

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JUNE 4, 2026**

**CASE NO. 26127**

*MERCURY E/2 UPPER WC 34H*

**LEA COUNTY, NEW MEXICO**



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

**APPLICATION OF OCCIDENTAL  
PERMIAN LIMITED PARTNERSHIP  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 26127**

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# COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 26127	APPLICANT'S RESPONSE
Date	June 4, 2026
Applicant	Occidental Permian Limited Partnership
Designated Operator & OGRID (affiliation if applicable)	OXY USA Inc. (OGRID No. 16696)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF OCCIDENTAL PERMIAN LIMITED PARTNERSHIP FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: OXY USA INC. Hearing Date: June 4, 2026 Case No. 26127
Entries of Appearance/Intervenors:	N/A
Well Family	Mercury 29 Federal wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Upper Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	N/A
Well Location Setback Rules (Only if NSP is Requested):	N/A
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre
Building Blocks:	40 acres
Orientation:	Stand-up/u-turn
Description: TRS/County	E/2 of Section 29, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-2
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	<b>Mercury 29 Federal 34H well:</b> API: 30-025-55211 SHL: 1,111' FSL, 2,375' FEL (Unit O), Section 29 BHL: 20' FSL, 600' FEL (Unit P), Section 29 Target: Upper Wolfcamp Orientation: Stand-up/u-turn Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$12,000
Production Supervision/Month \$	\$1,200
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
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-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
<b>Geology</b>	
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
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
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 & D-3
Cross Section (including Landing Zone)	Exhibit D-2 & D-3
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	5/28/2026

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

**APPLICATION OF OCCIDENTAL  
PERMIAN LIMITED PARTNERSHIP  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 26127**

**APPLICATION**

Occidental Permian Limited Partnership (“OXY” or “Applicant”), through its undersigned attorneys, files this application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling the uncommitted interest owners in the Upper Wolfcamp formation (WC-025 G-08 S243217P;UPR WOLFCAMP (oil) [98248]) underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E/2 of Section 29, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, OXY states:

1. Applicant is a working interest owner in the proposed horizontal well spacing unit and has the right to drill thereon.
2. Applicant seeks to designate OXY USA Inc. (OGRID No. 16696) as the operator of the proposed horizontal well spacing unit.
3. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Mercury 29 Federal 34H** (API No. 30-025-55211) u-turn well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 29, with a first take point in the SW/4 SE/4 (Unit O) of Section 29, and a last take point in the SE/4 SE/4 (Unit P) of Section 29.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: OXY USA INC.  
Hearing Date: June 4, 2026  
Case No. 26127**

5. The granting of this application 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 application be set for hearing before an Examiner of the Oil Conservation Division on the June 4, 2026, hearing docket and after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interest owners in the horizontal spacing unit;
- B. Designating OXY USA Inc. as operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- 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 well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: \_\_\_\_\_

Adam G. Rankin  
Paula M. Vance  
A. Raylee Starnes  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
agrarkin@hollandhart.com  
pmvance@hollandhart.com  
arstarnes@hollandhart.com

**ATTORNEYS FOR OCCIDENTAL PERMIAN  
LIMITED PARTNERSHIP & OXY USA INC.**

CASE \_\_\_\_\_: **Application of Occidental Permian Limited Partnership for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling the uncommitted interest owners in the Upper Wolfcamp formation (WC-025 G-08 S243217P;UPR WOLFCAMP (oil) [98248]) underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E/2 of Section 29, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit to the proposed **Mercury 29 Federal 34H** (API No. 30-025-55211) u-turn well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 29, with a first take point in the SW/4 SE/4 (Unit O) of Section 29, and a last take point in the SE/4 SE/4 (Unit P) of Section 29. Also, to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, operating costs and charges for supervision, the designation of OXY USA Inc. as operator, and a 200% charge for risk involved in drilling and completing the well. The subject area is located approximately 32 miles southeast of Carlsbad, New Mexico.

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

APPLICATION OF OCCIDENTAL  
PERMIAN LIMITED PARTNERSHIP  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 26127

SELF-AFFIRMED STATEMENT OF LESLIE MULLIN

1. My name is Leslie Mullin, and I am a Landman with OXY USA Inc. ("OXY").
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by OXY in this case and the status of the lands in the subject area.
4. In **Case No. 26127**, OXY seeks an order an order pooling the uncommitted interest owners in the Upper Wolfcamp formation (WC-025 G-08 S243217P;UPR WOLFCAMP (oil) [98248]) underlying a standard 320-acre, more or less, horizontal well spacing unit comprised of the E/2 of Section 29, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.
5. OXY seeks to initially dedicate the above-referenced non-standard spacing unit to the proposed **Mercury 29 Federal 34H** (API No. 30-025-55211) u-turn well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 29, with a first take point in the SW/4 SE/4 (Unit O) of Section 29, and a last take point in the SE/4 SE/4 (Unit P) of Section 29.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: OXY USA INC.  
Hearing Date: June 4, 2026  
Case No. 26127

6. **OXY Exhibit C-1** contains C-102s for the proposed well. This form demonstrates that the completed interval for the well will comply with the statewide setbacks for oil wells. The well is dedicated to the WC-025 G-08 S243217P;UPR WOLFCAMP (oil) [98248].

7. **OXY Exhibit C-2** identifies the tracts of land comprising the proposed spacing unit, the ownership interests in each tract, ownership interests on a spacing unit basis, and the commitment status and type for each interest owner. The subject area consists of federal acreage. The parties OXY seeks to pool are highlighted in yellow.

8. **OXY Exhibit C-3** 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.

9. OXY requests that the overhead and administrative costs for drilling and producing the proposed well 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.

10. **OXY Exhibit C-4** is a chronology of contacts, which reflects a summary of my efforts to locate and communicate with each of the parties that OXY seeks to pool. In my opinion, OXY has undertaken good-faith, diligent efforts to locate and reach an agreement with each interest owner.

11. OXY has provided the law firm of Holland & Hart LLP with the names and addresses of the parties OXY seeks to pool. In providing names and addresses, OXY has examined the county records, conducted computer searches and engaged in other good faith efforts to locate the most recent addresses for all of the parties that it seeks to pool.

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

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.

Leslie E Mullin

Leslie Mullin

4/29/20

Date

<b>C-102</b> Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals, & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Revised July 9, 2024 PAGE 1 OF 2
		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

**WELL LOCATION INFORMATION**

API Number <b>30-025-55211</b>	Pool Code <b>98248</b>	Pool Name <b>WC-025 G-08 S243217P; UPR WOLFCAMP</b>
Property Code <b>337727</b>	Property Name <b>MERCURY 29 FED</b>	Well Number <b>34H</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>	Ground Level Elevation <b>3681'</b>
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
O	29	23S	32E		1111' FSL	2375' FEL	32.27131467	-103.69582886	LEA

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	29	23S	32E		20' FSL	600' FEL	32.26832868	-103.69008656	LEA

Dedicated Acres <b>320.00</b>	Infill or Defining WellIP <b>INFILL</b>	Defining Well API <b>PENDING- MERCURY 46H</b>	Overlapping Spacing Unit (Y/N) <b>NO</b>	Consolidation Code
Order Numbers:			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
O	29	23S	32E		50' FSL	2150' FEL	32.26840005	-103.69510123	LEA

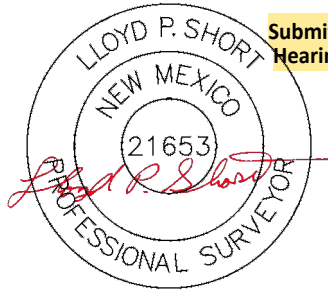
**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
O	29	23S	32E		100' FSL	2150' FEL	32.26853749	-103.69510127	LEA

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	29	23S	32E		100' FSL	600' FEL	32.26854859	-103.69008666	LEA

Unitized Area or Area of Uniform Interest	Spacing Unit Type: <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation <b>3681'</b>
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<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p><u>Sara Guthrie</u>                      <u>3/26/2025</u> Signature                                      Date</p> <p>Sara Guthrie Printed Name</p> <p>sara_guthrie@oxy.com Email Address</p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p align="right"> <b>BEFORE THE OIL CONSERVATION DIVISION</b>  <b>Santa Fe, New Mexico</b>  <b>Exhibit No. C-1</b>  <b>Submitted by: OXY USA INC.</b>  <b>Hearing Date: June 4, 2026</b>  <b>Case No. 26127</b> </p>  <p align="center">Signature and Seal of Professional Surveyor</p> <table border="1"> <tr> <td>Certificate Number <b>21653</b></td> <td>Date of Survey <b>FEBRUARY 03, 2025</b></td> </tr> </table>	Certificate Number <b>21653</b>	Date of Survey <b>FEBRUARY 03, 2025</b>
Certificate Number <b>21653</b>	Date of Survey <b>FEBRUARY 03, 2025</b>		

MERCURY 29 FED 34H

ACREAGE DEDICATION PLATS

PAGE 2 OF 2

**SHL (NAD83)**  
X:738373.90' / Y:463022.55'  
LAT:32.27131467 / LON:-103.69582886

**SHL (NAD27)**  
X:697190.33' / Y:462963.24'  
LAT:32.27119135 / LON:-103.69534541

**KOP (NAD83)**  
X:738605.10' / Y:461963.57'  
LAT:32.26840005 / LON:-103.69510123

**KOP (NAD27)**  
X:697421.50' / Y:461904.29'  
LAT:32.26827672 / LON:-103.69461791

**FTP (NAD83)**  
X:738604.79' / Y:462013.57'  
LAT:32.26853749 / LON:-103.69510127

**FTP (NAD27)**  
X:697421.19' / Y:461954.29'  
LAT:32.26841416 / LON:-103.69461795

**TP-1 (NAD83)**  
X:738579.04' / Y:465977.90'  
LAT:32.27943472 / LON:-103.69510829

**TP-1 (NAD27)**  
X:697395.55' / Y:465918.51'  
LAT:32.27931143 / LON:-103.69462456

**TP-2 (NAD83)**  
X:739347.92' / Y:466875.03'  
LAT:32.28188808 / LON:-103.69260318

**TP-2 (NAD27)**  
X:698164.45' / Y:466815.62'  
LAT:32.28176479 / LON:-103.69211941

**TP-3 (NAD83)**  
X:740128.98' / Y:465992.21'  
LAT:32.27944861 / LON:-103.69009306

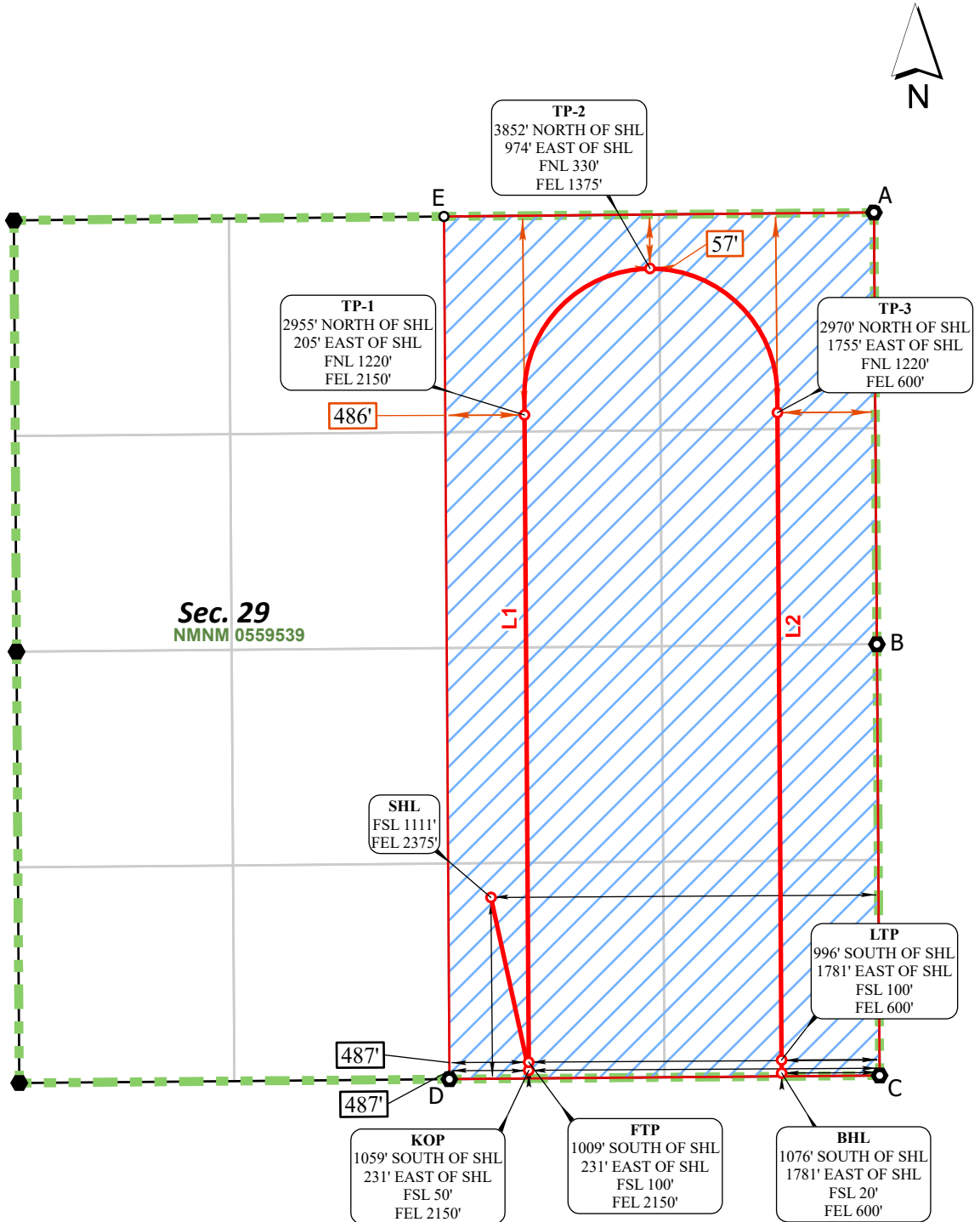
**TP-3 (NAD27)**  
X:698945.49' / Y:465932.82'  
LAT:32.27932531 / LON:-103.68960945

**LTP (NAD83)**  
X:740154.73' / Y:462026.86'  
LAT:32.26854859 / LON:-103.69008666

**LTP (NAD27)**  
X:698971.13' / Y:461967.58'  
LAT:32.26842524 / LON:-103.68960346

**BHL (NAD83)**  
X:740155.24' / Y:461946.86'  
LAT:32.26832868 / LON:-103.69008656

**BHL (NAD27)**  
X:698971.63' / Y:461887.58'  
LAT:32.26820533 / LON:-103.68960337



**CORNER COORDINATES**  
NAD 83, SPCS NM EAST

A - X: 740720.61' / Y:467217.73'
B - X: 740738.70' / Y:464572.99'
C - X: 740755.34' / Y:461932.00'
D - X: 738118.78' / Y:461909.40'
E - X: 738085.42' / Y:467193.39'

**CORNER COORDINATES**  
NAD 27, SPCS NM EAST

A - X: 699537.15' / Y:467158.31'
B - X: 699555.17' / Y:464513.64'
C - X: 699571.74' / Y:461872.73'
D - X: 696935.17' / Y:461850.12'
E - X: 696901.96' / Y:467133.97'

\*FTP TO LTP LINE BEARINGS

LINE	BEARING
L1	N 00°22'19" W ~ 3964.41'
L2	S 00°22'20" E ~ 3965.44'

\*FTP TO LTP LEASE DISTANCES

TRACT	DISTANCE
NMNM 0559539	10594.58'
TOTAL	10594.58'



○ Drill Line Events   ● Section Corners   — Drill Line   ← Dimension Lines   ■ Federal Leases   ■ HSU   ● HSU Corners

All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

JOB No. OXY\_0054\_MC03\_14447  
REV 1 NDS 2/3/2025

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.999777905 and a Convergence Angle: 0.339911517°

# OWNERSHIP BY TRACT

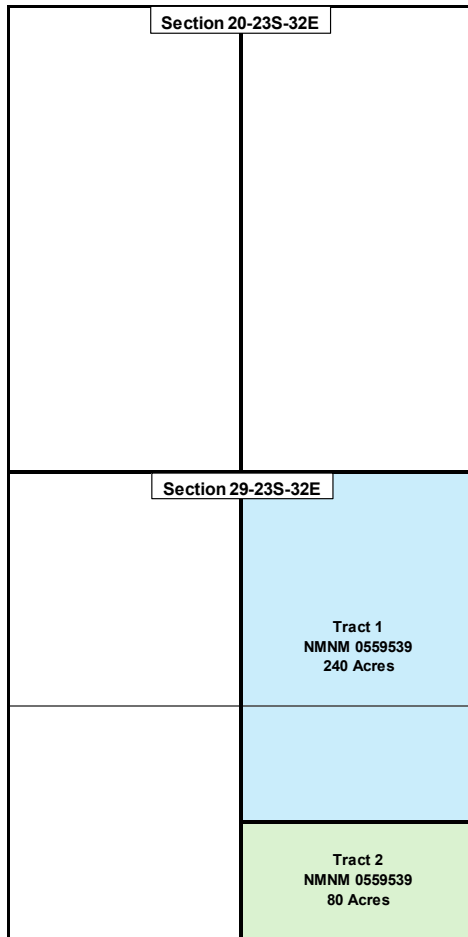
Section 20-23S-32E	
Section 29-23S-32E	<p>Tract 1 NMNM 0559539 240 Acres</p>
	<p>Tract 2 NMNM 0559539 80 Acres</p>

Tract 1: NE/4, N/2 SE/4 of Section 29-23S-32E	WI	Net Acres
Occidental Permian Limited Partnership	100.0000%	240.0000
<b>COMMITTED INTEREST</b>	<b>100.0000%</b>	<b>240.0000</b>

Tract 2: S/2 SE/4 of Section 29-23S-32E	WI	Net Acres
Harvard Petroleum Corporation	46.2700%	37.0160
<b>EOG Resources Inc.</b>	<b>21.2993%</b>	<b>17.0394</b>
Patrick J. F. and Jean M. Gratton	20.7881%	16.6305
J 4 Family Limited Partnership	5.1145%	4.0916
Har-Vest, LLC	2.1299%	1.7039
Patricia Darlene Rodak	1.2034%	0.9627
Capitan Mountain Oil and Gas, LLC	1.0650%	0.8520
Ball Oil and Gas, LLC	1.0650%	0.8520
Northern Oil and Gas, Inc.	1.0650%	0.8520
<b>COMMITTED INTEREST</b>	<b>78.7007%</b>	<b>62.9606</b>
<b>UNCOMMITTED INTEREST</b>	<b>21.2993%</b>	<b>17.0394</b>



# CONSOLIDATED UNIT OWNERSHIP



Unit Ownership	WI	Ownership Status	Commitment Type
Occidental Permian Limited Partnership	75.0000%	Committed	JOA
Harvard Petroleum Corporation	11.5675%	Committed	JOA
<b>EOG Resources Inc.</b>	<b>5.3248%</b>	<b>Uncommitted</b>	<b>N/A</b>
Patrick J. F. and Jean M. Gratton	5.1970%	Committed	JOA
J 4 Family Limited Partnership	1.2786%	Committed	JOA
Har-Vest, LLC	0.5325%	Committed	JOA
Patricia Darlene Rodak	0.3009%	Committed	JOA
Capitan Mountain Oil and Gas, LLC	0.2662%	Committed	JOA
Ball Oil and Gas, LLC	0.2662%	Committed	JOA
Northern Oil and Gas, Inc.	0.2662%	Committed	JOA
<b>TOTAL</b>	<b>100.0000%</b>		
<b>INTEREST TO BE POOLED</b>	<b>5.3248%</b>		





5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 4294, Houston, Texas 77210-4294

April 15, 2026

VIA FED EX

EOG Resources Inc.  
5509 Champions Dr.  
Midland, TX 79706

**RE: Well Proposals (3)**  
**Mercury 29 Federal 34H, 45H, and 48H**  
E/2 of Section 29, Township 23 South, Range 32 East  
Lea County, New Mexico

Dear Working Interest Owner:

By letters dated May 7, 2025 and May 20, 2025, Occidental Permian Limited Partnership ("OXY") proposed the drilling of OXY USA Inc.'s Mercury 29 Federal 34H, 45H, 46H and 48H wells (the "Mercury Proposals").

Upon further technical evaluation, OXY has replanned the Mercury 29 Federal 45H and 48H wells as one "switchback" well instead of two single mile wells. Therefore, OXY hereby rescinds the Mercury Proposals and proposes the drilling of OXY USA Inc.'s below described wells targeting the Wolfcamp formation, located in the E/2 of Section 29, Township 23 South, Range 32 East, Lea County, New Mexico:

**Mercury 29 Fed 34H**

- Surface Location: 1111' FSL and 2375' FEL, Section 29-T23S-R32E
- Bottom Hole Location: 20' FSL and 600' FEL, Section 29-T23S-R32E
- Estimated TVD: 12,350'

**Mercury 29 Fed 46H**

- Surface Location: 1106' FSL and 2347' FEL, Section 29-T23S-R32E
- Bottom Hole Location: 20' FNL and 1390' FEL, Section 29-T23S-R32E
- Estimated TVD: 12,750'

**Mercury 29 Fed 48H**

- Surface Location: 1102' FSL and 2319' FEL, Section 29-T23S-R32E
- Bottom Hole Location: 20' FSL and 2310' FEL, Section 29-T23S-R32E
- Estimated TVD: 12,850'

OXY reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. OXY or its designated Operator will advise you of any such modifications.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C-3  
Submitted by: OXY USA INC.  
Hearing Date: June 4, 2026  
Case No. 26127

OXY's AFEs detailing estimated costs regarding the above proposed wells are enclosed. Should you wish to participate, please specify your elections where indicated, and return with (1) copy of each executed AFE to the attention of the undersigned. Also enclosed is a facility AFE, the costs for which will be shared proportionately by working interest owners in the associated wells.

OXY is further proposing the formation of a 320 acre unit covering the E/2 of Section 29, Township 23 South, Range 32 East, Lea County, New Mexico, under the terms of a new modified 1989 AAPL Model Form Operating Agreement ("JOA") with the following general provisions:

- 100% / 300% Non-consenting penalties
- Drilling / Producing Rate of \$12,000 / \$1,200
- OXY named as Operator

The JOA will be provided upon request. If you would like to discuss another type of agreement (assignment, farmout, etc.), please contact me for further discussion. If we do not reach an agreement within thirty (30) days of the date of receipt of this letter, OXY may apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

Should you have any questions on these proposals, please contact the undersigned 713.497.2647 or [leslie\\_mullin@oxy.com](mailto:leslie_mullin@oxy.com).

Sincerely,

**Occidental Permian Limited Partnership**  
**OXY USA Inc.**

Leslie E. Mullin, CPL  
Advisor Land Negotiator

Enclosures

**Mercury 29 Fed Elections**

\_\_\_\_\_ Elect to participate in the Mercury 29 Fed 34H

\_\_\_\_\_ Elect NOT to participate in the Mercury 29 Fed 34H

\_\_\_\_\_ Elect to participate in the Mercury 29 Fed 46H

\_\_\_\_\_ Elect NOT to participate in the Mercury 29 Fed 46H

\_\_\_\_\_ Elect to participate in the Mercury 29 Fed 48H

\_\_\_\_\_ Elect NOT to participate in the Mercury 29 Fed 48H

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Occidental Oil and Gas Corporation  
MERCURY 29 FED 34H**

RMT:	PERMIAN RESOURCES NEW MEXICO
State & County:	NEW MEXICO, LEA
Field:	Sand Dunes
Well Type:	SD_WFMP:XYA_11000_SB_3S_LS_2500_200_42
Date:	4/21/2026

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 23,000	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 157,000	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 7,000	\$ 241,000	\$ -	\$ 144,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 3,000	\$ 63,000	\$ -	\$ 233,000	\$ 102,000	\$ 172,000	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 164,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 49,000	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ 2,000	\$ 16,000	\$ -	\$ 154,000	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 23,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 154,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWLD	\$ -	\$ -	\$ 509,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 289,000	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 795,000	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 2,000	\$ 83,000	\$ -	\$ 656,000	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 173,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 744,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 1,000	\$ 45,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 31,000	\$ -	\$ 2,000	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ 77,000	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 133,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 3,000	\$ 109,000	\$ -	\$ 57,000	\$ -	\$ -	\$ -
<b>Consum: Consumables</b>									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ 337,000	\$ 153,000	\$ 258,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 101,000	\$ -	\$ -	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 846,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 18,000	\$ -	\$ 308,000	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 439,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 72,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 4,000	\$ 142,000	\$ -	\$ 265,000	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 41,000	\$ -	\$ 327,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 20,000	\$ 294,000	\$ -	\$ 174,000	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 293,000	\$ 4,430,000	\$ -	\$ 3,990,000	\$ 255,000	\$ 430,000	\$ -

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.

<b>Total Drilling (1+2+3):</b>	\$	4,723,000
<b>Total Completion (5+6):</b>	\$	4,245,000
<b>Total Facilities (7+8):</b>	\$	430,000
<b>Total Well Cost (1+2+3+4+5+6+7+8):</b>	\$	9,398,000

Matt Post - Project Manager  
Leslie Mullin - Land Negotiator

# WORKING INTEREST OWNER CONTACTS

## EOG Resources Inc.

- 5/6/25: phone call with Laci Stretcher to give overview of upcoming Mercury well proposals
- 5/20/25: email exchange with Jake Farr confirming EOG interest details
- 5/23/25: email exchange with Sarah Semer with EOG interest and additional information on proposals
- 6/11/25: mailed JOA
- 6/24/25 and 6/25/25: email and phone call with Ellarie Sutton to discuss well proposals
- 11/18/25: Email to Ellarie Sutton to inquire as to any questions on JOA and proposals
- 4/14/26: Email to Ellarie Sutton advising of changes to plans on 2 wells and forthcoming new proposals. Provided C-102s.
- 4/21/26: Emailed proposal and new AFEs to Ellarie Sutton with current timing for development



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

**APPLICATION OF OCCIDENTAL  
PERMIAN LIMITED PARTNERSHIP  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 26127**

**SELF-AFFIRMED STATEMENT OF KATHRYN VELASQUEZ**

1. My name is Kathryn Velasquez. I work for OXY USA Inc. (“OXY”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by OXY in this case, and I have conducted a geologic study of the lands in the subject area.
4. OXY is targeting the Wolfcamp A interval of the Wolfcamp formation in this case.
5. **OXY Exhibit D-1** is a general locator map showing the location of OXY’s proposed spacing unit outlined in yellow. The expanded map shows the approximate wellbore paths of OXY’s planned wells targeting the Wolfcamp A (dashed lines). This map also shows existing producers in the surrounding sections that are completed in the Wolfcamp formation (solid lines).
6. **OXY Exhibit D-2** is a subsea structure map that I prepared for the top of the Wolfcamp interval. The contour intervals are 100 feet and data points used to construct the map are indicated as red diamonds. The area comprising the proposed spacing unit is outlined in a yellow line with the approximate wellbore paths of the proposed wells and existing producing wells depicted as described for OXY Exhibit D-1. The structure map shows the targeted formation

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: OXY USA INC.  
Hearing Date: June 4, 2026  
Case No. 26127**

gently dipping to the east. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

7. OXY Exhibit D-2 also shows a line of cross-section through the proposed horizontal spacing unit from X to X'. I chose the logs from these wells to create the cross-section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. **OXY Exhibit D-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in OXY Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross-section with a red arrow. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit. OXY Exhibit D-3 also includes a stratigraphic cross-section flattened on top of the Wolfcamp formation.

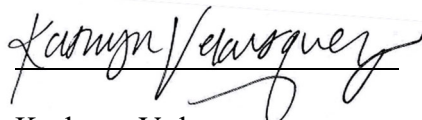
9. My geologic study indicates the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the horizontal spacing unit is productive and will continue to contribute proportionately to the production from the drilled wells.

10. In my opinion, the standup orientation of the wells are consistent with the existing development in this area and appropriate due to the geologic stress.

11. In my opinion, approval of this application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

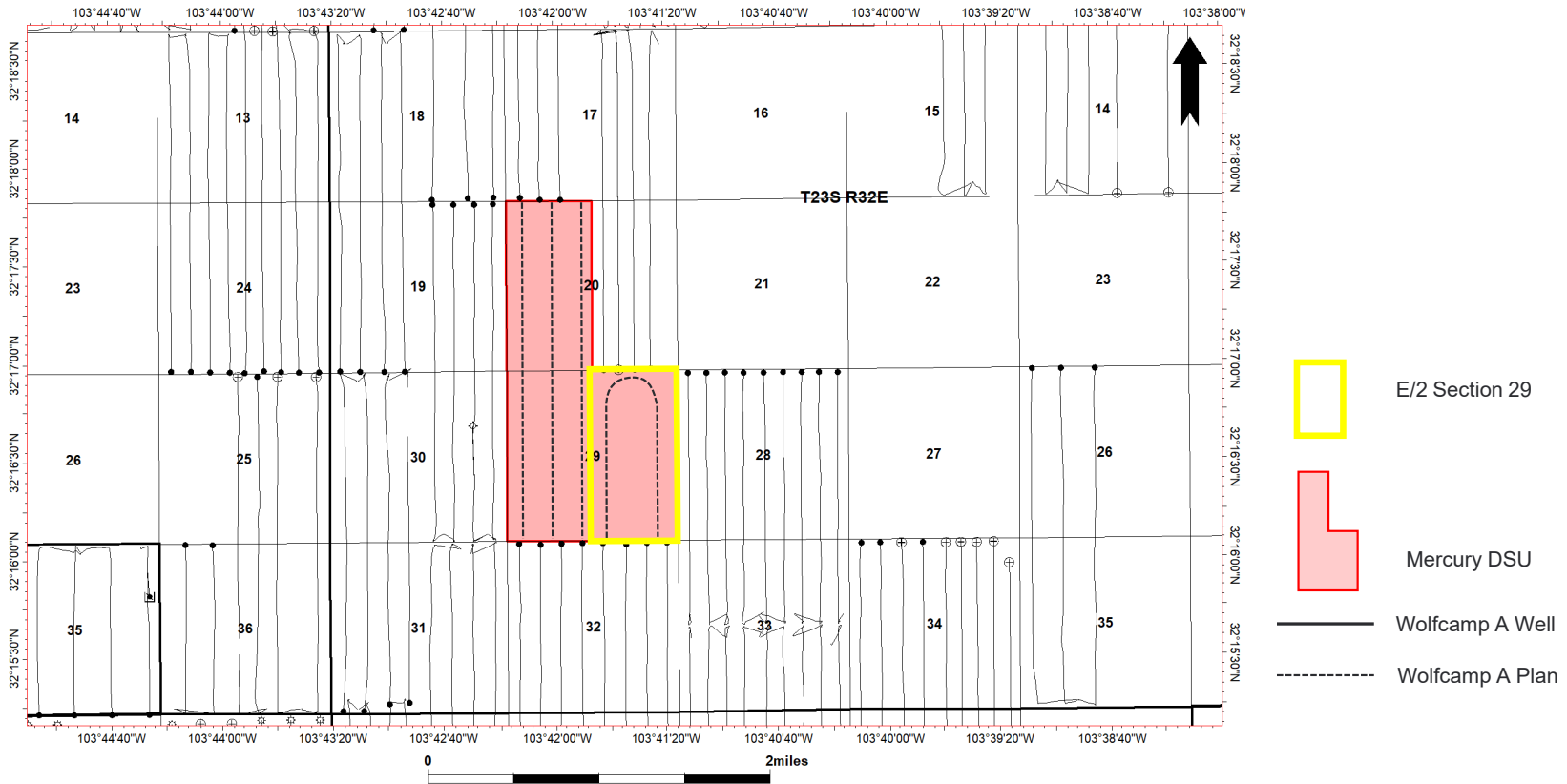
13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

  
Kathryn Velasquez

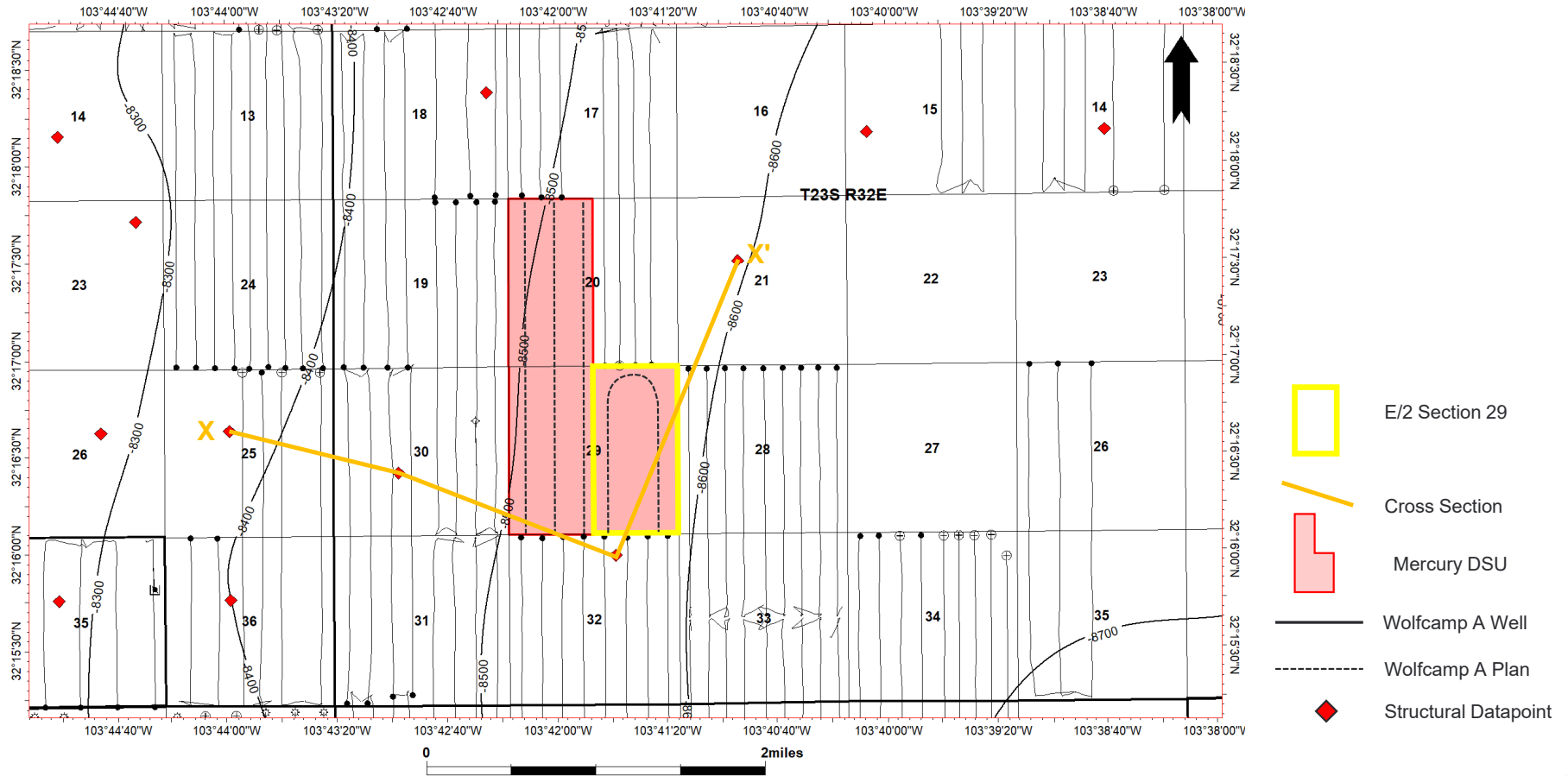
4/29/2026 \_\_\_\_\_

Date

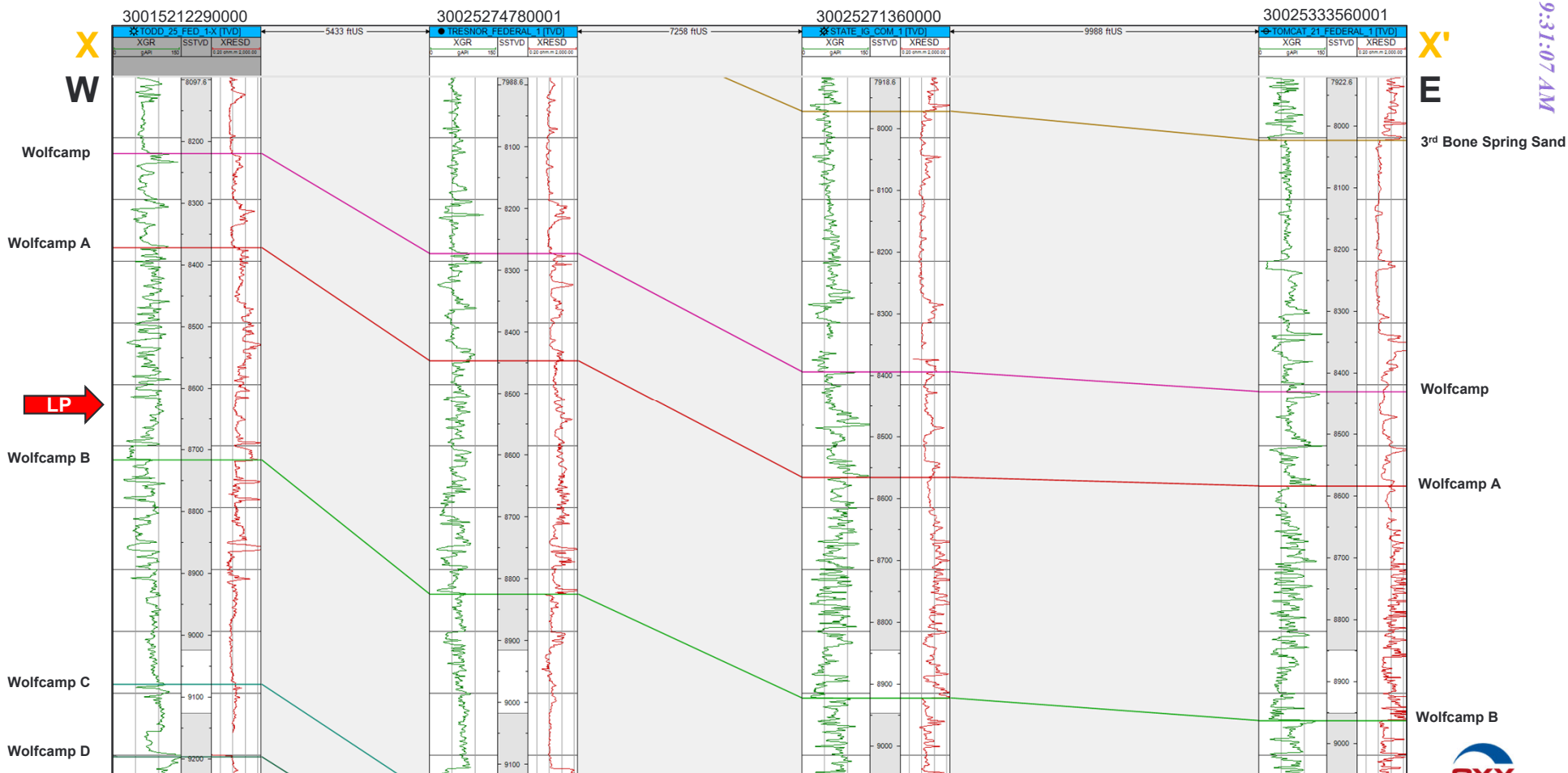
# LOCATOR MAP – MERCURY 29 DSU – WOLFCAMP A



# STRUCTURE MAP (SSTVD) – WOLFCAMP A



# STRUCTURAL CROSS SECTION - WOLFCAMP A

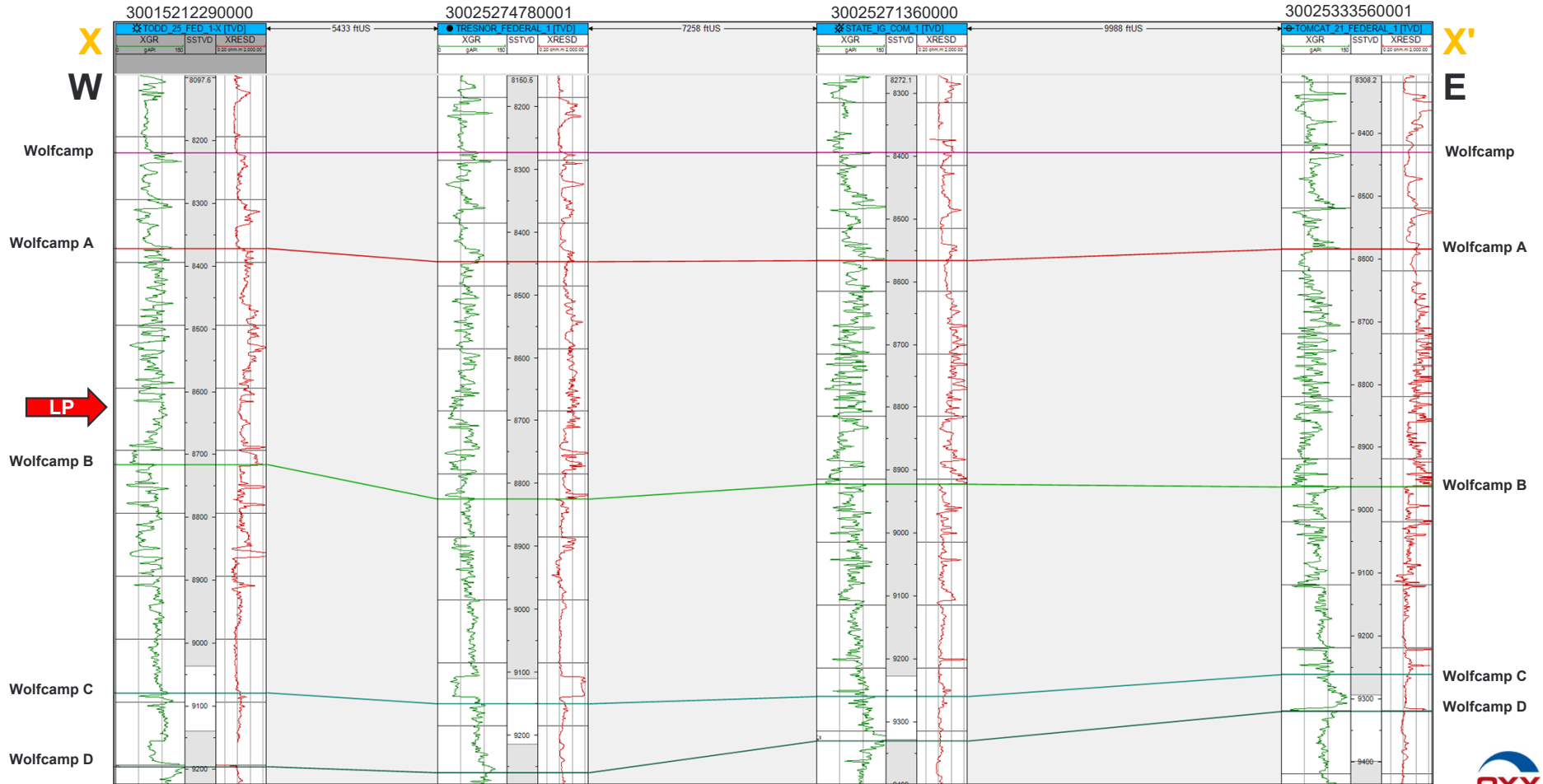


MERCURY EXHIBITS



BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. D-3  
 Submitted by: OXY USA INC.  
 Hearing Date: June 4, 2026  
 Case No. 26127

# STRATIGRAPHIC CROSS SECTION - WOLFCAMP A



MERCURY EXHIBITS



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

**APPLICATION OF OCCIDENTAL  
PERMIAN LIMITED PARTNERSHIP  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 26127**

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

1. I am attorney in fact and authorized representative of Occidental Permian Limited Partnership (“OXY”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

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

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of May 27, 2026.

5. I caused a notice to be published to all parties subject to these proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice of 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: June 4, 2026  
Case No. 26127**



\_\_\_\_\_  
Paula M. Vance

5/27/26

\_\_\_\_\_  
Date



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

May 15, 2026

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL AFFECTED INTEREST OWNERS**

**Re: Application of Occidental Permian Limited Partnership for Compulsory Pooling, Lea County, New Mexico: Mercury 29 Federal 34H Well**

Ladies & Gentlemen:

This letter is to advise you that Occidental Permian Limited Partnership has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on June 4, 2026, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

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

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

If you have any questions about this matter, please contact Leslie Mullin at (713) 497-2647 or at [leslie\\_mullin@oxy.com](mailto:leslie_mullin@oxy.com).

Sincerely,

Paula M. Vance  
**ATTORNEY FOR OCCIDENTAL PERMIAN LIMITED PARTNERSHIP & 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](http://www.hollandhart.com)

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

Oxy - Mercury E/2 Upper WC 34H well - Case no. 26127

Postal Delivery Report

9214 8901 9403 8376 0674 01	EOG RESOURCES INC MIDLAN DIVISION-LAND DEPT 5509 CHAMPION DR MIDLAND TX 79706	Delivered Signature Received
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