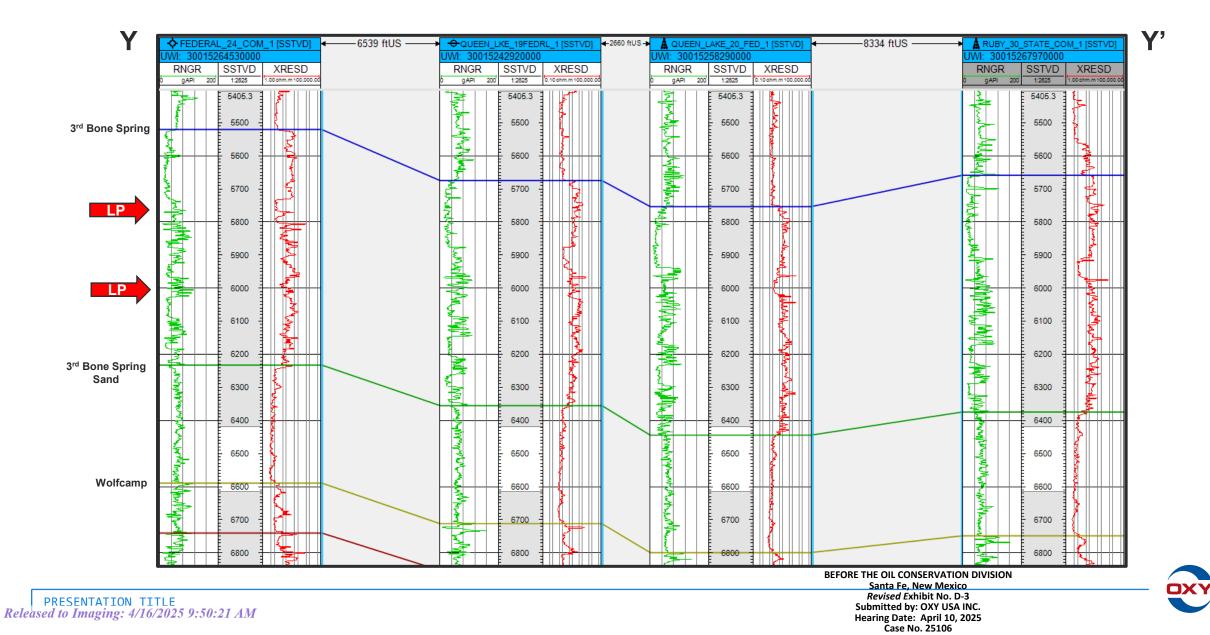


18

STRUCTURE MAP (SSTVD) – 3RD BONE SPRING

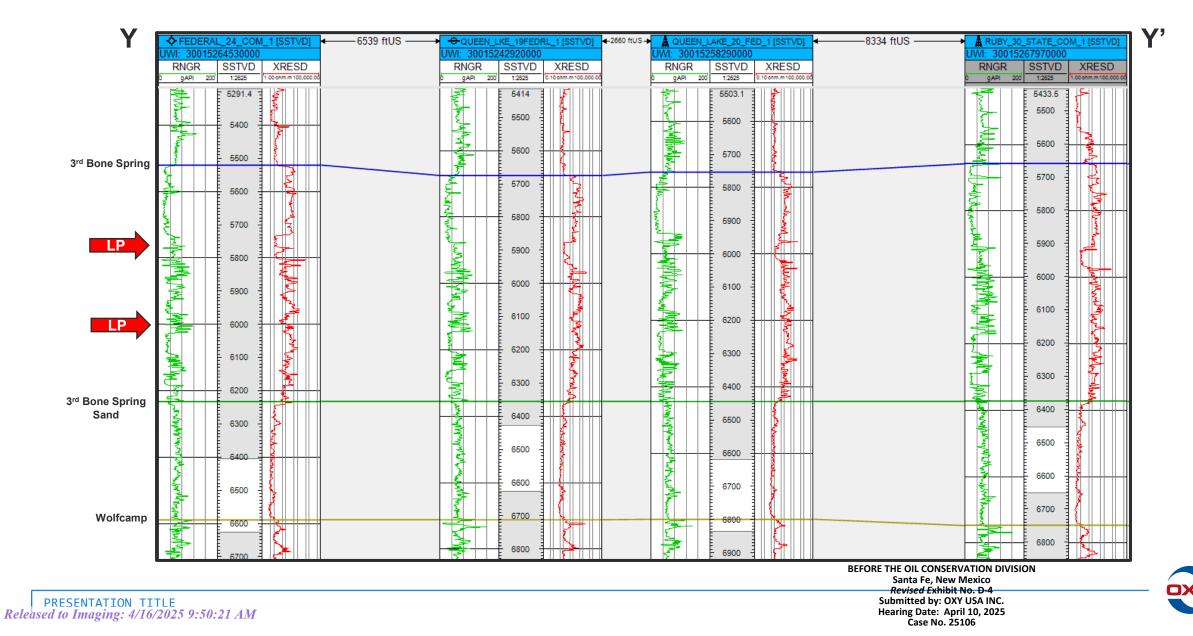


STRUCTURAL CROSS SECTION – 3RD BONE SPRING



20

STRATIGRAPHIC CROSS SECTION – 3RD BONE SPRING



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

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

CASE NO. 25106

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 affected parties on the date set forth in the letter attached hereto.

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 March 28, 2025.

5. I caused a notice to be published to all affected parties subject to this 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: April 10, 2025 Case No. 25106

Pathin

Paula M. Vance

<u>4/3/2025</u> Date



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

December 20, 2024

VIA CERTIFIED MAIL **CERTIFIED RECEIPT REQUESTED**

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND AFFECTED BY THE OVERLAPPING HORIZONTAL WELL SPACING UNIT

Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Re: Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: SORO CC 19 30 Fed Com 71H and 72H 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. A hearing has been requested before a Division Examiner on January 9, 2025, and the status of the hearing can be monitored through the Division's website at <u>https://www.emnrd.nm.gov/ocd/</u>.

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 Alissa Payne at (713) 497-2413 or alissa payne@oxy.com

Sincerely,

Patrich

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 Colorado Nevada New Mexico Wyoming

Utan Washington, D.C.



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

December 20, 2024

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

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

Re: Notice of Overlapping Spacing Unit Bone Spring Formation SORO CC 19_30 Fed Com 11H-14H and 71H-76H Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

To Whom It May Concern:

Oxy USA Inc. has proposed the Soro wells for the initial development of the Bone Spring formation underlying Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of the following spacing units:

- 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, and the proposed **SORO CC 19_30 Fed Com 11H** well;
- 320-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, comprised of the E/2 W/2 of irregular Sections 19 and 30, and the proposed **SORO CC 19_30 Fed Com 12H** well;
- 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, and the proposed SORO CC 19_30 Fed Com 13H and SORO CC 19_30 Fed Com 14H wells;
- 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections

19 and 30, and the proposed SORO CC 19_30 Fed Com 71H and SORO CC 19_30 Fed Com 72H wells;

- 320-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 W/2 of irregular Sections 19 and 30, and the proposed **SORO CC 19_30 Fed Com 73H** well; and
- 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, proposed **SORO CC 19_30 Fed Com 74H** well.

The proposed spacing units will overlap the following existing spacing units and wells:

Proposed Bone Spring:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30:
 - Rock Ridge Red Com BSS 14H (API: 30-015-49370) Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
 - Rock Ridge Fed Com BSS 13H (API: 30-015-49369) Pierce Crossing; Bone Spring, South [96671] 3R Operating, LLC
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30:
 - Rock Ridge Red Com BSS 12H (API: 30-015-49368) Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC

Existing Bone Spring:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30:
 - Rock Ridge Red Com BSS 4H (API: 30-015-45730) Pierce Crossing; Bone Spring, South [96671] 3R Operating, LLC
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30:
 - Rock Ridge Red Com BSS 3H (API: 30-015-39543) Pierce Crossing; Bone Spring, South [96671] 3R Operating, LLC
 - Rock Ridge Red Com BSS 8H (API: 30-015-45874) Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
- 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30:
 - Rock Ridge Federal BSS 7H (API: 30-015-45731) Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
- 160-acre spacing unit comprised of the E/2 W/2 of irregular Section 19:

- Rustler Bluff 19 24 29 Fed 3H (API: 30-015-42593) Pierce Crossing; Bone Spring, South [96671] SMC Oil & Gas, Inc.
- 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30:
 - Malaga 30 LI Fed Com 1H (API: 30-015-42193) Pierce Crossing; Bone Spring, South [96671] – Mewbourne Oil Company
- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30:
 - Malaga 30 MP Fed Com 1H (API: 30-015-41461) Pierce Crossing; Bone Spring, South [96671] – Mewbourne Oil Company

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 my office.

Sincerely,

Pathila

Paula M. Vance ATTORNEY FOR OXY USA INC.

						Your item was picked up at
						a postal facility at 8:45 am
						on December 31, 2024 in
9414811898765459526792	CD Ray Exploration, LLC	PO Box 51608	Midland	тх	79710-1608	MIDLAND, TX 79705.
						Your item has been
						delivered and is available at
						a PO Box at 8:12 am on
						December 27, 2024 in
9414811898765459526747	COG Acreage LP	600 W Illinois Ave	Midland	ТХ	79701-4882	MIDLAND, TX 79701.
						Your item has been
						delivered and is available at
						a PO Box at 8:12 am on
						December 27, 2024 in
9414811898765459526785	COG Production LLC	600 W Illinois Ave	Midland	тх	79701-4882	MIDLAND, TX 79701.
						Your item was delivered to
						an individual at the address
						at 12:20 pm on December
						24, 2024 in MIDLAND, TX
9414811898765459526730	H6 Holdings LLC	2300 N N St	Midland	ТХ	79705-7423	79705.
						Your item was delivered to
						an individual at the address
						at 11:15 am on January 2,
						2025 in FORT WORTH, TX
9414811898765459526778	Hanley Petroleum LLC	PO Box 1348	Fort Worth	ТΧ	76101-1348	76102.
						Your item has been
						delivered to the original
						sender at 3:27 pm on
						February 4, 2025 in SANTA
9414811898765459526914	Lhah Properties LLC	415 W Wall St Ste 1500	Midland	ТΧ	79701-4455	FE, NM 87504.
						Your item was delivered to
						the front desk, reception
						area, or mail room at 1:41
						pm on December 26, 2024
9414811898765459526952	Marathon Oil Permian LLC	990 Town And Country Blvd	Houston	ТХ	77024-2217	in HOUSTON, TX 77024.

OXY - Soro 11H-14H, 71H-76H wells - Case nos. 25103-25108 Postal Delivery Report

		1	1		1	
						Your item was delivered to
						an individual at the address
						at 9:40 am on December
						27, 2024 in SAN ANTONIO,
9414811898765459526969	McCombs Energy LTD	755 E Mulberry Ave Ste 403	San Antonio	ТΧ	78212-3129	
						Your item was delivered to
						an individual at the address
						at 12:44 pm on December
						24, 2024 in MIDLAND, TX
9414811898765459526921	MEC Petroleum Corp	414 W Texas Ave Ste 410	Midland	ТΧ	79701-4415	79701.
						Your item was delivered to
						the front desk, reception
						area, or mail room at 12:24
						pm on December 26, 2024
9414811898765459526907	Murchison Oil & Gas LLC	7250 Dallas Pkwy Ste 1400	Plano	ТΧ	75024-5002	in PLANO, TX 75024.
						Your item was delivered to
						an individual at the address
						at 10:11 am on December
						24, 2024 in MIDLAND, TX
9414811898765459526990	Paleozoic Petroleum LLC	2008 Country Club Dr	Midland	ТΧ	79701-5719	79701.
						Your item was delivered to
						the front desk, reception
						area, or mail room at 1:16
						pm on December 26, 2024
9414811898765459526945	Ridge Runner II Nominee Corp.	20405 State Highway 249 Ste 820	Houston	ТΧ	77070-2893	in HOUSTON, TX 77070.
						Your item has been
						delivered to the original
						sender at 3:26 pm on
						February 4, 2025 in SANTA
9414811898765459526983	RSC Resources LP	PO Box 8329	Horseshoe Bay	ТΧ	78657-8329	FE, NM 87504.
						Your item was delivered to
						an individual at the address
						at 11:55 am on December
						24, 2024 in MIDLAND, TX
9414811898765459526938		6403 Sequoia Dr	Midland		79707-1547	

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		Postal Delivery Report				
9414811898765459526976	TBO Oil & Gas LLC	415 W Wall St Ste 475	Midland	тх		Your item was delivered to an individual at the address at 4:28 pm on December 26, 2024 in MIDLAND, TX 79701
5414011050705455520570					75701 4402	/5/01.
						Your item was delivered to the front desk, reception area, or mail room at 12:24 pm on December 26, 2024
9414811898765459526617	Murchison Oil & Gas LLC	7250 Dallas Pkwy Ste 1400	Plano	ТΧ	75024-5002	in PLANO, TX 75024.

OXY - Soro 11H-14H, 71H-76H wells - Case nos. 25103-25108

Received by OCD: 4/15/2025 2:50:20 PM

Postal Delivery Report

9214 8901 9403 8392 6526 12	3R OPERATING LLC 20405 STATE HIGHWAY 249 STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 6526 29	CHARLES D AND LYNN W RAY PO BOX 51608 MIDLAND TX 79710	Delivered Signature Received
	CHIEF CAPITAL (O&G)II LLC 8111 WESTCHESTER DRIVE SUITE 900 DALLAS TX	
9214 8901 9403 8392 6526 36	75225	Delivered Signature Received
	CONVENANT NATURAL RESOURCES 9001 AIRPORT FREEWAY SUITE 825 NORTH	
9214 8901 9403 8392 6526 43	RICHLAND HILLS TX 76180	Delivered Signature Received
9214 8901 9403 8392 6526 50	H6 Holdings LLC PO BOX 1212 Midland TX 79702	Return To Sender
9214 8901 9403 8392 6526 67	LHAH PROPERTIES LLC PO BOX 1348 FORT WORTH TX 76101	Delivered Signature Received
9214 8901 9403 8392 6526 74	MEC PETROLEUM CORP PO BOX 112665 MIDLAND TX 79701	Return To Sender
9214 8901 9403 8392 6526 81	PALEOZOIC PETROLEUM LLC PO BOX 50820 MIDLAND TX 79701	Delivered Signature Received
	PONTEM ENERGY PARTNERS 1 LP 9001 AIRPORT FREEWAY SUITE 825 NORTH	
9214 8901 9403 8392 6526 98	RICHLAND HILLS TX 76180	Delivered Signature Received
	RIDGE RUNNER ASSET CO II LLC 20405 STATE HIGHWAY 249 STE 820 HOUSTON	
9214 8901 9403 8392 6527 04	TX 77070	Delivered Signature Received
	RIDGE RUNNER RESOURCES INTERMEDIATE II LLC 20405 STATE HIGHTWAY 249	
9214 8901 9403 8392 6527 11	STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 6527 28	TBO OIL & GAS LLC PO BOX 10502 MIDLAND TX 79702	Delivered Signature Received

Received by OCD: 4/15/2025 2:50:20 PM

OXY - Soro 11H-14H 71H-72H wells - Case nos. 25103-25108 - Overlap

Postal Delivey Report

9214 8901 9403 8392 5740 44	3R OPERATING LLC 20405 STATE HIGHWAY 249 STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 5740 51	MEWBOURNE OIL CO PO BOX 5270 HOBBS NM 88241	Delivered Signature Received
9214 8901 9403 8392 5740 68	SMC OIL & GAS INC PO BOX 50907 MIDLAND TX 79710	Delivered Signature Received

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STATE OF NEW MEXICO } SS

Account Number: 1232 Ad Number: 27120 Description: Oxy - SORO 71H,72HY - 25106 Ad Cost: \$184.29

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

Sherry Dances

Agent

Subscribed to and sworn to me this 2nd day of January 2025.

Leanne Kaufenberg, Notab Public, Redwood County Minnesota

KARI REESE HOLLAND & HART LLP 420 L STREET, SUITE 550 ANCHORAGE, AK 99501 kireese@hollandhart.com BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. F Submitted by: OXY USA INC. Hearing Date: April 10, 2025 Case No. 25106



LEANNE JOY KAUFENBERG Notary Public State of Minnesota My Commission Expires January 31, 2025 Page 63 of 64

PUBLIC NOTICE

Case No. 25106: Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: CD Ray Exploration, LLC; COG Acreage LP; COG Production LLC; H6 Holdings LLC; Hanley Petroleum LLC; Lhah Properties LLC; Marathon Oil Permian LLC; McCombs Energy LTD; MEC Petroleum Corp; Murchison Oil & Gas LLC; Paleozoic Petroleum LLC; Ridge Runner II Nominee Corp.; RSC Resources LP; Stillwater Investments; TBO Oil & Gas LLC; Murchison Oil & Gas LLC. The State of New Mexico. Energy Minerals and Natural Resources Department, Oil Conservation Division State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on January 9, 2025, to consider this application. The hearing 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. To participate in the hearings electronically, see the instructions posted on the docket for the hearing. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: https://www.emnrd.nm.gov/ocd/hearing-info/ or contact Freya Tschantz, at Freya Tschantz@ emard.nm.gov. Applicant seeks an order (a) approving a standard 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, Township 24 South, Range 29 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 SORO CC 19_30 Fed Com 71H and SORO CC 19_30 Fed Com 72H wells, both to be horizontally drilled from a surface location in the SE4 SW/4 19_30 Fed Com 72H wells, both to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of irregular Section 30, with a first take point in Lot 4 (SW/4 SW/4 equivalent) of irregular Section 30, and last take point in Lot 1 (NW/4 NW/4 equivalent) of irregular Section 19. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone

o 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well

irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45/30) well currently operated by 3R Operating, LLC; o 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC; o 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;

o 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently

operated by Mewbourne Oil Company; and o 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently

This proposed horizontal well spacing unit will overlap the following proposed spacing unit in the Bone Spring formation:

320-acre spacing unit comprised of Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal #551H (API: 30-015-PENDING).

Also, to be considered will be approval of the overlapping spacing unit, 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 4 miles southeast of Malaga, New Mexico.

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