

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING NOVEMBER 04, 2021**

**CASE No. 22259**

*NON-STANDARD HORIZONTAL WELL SPACING UNIT IN  
THE WOLFCAMP FORMATION*

**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 A 1,600-ACRE NON-STANDARD HORIZONTAL WELL SPACING UNIT IN THE WOLFCAMP FORMATION COMPRISED OF ACREAGE SUBJECT TO A FEDERAL COMMUNITIZATION AGREEMENT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 22259**

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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 A 1,600-ACRE NON-STANDARD HORIZONTAL WELL SPACING UNIT IN THE WOLFCAMP FORMATION COMPRISED OF ACREAGE SUBJECT TO A FEDERAL COMMUNITIZATION AGREEMENT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 22259

**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 approving a 1,600-acre, more or less, non-standard horizontal well spacing unit in the Wolfcamp formation [WC-015 G-08 S233135D; Wolfcamp Pool (98236)], underlying the S/2 of Section 17 and all of Sections 20 and 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of this application, Oxy states:

1. Oxy is the designated operator under a Joint Operating Agreement covering the subject area and seeks approval of this non-standard spacing unit to match a corresponding Communitization Agreement for the federal leases within this subject area.

2. Due to the nature and configuration of these federal leases, the Bureau of Land Management (“BLM”) will not approve the commingling of production at central facilities if the subject area is developed using standard spacing units. See, e.g., 43 CFR 3173.14 (addressing authorized commingling). However, if the proposed non-standard spacing unit is approved by the Division, the BLM has stated it will issue a corresponding Communitization Agreement for the federal leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259**

3. Oxy has partially drilled, but not completed, or intends to drill the following wells in the Wolfcamp formation underlying the proposed non-standard spacing unit:

- PURE GOLD MDP1 29 17 FEDERAL COM #171H (30-015-45716)
- PURE GOLD MDP1 29 17 FEDERAL COM #172H (30-015-45717)
- PURE GOLD MDP1 29 17 FEDERAL COM #173H (30-015-45718)
- PURE GOLD MDP1 29 17 FEDERAL COM #174H (30-015-45740)
- PURE GOLD MDP1 29 17 FEDERAL COM #175H (30-015-45780)

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

5. To allow the existing and permitted wells to be dedicated to the desired Communitization Agreements, Oxy requires approval of a corresponding non-standard spacing unit in the Wolfcamp formation.

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

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

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

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

WHEREFORE, Oxy requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 4, 2021, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

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**ATTORNEYS FOR OXY USA INC.**

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

**APPLICATION OF OXY USA INC. FOR APPROVAL OF A 1,600-ACRE NON-STANDARD HORIZONTAL WELL SPACING UNIT IN THE WOLFCAMP FORMATION COMPRISED OF ACREAGE SUBJECT TO A FEDERAL COMMUNITIZATION AGREEMENT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 22259**

**AFFIDAVIT OF MATTHEW COLE**

Matthew Cole, of lawful age and being first duly sworn, declares as follows:

1. My name is Matthew Cole. I work for Occidental Petroleum Corporation ("Oxy") as a Land Negotiator Advisor.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness. My credentials in petroleum land matters have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Oxy in this case for approval of a nonstandard horizontal spacing unit in the Wolfcamp formation, and I am familiar with the status of the lands in the subject area.
4. None of the parties have indicated opposition to this application, and I do not expect any opposition to the presentation of this case by affidavits at the hearing.
5. In this case, Oxy seeks an order approving a 1,600-acre, more or less, non-standard spacing unit to match a corresponding proposed Communitization Agreement for acreage in the Wolfcamp formation [WC-015 G-08 S233135D; Wolfcamp Pool (98236)] underlying the S/2 of Section 17 and all of Sections 20 and 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico ("Proposed Unit").

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259**



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

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

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

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

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

11. Oxy has partially drilled, but not completed, or intends to drill the following wells within the WC-015 G-08 S233135D; Wolfcamp Pool (98236):

- PURE GOLD MDP1 29 17 FEDERAL COM #171H (30-015-45716);
- PURE GOLD MDP1 29 17 FEDERAL COM #172H (30-015-45717);
- PURE GOLD MDP1 29 17 FEDERAL COM #173H (30-015-45718);
- PURE GOLD MDP1 29 17 FEDERAL COM #174H (30-015-45740) and
- PURE GOLD MDP1 29 17 FEDERAL COM #175H (30-015-45780).

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

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

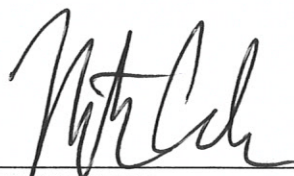
14. I provided the law firm of Holland & Hart LLP a list of names and addresses for each of the affected parties to be provided notice of the Proposed Units as required by Division rules. In compiling these addresses, Oxy conducted a diligent search of all public records in the county where the Proposed Units are located and of phone directories, including computer searches.

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

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

FURTHER AFFIANT SAYETH NOT.





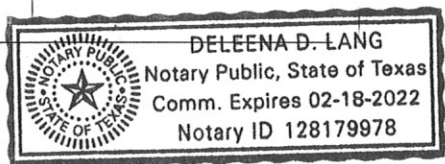
MATTHEW COLE

STATE OF TEXAS                   )  
  )  
COUNTY OF HARRIS            )

SUBSCRIBED and SWORN to before me this 2nd day of November 2021,  
by MATTHEW COLE.

  
NOTARY PUBLIC

My Commission Expires:



Section 17	
Tract 1 NMNM-045235	
Section 20	
Tract 2 NMNM-038463	
Section 29	
Tract 3 NMNM- 0281482 A	Tract 4 NMNM- 0545035

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B1  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259

## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of October 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

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

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

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

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

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

**Township 23 South, Range 31 East, N.M.P.M.**  
**S/2 of Section 17, Eddy County, New Mexico**  
**All of Section 29, Eddy County, New Mexico**  
**All of Section 20, Eddy County, New Mexico**

Containing **1600.00** acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B2  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259

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

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

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

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

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is September 1<sup>st</sup>, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or

- conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
  13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
  14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
  15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

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

OXY USA Inc.

Operator, Working Interest Owner  
and Lessee of Record

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
\_\_\_\_\_, Attorney-in-Fact



## ACKNOWLEDGEMENT

STATE OF TEXAS)

) ss.

COUNTY OF HARRIS

)

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be an Attorney-in-fact of OXY USA Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**OXY Y-1 Company**

By: \_\_\_\_\_  
Title: \_\_\_\_\_, Attorney-in-fact

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

(SEAL)

Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Devon Energy Production Company, L.P.**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Title: Lindsey N. Miles, Land Manager

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared Catherine Lesback, known to me to be the Vice President of Devon Energy Production Company, L.P., an Oklahoma limited partnership, on behalf of said limited partnership.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**EOG Resources, Inc.**

\_\_\_\_\_  
Date

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

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of EOG Resources, Inc., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Kaiser Francis Oil Company**

\_\_\_\_\_  
Date

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

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of Kaiser Francis Oil Company., a Delaware corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**XTO Holdings LLC**

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

(SEAL)

Notary Public



**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Plains Production , Inc.**

\_\_\_\_\_  
Date

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

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of Plains Production, Inc that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Finley Production Company, LP**

\_\_\_\_\_  
Date

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

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of Finley Production Company, LP that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**AGS Resources 2004, LLP**

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

---

Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Petrojarl, Inc.**

\_\_\_\_\_  
Date

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

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of PetroJarl, Inc that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**Suzanne Thomas**

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

(SEAL)

Notary Public

**Richard Scott Briggs**

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

(SEAL)

---

Notary Public



**BDT Oil & Gas, LP**

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

(SEAL)

---

Notary Public

**WORKING INTEREST OWNERS  
AND/OR LESSEES OF RECORD**

**Metcalf Oil, LP**

\_\_\_\_\_  
Date

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

**ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2021, before me, a Notary Public for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of Metcalfe Oil, LP that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

**Grasslands Energy, LP**

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

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

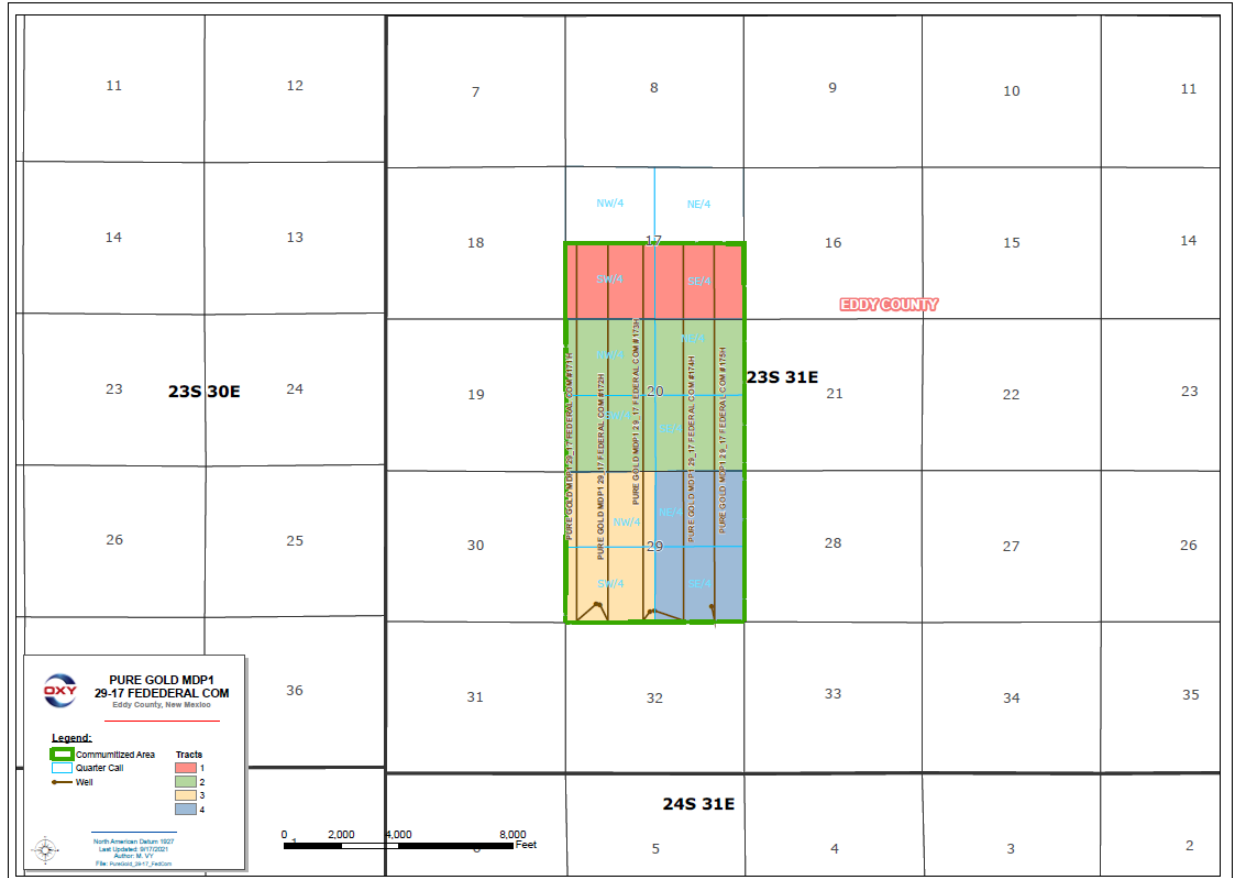
(SEAL)

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Notary Public

**EXHIBIT "A"**

Plat of communitized area covering **1600.00** acres in S/2 of Section 17, Township 23 South, Range 31 East, and Section 29, Township 23 South, Range 31 East, and Section 20, Township 23 South, Range 31 East, NMPM all in Eddy County, New Mexico

**Pure Gold MDP1 29\_17 Fed Com 171H-175H**

**EXHIBIT "B"**

To Communitization Agreement Dated October 1st, 2021 embracing the following described land in S/2 of Section 17, Township 23 South, Range 31 East, and Section 29, Township 23 South, Range 31 East, and Section 20, Township 23 South, Range 31 East, NMPM all in Eddy County, New Mexico.

Operator of Communitized Area: OXY USA Inc.

**DESCRIPTION OF LEASES COMMITTED****Tract No. 1**

Lease Serial Number:	NMNM-045235
Description of Land Committed:	S/2 of Section 17, T23S, R31E, NMPM
Number of Acres:	320.00 acres
Lessee of Record:	OXY USA Inc. Devon Energy Production Company LP EOG Resources Inc
Name and Percent of WI Owners:	OXY USA Inc. – 96.416666% OXY Y-1- 1.5% Finley Production Co, LP- .0945497% Plains Production, Inc. - .0656250% AGS Resources 2005, LLLP- .0208333% Petrojarl, Inc. - .0104167% Suzanne Thomas - .0072917% Richard Scott Briggs - .0052084% BDT Oil & Gas, LP - .0014844% Metcalf Oil, LP - .0014621% Grasslands Energy, LP - .0014621%

Tract No. 2

Lease Serial Number: NMNM-038463

Description of Land Committed: Section 20, T23S, R31E, NMPM

Number of Acres: 640.00

Lessee of Record: EOG Resources Inc  
OXY USA Inc.

Name of Working Interest Owners: OXY USA Inc. – 98.4988%  
OXY Y-1 Company – 1.5012%

Tract No. 3

Lease Serial Number: NMNM-0545035

Description of Land Committed: W/2 of Section 29,  
T23S, R31E, NMPM

Number of Acres: 320.00

Lessee of Record: OXY USA Inc.

Name of Working Interest Owners: OXY USA Inc. – 100.00%

Tract No. 4

Lease Serial Number: NMNM-0281482A

Description of Land Committed: E/2 of Section 29,  
T23S, R31E, NMPM

Number of Acres: 320.00



Lessee of Record: XTO Holdings LLC

Name of Working Interest Owners: OXY USA Inc. – 100.00%

**RECAPITULATION**

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320.00	20.00%
2	640.00	40.00%
3	320.00	20.00%
4	<u>320.00</u>	<u>20.00%</u>
Total	1600.00	100.0000%

District I  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	PURE GOLD MDP1 "29_17" FEDERAL COM	171H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	3349.2'

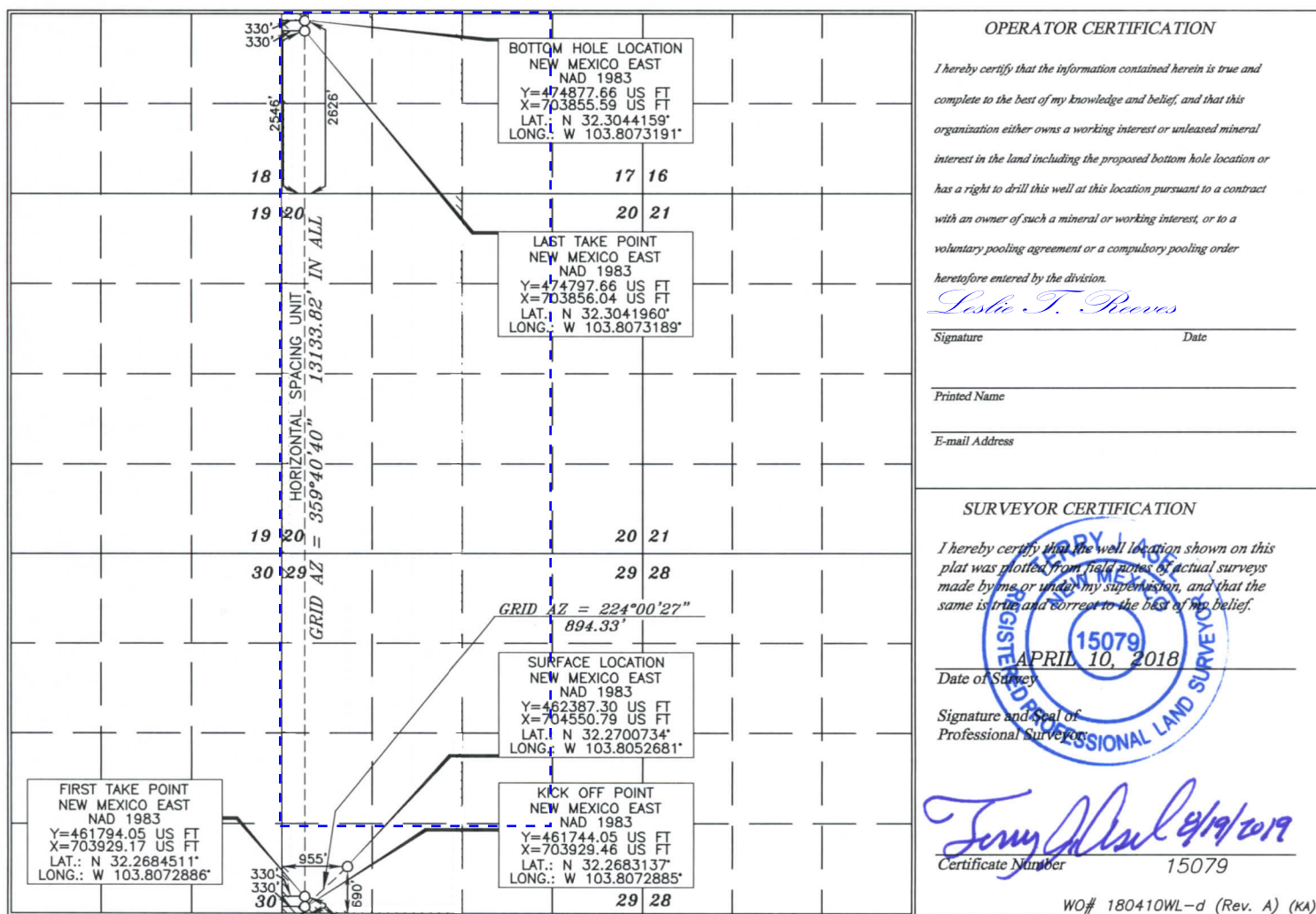
## Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	23 SOUTH	31 EAST, N.M.P.M.		690'	SOUTH	955'	WEST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	23 SOUTH	31 EAST, N.M.P.M.		2626'	SOUTH	330'	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	PURE GOLD MDP1 "29_17" FEDERAL COM	172H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	3350.8'

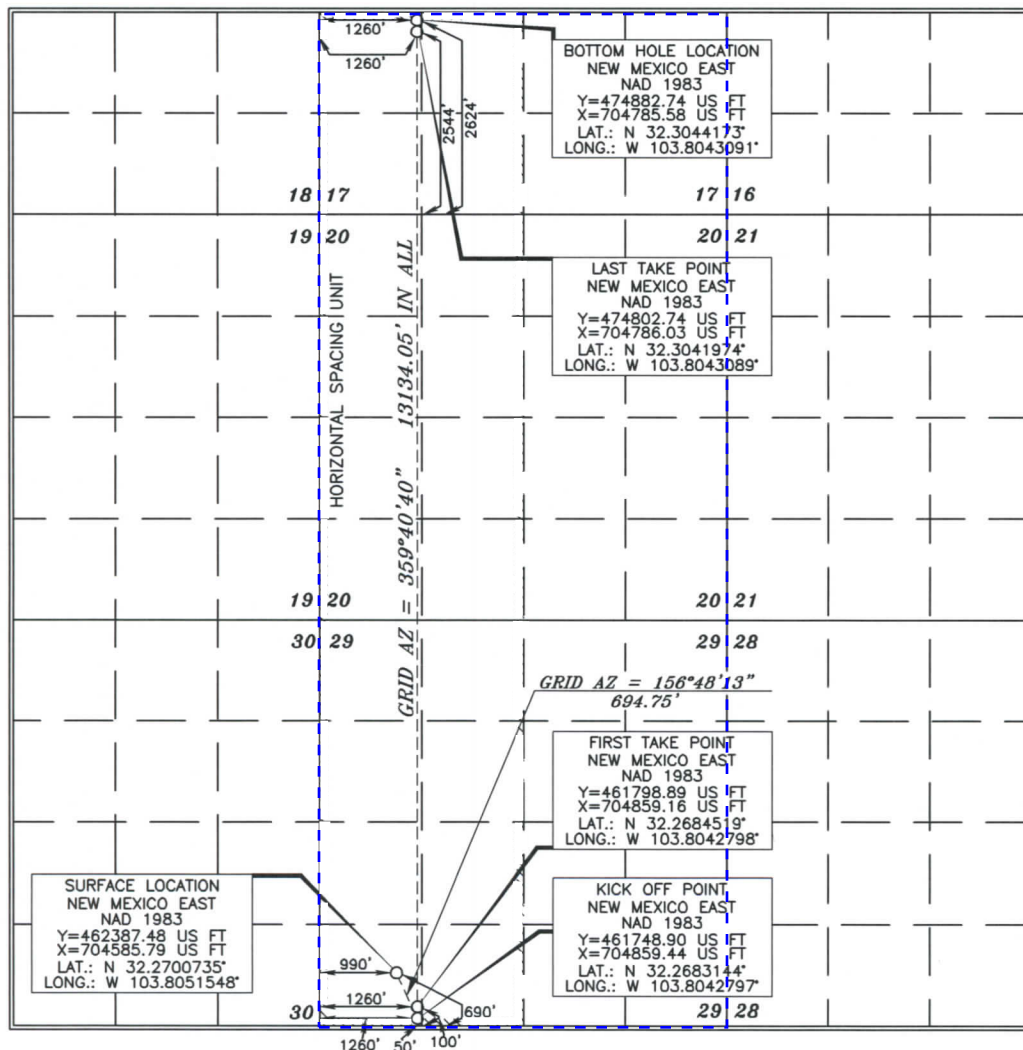
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	29	23 SOUTH	31 EAST, N.M.P.M.		690'	SOUTH	990'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	23 SOUTH	31 EAST, N.M.P.M.		2624'	SOUTH	1260'	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



OPERATOR CERTIFICATION

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

*Leslie T. Reeves*

Signature Date

Printed Name

E-mail Address

SURVEYOR CERTIFICATION

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

*APRIL 10, 2018*  
Date of Survey

Signature and Seal of Professional Surveyor

*Terry J. Asch*  
Certificate Number 15079

WO# 180410WL-e (Rev. A) (KA)



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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
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District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <i>PURE GOLD MDP1 "29_17" FEDERAL COM</i>	Well Number <i>173H</i>
OGRID No.	Operator Name <i>OXY USA INC.</i>	Elevation <i>3356.8'</i>

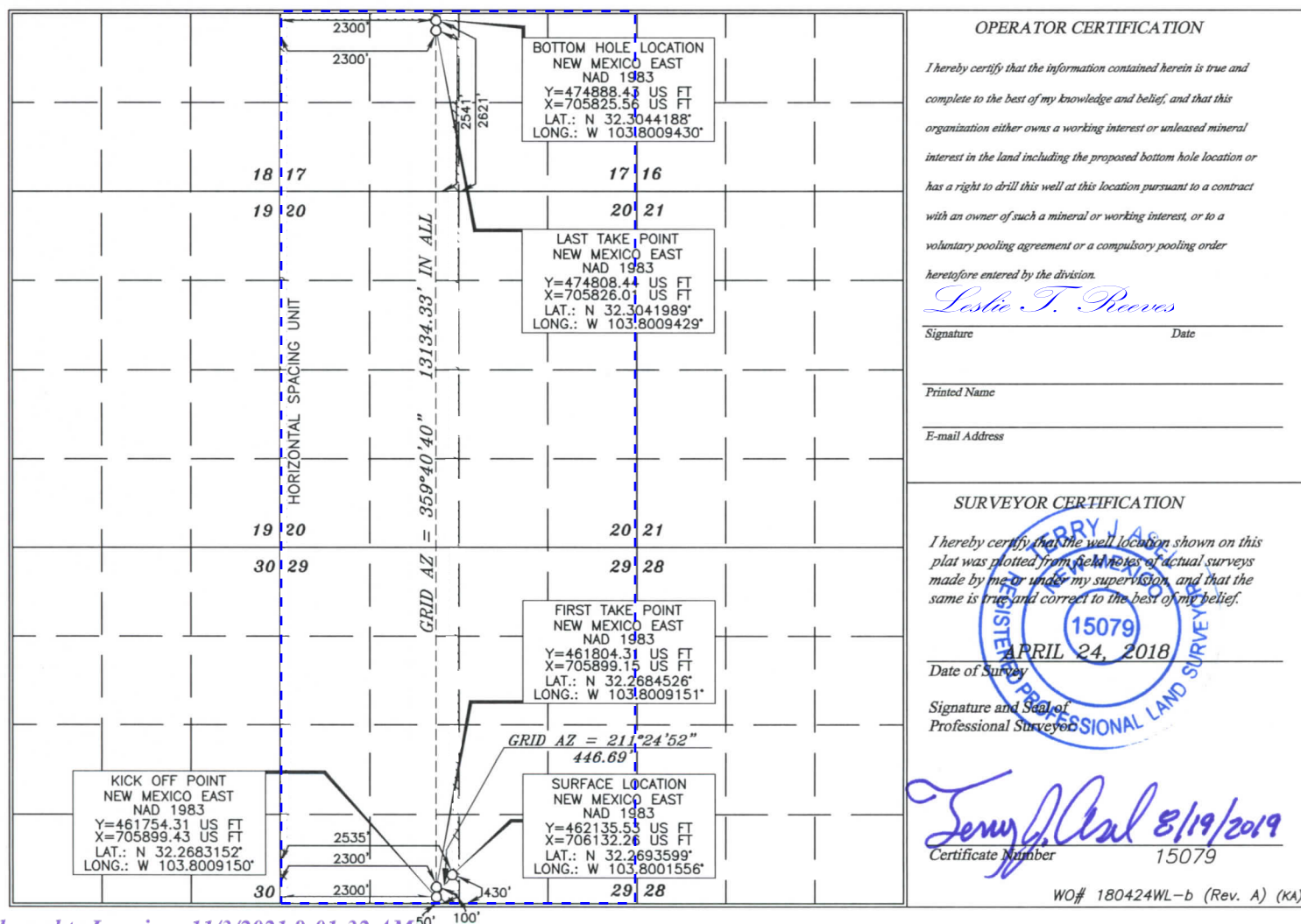
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<i>N</i>	<i>29</i>	<i>23 SOUTH</i>	<i>31 EAST, N.M.P.M.</i>		<i>430'</i>	<i>SOUTH</i>	<i>2535'</i>	<i>WEST</i>	<i>EDDY</i>

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<i>K</i>	<i>17</i>	<i>23 SOUTH</i>	<i>31 EAST, N.M.P.M.</i>		<i>2621'</i>	<i>SOUTH</i>	<i>2300'</i>	<i>WEST</i>	<i>EDDY</i>
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	PURE GOLD MDP1 "29_17" FEDERAL COM	174H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	3356.8'

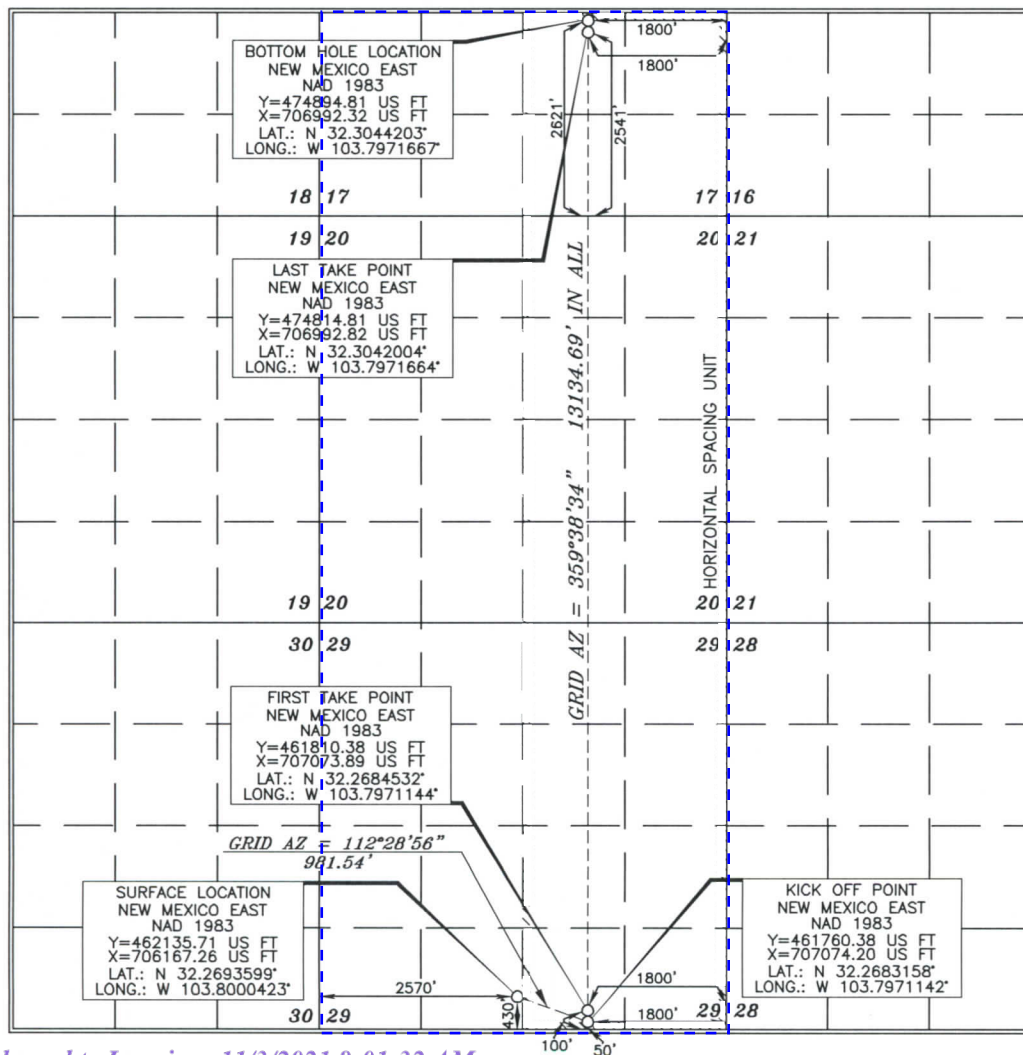
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	29	23 SOUTH	31 EAST, N.M.P.M.		430'	SOUTH	2570'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	17	23 SOUTH	31 EAST, N.M.P.M.		2621'	SOUTH	1800'	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



OPERATOR CERTIFICATION

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

*Leslie T. Reeves*

Signature

Date

Printed Name

E-mail Address

SURVEYOR CERTIFICATION

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

*FERRY J. ASH*  
15079  
APRIL 24, 2018

Date of Survey

Signature and Seal of  
Professional Surveyor

*Terry J. Ash* 8/28/2019  
Certificate Number 15079

WO# 180424WL-c (Rev. B) (KA)



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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	PURE GOLD MDP1 "29_17" FEDERAL COM	175H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	3359.0'

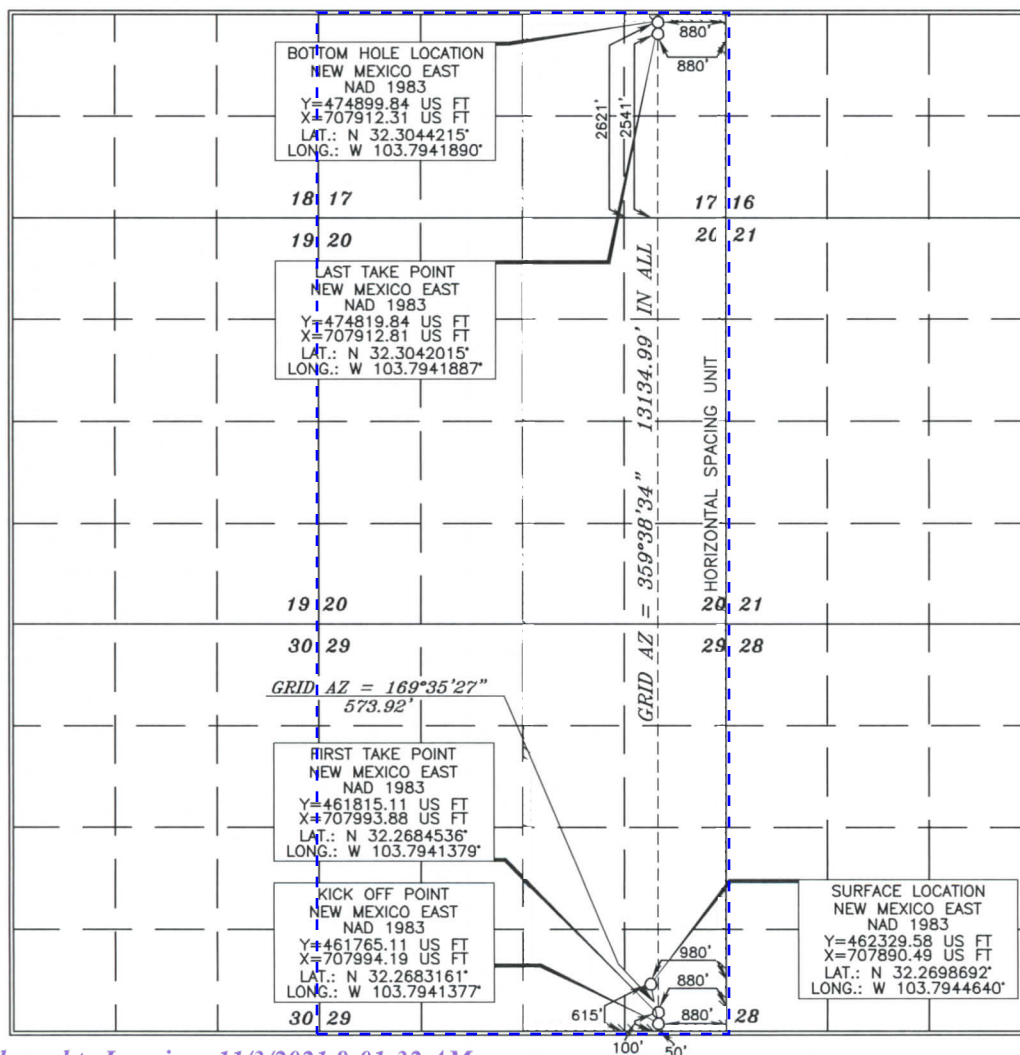
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	29	23 SOUTH	31 EAST, N.M.P.M.		615'	SOUTH	980'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	17	23 SOUTH	31 EAST, N.M.P.M.		2621'	SOUTH	880'	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



OPERATOR CERTIFICATION

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

*Leslie T. Reeves*

Signature

Date

Printed Name

E-mail Address

SURVEYOR CERTIFICATION

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

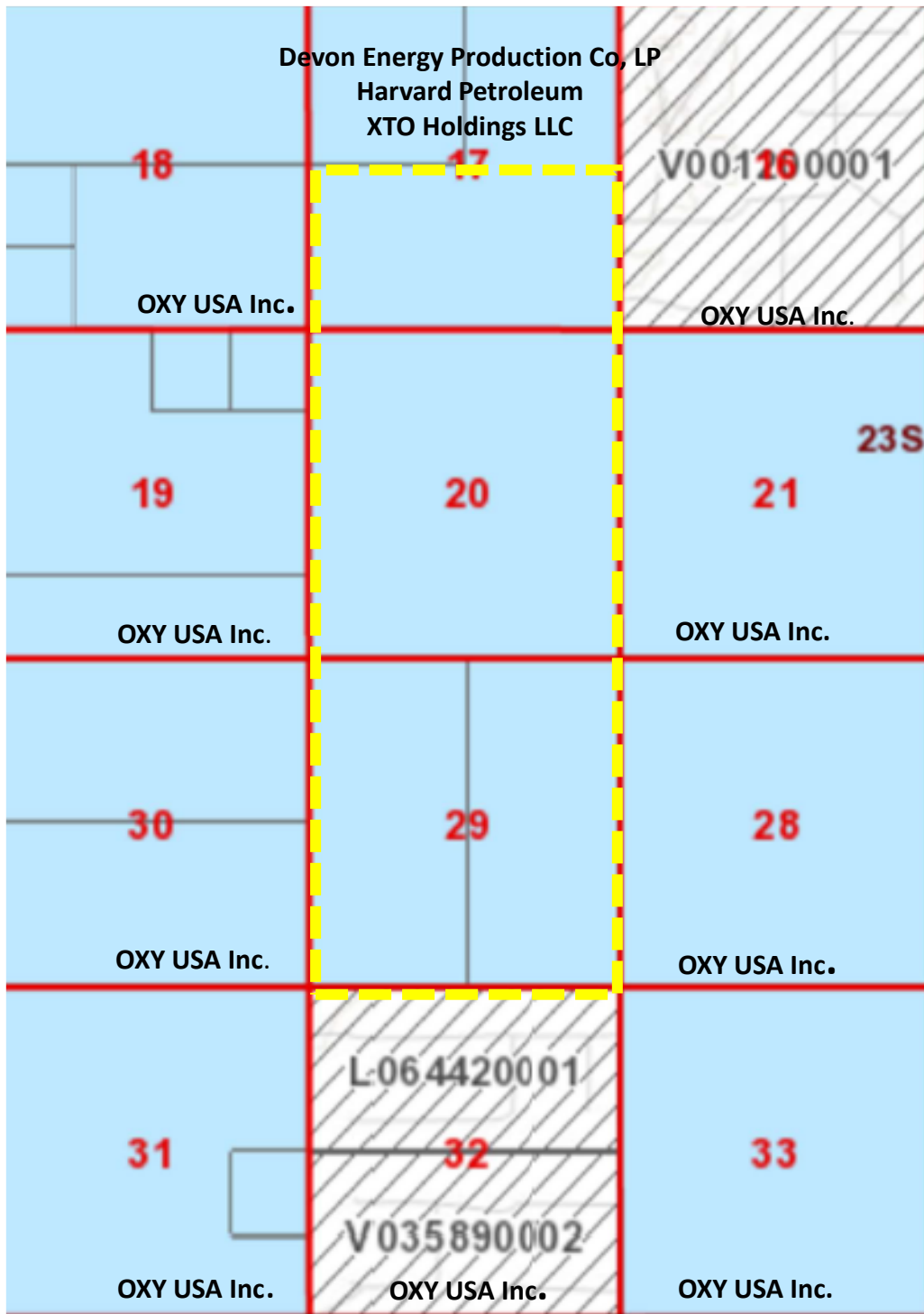
*TERRY J. JAGS*  
15079  
APRIL 24, 2018

Date of Survey

Signature and Seal of  
Professional Surveyor

*Terry J. Jags* 8/20/2019  
Certificate Number 15079

WO# 180424WL-d (Rev. B) (KA)



 Fed Lands

 State Lands

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. B4  
 Submitted by: OXY USA INC.  
 Hearing Date: November 4, 2021  
 Case No. 22259



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

**APPLICATION OF OXY USA INC. FOR APPROVAL OF A 1,600-ACRE NON-STANDARD HORIZONTAL WELL SPACING UNIT IN THE WOLFCAMP FORMATION COMPRISED OF ACREAGE SUBJECT TO A FEDERAL COMMUNITIZATION AGREEMENT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 22259**

**AFFIDAVIT OF TONY TROUTMAN**

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

1. My name is Tony Troutman. I work for Occidental Petroleum Company ("Oxy") as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Oxy in this case for approval of a non-standard horizontal spacing unit in the Wolfcamp formation and I have conducted a geologic study of the lands in the subject area.
4. **Oxy Exhibit C-1** is a locator map that outlines the proposed non-standard spacing unit in the Wolfcamp formation. It also shows the location of the wells used to create the stratigraphic cross-section from A to A' on **Oxy Exhibit C-2**. These four wells are representative of the geology in the Wolfcamp formation underlying the proposed non-standard horizontal spacing unit.
5. **Oxy Exhibit C-2** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the Upper Wolfcamp formation from the four representative wells denoted from A to A' on Oxy Exhibit C-1. For each well in the cross-section, the exhibit shows the following

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259

logs: gamma ray, resistivity, and porosity. The targeted intervals are labeled and marked. The logs in the cross-section demonstrate that the targeted intervals within the Wolfcamp formation are consistent in thickness across the proposed nonstandard horizontal spacing unit.

6. **Oxy Exhibit C-3** depicts a subsea structure map that I prepared on the top of Wolfcamp formation with a contour interval of 25 feet. The Pure Gold wells are depicted with red lines, and I have identified the surface and bottom hole locations for the wells. The structure map shows the Wolfcamp formation is gently dipping to the east away from a structural high point west of the project area. The structure appears consistent across the intended wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling these proposed wells within this non-standard spacing unit in the Wolfcamp formation.

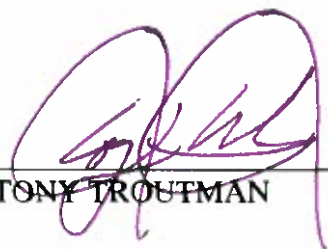
7. In my opinion, the standup orientation of the wells is the preferred orientation for horizontal well development of the targeted intervals in the Wolfcamp formation in this area. This standup orientation will efficiently and effectively develop the subject acreage, and the proposed non-standard units will result in significant efficiencies by allowing Oxy to consolidate surface facilities.

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

9. In my opinion, granting of Oxy's application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

FURTHER AFFIANT SAYETH NOT.

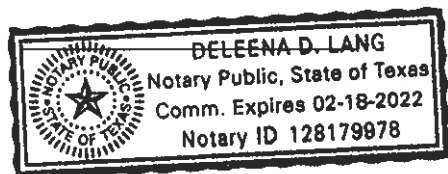
  
\_\_\_\_\_  
TONY TROUTMAN

STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS            )

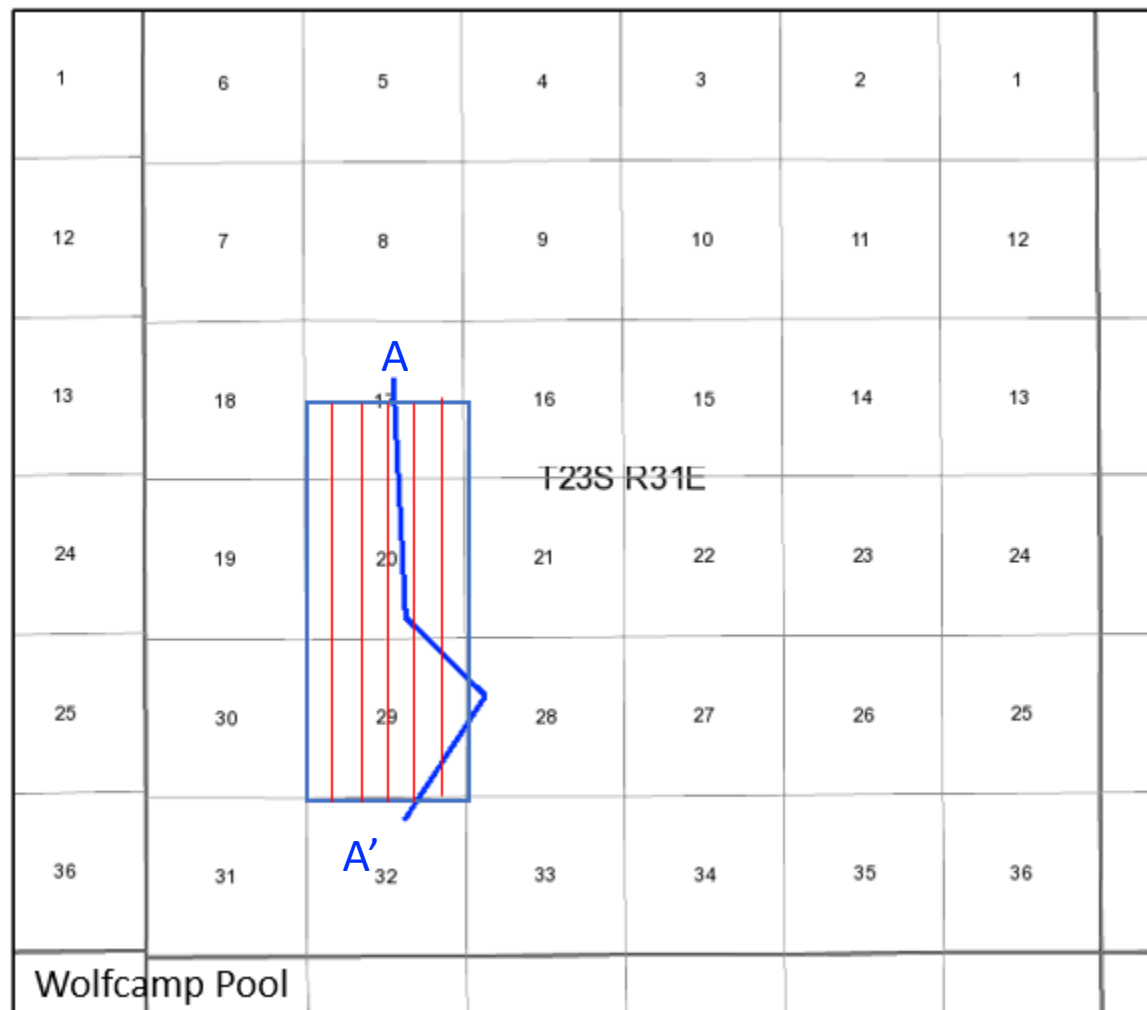
SUBSCRIBED and SWORN to before me this 1<sup>st</sup> day of November 2021  
by Tony Troutman.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:



# Locator Map



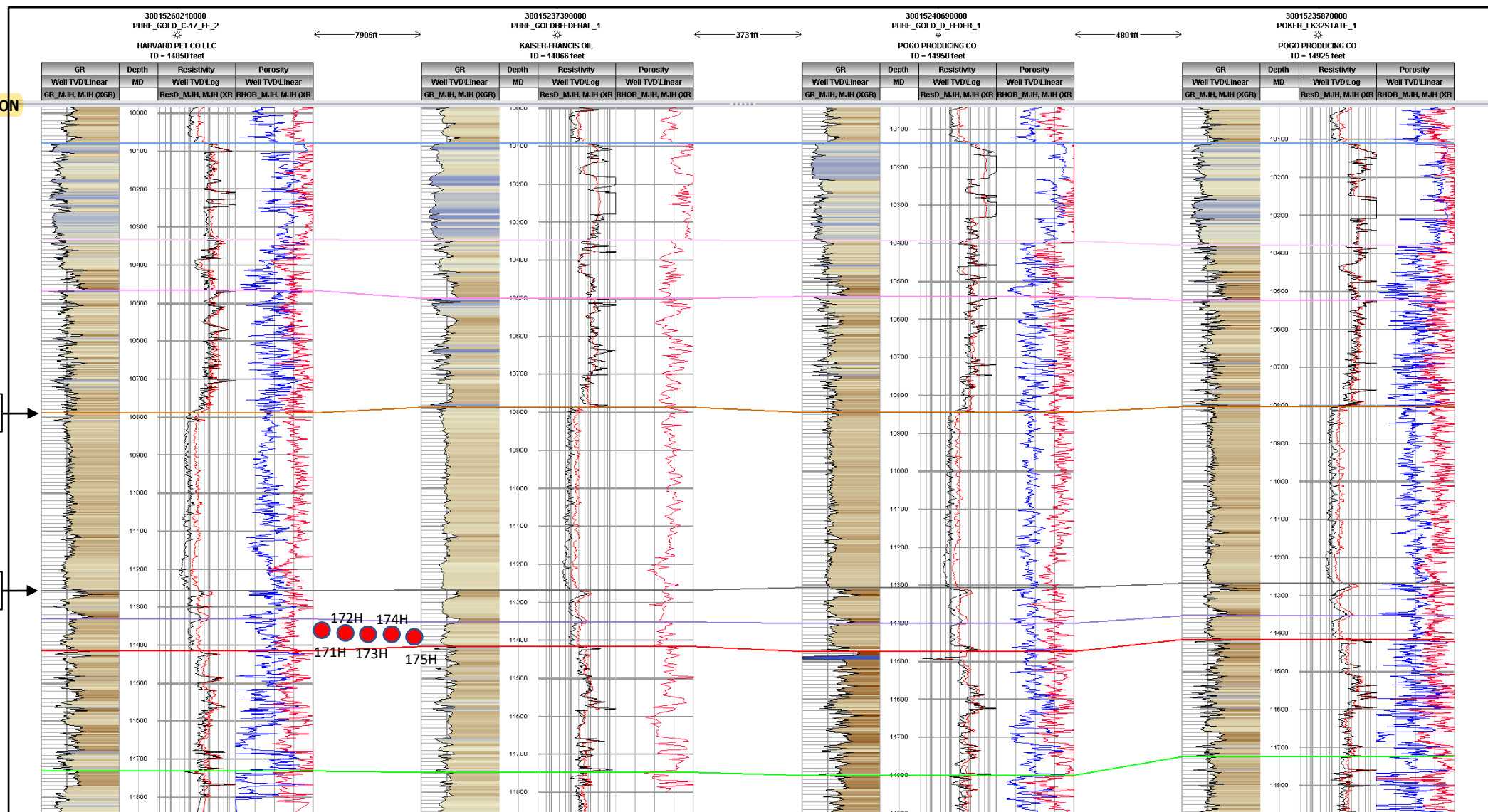
BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C1  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259

# Cross Section

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. C2  
 Submitted by: OXY USA INC.  
 Hearing Date: November 4, 2021  
 Case No. 22259

3<sup>rd</sup> BS Sand

Wolfcamp



172H 174H  
 171H 173H 175H

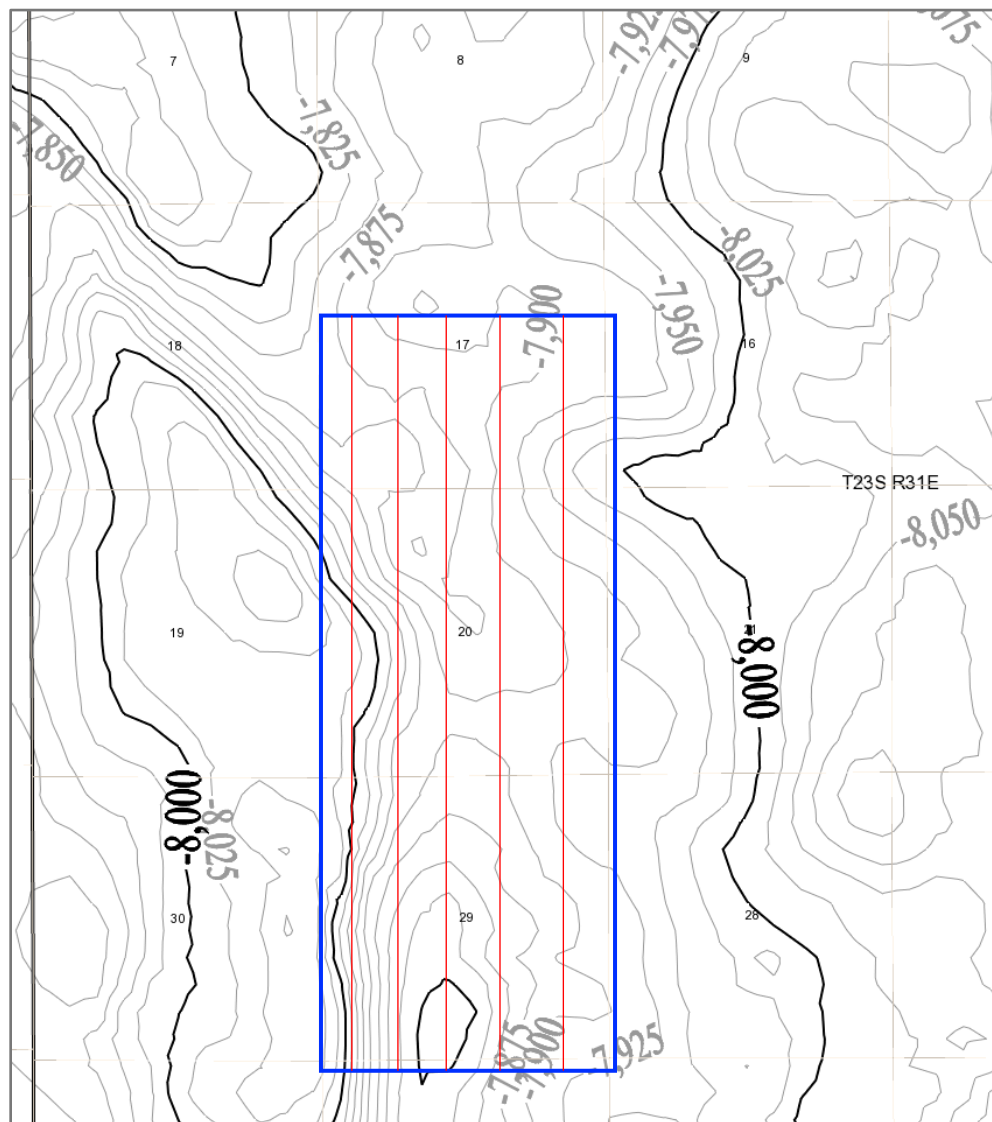


# Subsea Structure Map Top of Wolfcamp



Project Area

Contour Interval: 25 ft.



North

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C3  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259

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

APPLICATION OF OXY USA INC. FOR APPROVAL OF 1,280-ACRE NON-  
STANDARD SPACING UNITS IN THE BONE SPRING & WOLFCAMP FORMATIONS  
COMPRISED OF ACREAGE SUBJECT TO A PROPOSED COMMUNITIZATION  
AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 21908

**AFFIDAVIT OF WINSLOW HORNE**

Winslow Horne, of lawful age and being first duly sworn, declares as follows:

1. My name is Winslow Horne and I am employed by Occidental Petroleum Company ("Oxy") as a petroleum facilities engineer.
2. This is my first time testifying before the New Mexico Oil Conservation Division. **Oxy Exhibit D-1** provides my educational background and relevant work history. My responsibilities have included the New Mexico Permian Basin since July 2018. I believe my credentials qualify me to testify as an expert witness in petroleum engineering matters.
3. I am familiar with the application filed by Oxy in this case and the surface production facilities required to develop the acreage underlying the S/2 of Section 17 and all of Sections 20 and 29, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico (the "Proposed Unit").
4. **Oxy Exhibit D-2** shows the existing central tank battery and related surface production facilities for the Pure Gold wells (in blue) in the Proposed Unit. Approval of Oxy's application will allow the company to commingle production from these and additional wells drilled in the Proposed Unit at this existing central tank battery.
5. If the acreage is developed using standard horizontal well spacing units, an additional tank battery will be required.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259



6. **Oxy Exhibit D-2** reflects that if this non-standard spacing unit is approved to allow commingling, there will be a \$4.940 million cost savings to Oxy and the working interest owners in the subject area by avoiding having to construct a second central tank battery. This substantial cost savings will not only make this project more competitive with drilling projects in other states but also lower the operating costs for the Pure Gold wells, thereby extending the productive life of these wells.

7. In my opinion, approval of the non-standard spacing units requested under Oxy's application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

8. **Oxy Exhibits D-1 through D-2** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.



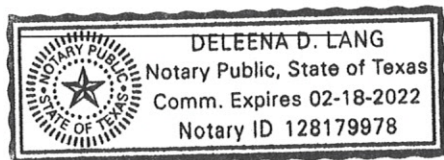
Winslow Horne  
WINSLOW HORNE

STATE OF TEXAS                   )  
  )  
COUNTY OF HARRIS            )

SUBSCRIBED and SWORN to before me this 2nd day of November, 2021, by  
Winslow Horne.

Deleena D. Lang  
NOTARY PUBLIC

My Commission Expires:



**Winslow Horne**

winslowhorne@gmail.com • 832.567.4494

**EDUCATION****Texas A&M University**, Bachelor of Science in Petroleum Engineering – GPA: 3.6**May 2018****PROFESSIONAL WORK EXPERIENCE – Occidental Petroleum Corp.*****Development Facilities Engineer (Houston, TX)*****February 2021 – Present****October 2019 – April 2020**

- Managed brownfield and greenfield asset models to forecast, scenario plan, and evaluate results for the business plan, field development plan, breakeven optimizations, and management sensitivities
- Increased value of asset and led capital reduction initiatives through facilities infrastructure optimizations, surface planning enhancements, and negotiations of takeaway contracts
- Developed a versatile facilities sizing tool based on business economic metric of choice, regardless of asset, to ensure proper sizing decisions based on multiple standard facility designs
- Assisted in surface, environmental, and regulatory permit work for APD submittal process to BLM

***Operations Production Technician (Carlsbad, NM)*****April 2020 – February 2021**

- Operated five tier 1 facilities, each averaging over 7 MBBL/D, with a total of over 100 wells, 25 high pressure compressor units, and six compressor stations
- Improved asset production and operability through new operation techniques, response, and surveillance
- Assisted in operations across the spectrum, including lock-out-tag-outs, safety stand-downs, pre-startup safety reviews, well analyst adjustments, equipment repairs, and detailed daily production reporting
- Supported areas achieved > 98% production uptime

***Capital Execution Facilities Engineer (Houston, TX)*****July 2018 – October 2019**

- Responsible for detailed engineering design and execution of \$15MM of capital in greenfield and brownfield facilities and infrastructure, including tier 1 facilities and multi-mile pipelines as well as \$40MM of capital in 75+ surface and buried gas lift well hookups from wellhead to facility
- Led the 'New Mexico Well Standards Team' from initial design to full engineering package approval and implementation for gas lift injection well hookup
- Managed the facilities design and execution for new implementation of buried wellheads

**RELATED EXPERIENCE*****Occidental Petroleum Corp. - Production Engineer Intern (Houston, TX)*****Summer 2017**

- Built an inventory of Central Basin Platform enhancement and recompletion candidates and implemented successful Sealy Smith 5514P recompletion from identification to project execution in the field
- Presented justification case to management, developed recompletion procedure, and discussed recompletion and safety strategy with field personnel

***Occidental Petroleum Corp. - Drilling Engineer Intern (Houston, TX)*****Summer 2016**

- Developed drilling, completion, and production cost and operation analyses on OBO wells
- Created proposal to increase operational efficiency based upon competitor study

***Occidental Petroleum Corp. - Field Drilling Intern (Houston and Midland, TX)*****Summer 2015**

- Exposed to oilfield drilling operations through 14-day on-site hires
- Observed vertical and horizontal drilling from spud to TD along with wireline, casing, cementing, and rigging down/up operations and assisted mud engineer and mud logger in performing experiments

***Amtex Energy, Inc. - Engineering Intern (Midland and Southlake, TX)*****Summer 2014**

- Developed competitor drilling and production database for Lea County, NM
- Researched reservoir productivity and analyzed technical characteristics of best fit proppant designs

**SKILLS & ABILITIES****Software Skills:** Experienced with Enersight, MATLAB, Microsoft VBA, OFM, OSI PI, Spotfire, PI Vision**Strengths:** Project Management, Business Value Delivery, Forecasting Optimization, Decision Making, Adaptability, Effective Communication, Determination, Enthusiasm**Known For:** Peer leader, positive outlook, thought leader, quick learner, team player, tenacity, accountability**Other Skills:** Moderately fluent in Spanish – Six years of coursework and spent six months living in Spain



**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. D2

Submitted by: OXY USA INC.

Hearing Date: November 4, 2021

Case No. 22259

Existing Pure  
Gold CTB**Legend**

- WCXYA  
— 2BS

PURE GOLD MDP1 FED COM 171H  
PURE GOLD MDP1 FED COM 1H

PURE GOLD MDP1 FED COM 172H  
PURE GOLD MDP1 FED COM 2H

PURE GOLD MDP1 FED COM 3H

PURE GOLD MDP1 FED COM 173H

PURE GOLD MDP1 FED COM 4H

PURE GOLD MDP1 FED COM 174H

PURE GOLD MDP1 FED COM 5H

PURE GOLD MDP1 FED COM 175H

PURE GOLD MDP1 FED COM 6H

PURE GOLD MDP1  
MDP1 24-17  
FED COM 171H  
CUM 00001PURE GOLD MDP1  
MDP1 24-17  
FED COM 171H  
CUM 00001PURE GOLD MDP1  
MDP1 24-17  
FED COM 171H  
CUM 00001PURE GOLD MDP1  
MDP1 24-17  
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Scenario	Description	Design Basis/Train (BOPD)	Train Cost (\$M)	Flowline Cost (\$M)	Total Cost (\$M)	Total Cost Per Well (\$M/well)	CTB Disturbance Area
With NSHSU	Flow to existing 'Train 2' at Pure Gold CTB	19,000	560	593	1,153	231	11.2 (existing)
Without NSHSU	Instaill additional train at Pure Gold CTB	16,000	5,500	593	6,093	1,219	11.2 (existing)
Total Savings		-	4,940	0	4,940	988	-



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

**APPLICATION OF OXY USA INC. FOR APPROVAL OF A 1,600-ACRE NON-STANDARD HORIZONTAL WELL SPACING UNIT IN THE WOLFCAMP FORMATION COMPRISED OF ACREAGE SUBJECT TO A FEDERAL COMMUNITIZATION AGREEMENT, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 22259**

**AFFIDAVIT**

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

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



Adam G. Rankin

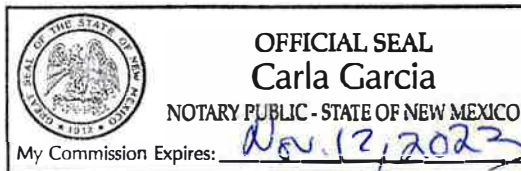
SUBSCRIBED AND SWORN to before me this 2nd day of November, 2021 by Adam G. Rankin.



Notary Public

My Commission Expires:

Nov. 12, 2023



**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: OXY USA INC.  
Hearing Date: November 4, 2021  
Case No. 22259**



**Michael H. Feldewert**  
 Phone (505) 988-4421  
 mfeldewert@hollandhart.com

October 15, 2021

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

**TO: ALL AFFECTED PARTIES**

**Re: Application of OXY USA Inc. for Approval of a 1,600-Acre Non-Standard Spacing Horizontal Well Spacing Unit in the Wolfcamp Formation Comprised of Acreage Subject to a Federal Communitization Agreement, Eddy County, New Mexico (Pure Gold MDP1 29 17 Federal Com wells).**

Ladies & Gentlemen:

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

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. Oxy has asked that the hearing be conducted on November 4, 2021 beginning at 8:15 a.m., until concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.**

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Matthew Cole, at (713) 366-5928, or Matthew\_Cole@oxycom.

Sincerely,

Michael H. Feldewert  
**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](http://www.hollandhart.com)

Alaska

Colorado

Idaho

Montana

Nevada

New Mexico

Utah

Washington, D.C.

Wyoming

Oxy - Revised Pure Gold non-standard WC Case No. 22259  
postal delivery report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765850505860	Devon Energy Production Co, LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was delivered at 8:46 am on October 18, 2021 in OKLAHOMA CITY, OK 73102.
9414811898765850505822	Harvard Petroleum	200 E 2nd St	Roswell	NM	88201-6212	Your item was delivered to the front desk, reception area, or mail room at 11:59 am on October 18, 2021 in ROSWELL, NM 88201.
9414811898765850505808	XTO Holdings LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765850505891	EOG Resources Inc	5509 Champions Dr	Midland	TX	79706-2843	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765850505846	OXY USA Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on October 18, 2021 at 11:30 am.
9414811898765850505884	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to an individual at the address at 2:10 pm on October 18, 2021 in SANTA FE, NM 87508.
9414811898765850505839	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was delivered at 12:46 pm on October 18, 2021 in SANTA FE, NM 87501.
9414811898765850505716	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to the front desk, reception area, or mail room at 3:32 pm on October 18, 2021 in CARLSBAD, NM 88220.