

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 7, 2024**

**CASE NO. 24192**

*CAT ISLAND 16 STATE 232H*

**EDDY COUNTY, NEW MEXICO**



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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24192**


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

<b>Case: 24192</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>March 7, 2024</b>
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	Devon Energy Production Company, L.P. (OGRID No. 6137)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Cat Island
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	James Ranch; Bone Spring (33840)
Well Location Setback Rules:	Statewide oil rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160
Building Blocks:	40 acres
Orientation:	South-North
Description: TRS/County	E2W2 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy 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 A-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	Cat Island 16 State 232H (30-015-54651) SHL: 510' FSL, 2437' FWL (Unit N) of Section 16 BHL: 20' FNL, 1720' FWL (Unit C) of Section 16 Target: Bone Spring Orientation: South-North Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit A-1
Completion Target (Formation, TVD and MD)	Exhibit A-3

Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-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 A-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 A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B-3
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map, Subsea Depth	Exhibit B-2

Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-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):	<b>Michael H. Feldewert</b>
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	<b>03/05/24</b>

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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24192**

**APPLICATION**

Devon Energy Production Company, L.P. (“Devon” or “Applicant”) (OGRID No. 6137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

In support of this application, Devon states:


1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Cat Island 16 State #232H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 16, with a first take point in the SE/4 SW/4 of Section 16 (Unit N) and a last take point in the NE/4 NW/4 (Unit C) of Section 16.
3. 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.
4. The pooling of interests 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 March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal spacing unit;
- B. Approving the initial well in the horizontal well spacing unit;
- C. Designating Applicant as the operator of the horizontal spacing unit and the well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- E. 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
- F. 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:   
\_\_\_\_\_  
Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR DEVON ENERGY PRODUCTION  
COMPANY, L.P.**



CASE \_\_\_\_\_: **Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Cat Island 16 State #232H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 16, with a first take point in the SE/4 SW/4 of Section 16 (Unit N) and a last take point in the NE/4 NW/4 (Unit C) of Section 16. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 26 miles southeast of Carlsbad, New Mexico.

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P.  
FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24192

SELF AFFIRMED STATEMENT OF AARON YOUNG, LANDMAN

1. My name is Aaron Young, and I am employed by Devon Energy Production Company, L.P. (“Devon”) as a Petroleum Landman. My responsibilities include the Permian Basin of New Mexico. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.

2. I am familiar with the application filed by Devon in this matter and the status of the lands in the subject area. The mineral owner to be pooled, Oxy Y-1 Company, has not expressed any opposition to this proceeding.

3. Devon seeks an order pooling a standard 160-acre horizontal well spacing unit in the Bone Spring formation [James Ranch; Bone Spring Pool (33840)] underlying the E2W2 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. This spacing unit will be initially dedicated to the proposed **Cat Island 16 State 232H** well, to be horizontally drilled from a surface location in the SE4SW4 of Section 16, with a first take point in the SE4SW4 (Unit N) and a last take point in the NE4NW4 (Unit C).

4. **Exhibit A-1** contains the Form C-102 filed with the Division for the proposed initial well. Devon owns an interest, or has an agreement with an interest owner, in each tract in which this initial well will penetrate.

5. **Exhibit A-2** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract, and the consolidated working interest ownership in the proposed horizontal spacing unit. Devon has identified Oxy Y-1 Company as the “uncommitted” working interest owner that remains to be pooled. The acreage is comprised of state lands.

6. **Exhibit A-3** contains a sample of the well proposal letter sent to Oxy Y-1 Company. The costs reflected in the AFE provided with this letter are consistent with what Devon and other operators have incurred for drilling similar horizontal wells in the area in this formation.

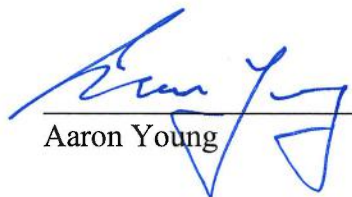
7. Devon requests overhead and administrative rates of \$8,000 per month while drilling and \$800 per month while producing the well. These rates are consistent with the rates charged by Devon and other operators for similar wells in this area.

8. **Exhibit A-4** contains a chronology of the contacts with Oxy Y-1 Company, the only uncommitted working interest owner. Devon has made a good faith effort to obtain voluntary joinder of this owner in the proposed spacing unit and initial well.

9. I have provided the law firm of Holland & Hart, LLP, with the name and address of Oxy Y-1 Company instructed that it be notified of this hearing.

10. Exhibits A-1 through A-4 were either prepared by me or compiled under my direction from company business records.

11. 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.

  
\_\_\_\_\_  
Aaron Young

Date 3/4/24

31496807\_v1

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazon Road, Artec, NM 87410  
District IV  
1220 S. St Francis Dr., 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

Form C-102

Revised August 1, 2011

Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-54651</b>	<sup>2</sup> Pool Code <b>33840</b>	<sup>3</sup> Pool Name <b>JAMES RANCH; BONE SPRING</b>
<sup>4</sup> Property Code <b>335224</b>	<sup>5</sup> Property Name <b>CAT ISLAND 16 STATE</b>	
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3,368'</b>

<sup>10</sup> Surface Location

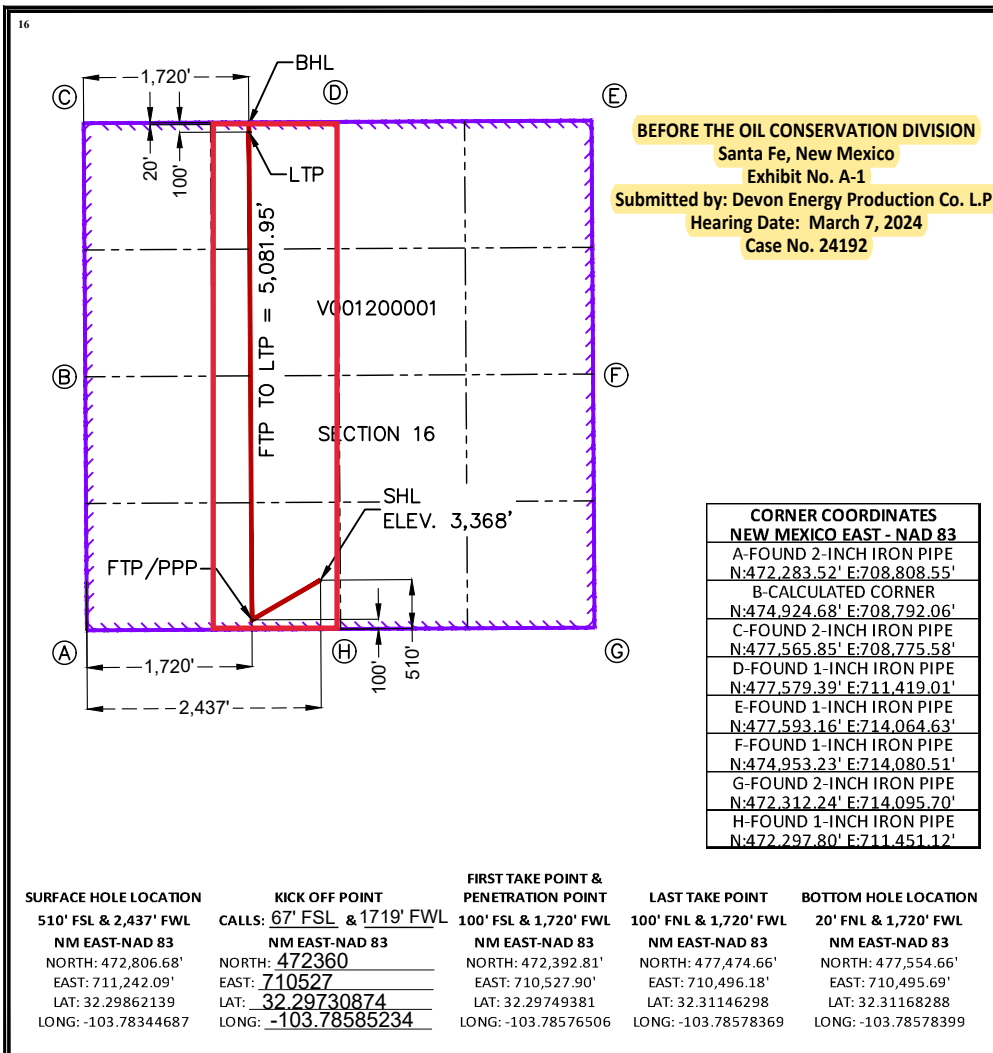
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>N</b>	<b>16</b>	<b>23 S</b>	<b>31 E</b>		<b>510'</b>	<b>SOUTH</b>	<b>2,437'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>10</sup> 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
<b>C</b>	<b>16</b>	<b>23 S</b>	<b>31 E</b>		<b>20'</b>	<b>NORTH</b>	<b>1,720'</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-1  
Submitted by: Devon Energy Production Co. L.P.  
Hearing Date: March 7, 2024  
Case No. 24192

CORNER COORDINATES NEW MEXICO EAST - NAD 83	
A-FOUND 2-INCH IRON PIPE	N:472,283.52' E:708,808.55'
B-CALCULATED CORNER	N:474,924.68' E:708,792.06'
C-FOUND 2-INCH IRON PIPE	N:477,565.85' E:708,775.58'
D-FOUND 1-INCH IRON PIPE	N:477,579.39' E:711,419.01'
E-FOUND 1-INCH IRON PIPE	N:477,593.16' E:714,064.63'
F-FOUND 1-INCH IRON PIPE	N:474,953.23' E:714,080.51'
G-FOUND 2-INCH IRON PIPE	N:472,312.24' E:714,095.70'
H-FOUND 1-INCH IRON PIPE	N:472,297.80' E:711,451.12'

SURFACE HOLE LOCATION	KICK OFF POINT	FIRST TAKE POINT & PENETRATION POINT	LAST TAKE POINT	BOTTOM HOLE LOCATION
510' FSL & 2,437' FWL NM EAST-NAD 83 NORTH: 472,806.68' EAST: 711,242.09' LAT: 32.29862139 LONG: -103.78344687	CALLS: 67' FSL & 1719' FWL NM EAST-NAD 83 NORTH: 472360 EAST: 710527 LAT: 32.29730874 LONG: -103.78585234	100' FSL & 1,720' FWL NM EAST-NAD 83 NORTH: 472,392.81' EAST: 710,527.90' LAT: 32.29749381 LONG: -103.78576506	100' FNL & 1,720' FWL NM EAST-NAD 83 NORTH: 477,474.66' EAST: 710,496.18' LAT: 32.31146298 LONG: -103.78578369	20' FNL & 1,720' FWL NM EAST-NAD 83 NORTH: 477,554.66' EAST: 710,495.69' LAT: 32.31168288 LONG: -103.78578399

<sup>17</sup> 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.

*Shayda Omoumi* 1/22/2024  
Signature Date

Shayda Omoumi  
Printed Name

shayda.omoumi@dvn.com  
Email Address

<sup>18</sup> 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.

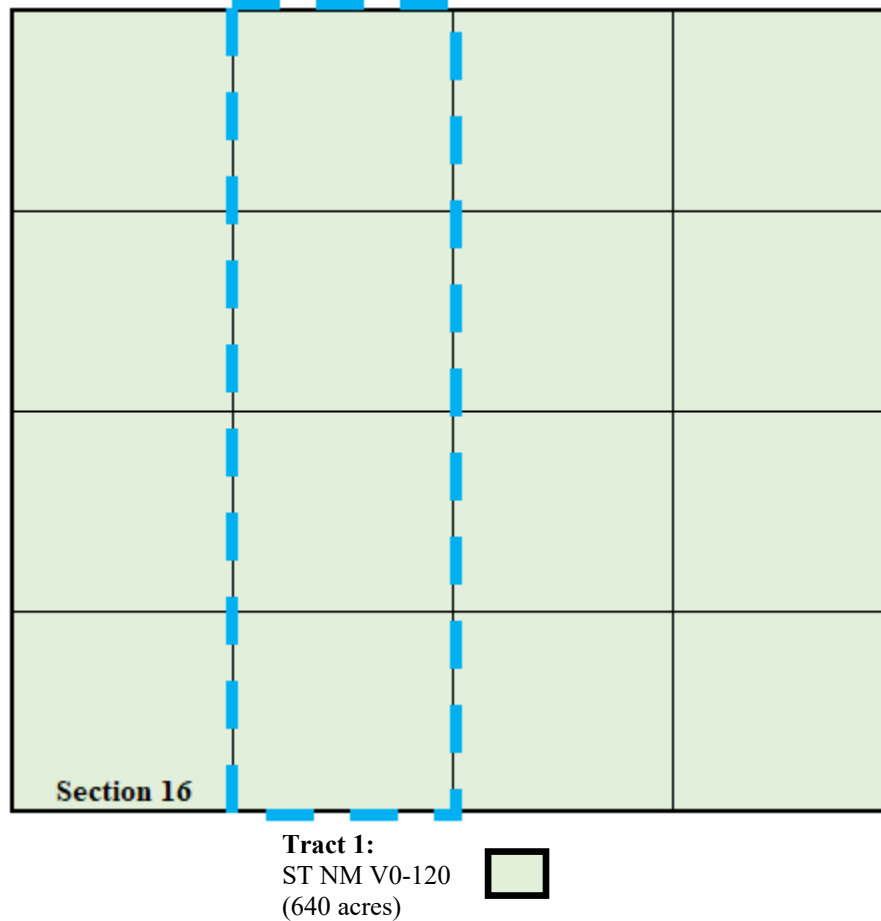
Date: 1/18/2024



MARK J. MURRAY P.L.S. NO. 12177

**OWNERSHIP BREAKDOWN  
Cat Island 16 State 232H**

E2W2 Section 16, T23S-R31E  
Eddy County, New Mexico,  
Bone Spring Formation



**TRACT 1 OWNERSHIP (E2W2 of Section 16, being 160 acres):**

<b>Owner</b>	<b>Net Acres</b>	<b>Tract WI</b>	<b>Status</b>
Devon Energy Production Company, L.P.	5.0138	.03133625	Committed
WPX Energy Permian, LLC	37.98616	.02374135	Committed
EOG Resources, Inc.	77.000	.48125	Committed
OXY Y-1 Company	40.00	.2500	Uncommitted
<b>Total:</b>	<b>160</b>	<b>1.00</b>	

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-2  
Submitted by: Devon Energy Production Co. L.P.  
Hearing Date: March 7, 2024  
Case No. 24192

**Overriding Royalty Interest:**

**ORRI Owners (Tract 1)**

None

**Record Title Owners**

EOG Resources, Inc.

**Unit Recapitulation-Bone Spring-160 AC HSU  
E2W2 Section 16, T23S-R31E  
Eddy County, New Mexico, Bone Spring Formation**

<b>Owner</b>	<b>Interest</b>
Devon Energy Production Company, L.P.	3.1336%
WPX Energy Permian, LLC	23.74135%
EOG Resources, Inc.	48.125%
OXY Y-1 Company	25.00%
<b>TOTAL</b>	<b>100.00000%</b>

Uncommitted Working Interest Owners seeking to Compulsory Pool

**Pooling List Recapitulation: Full List of Uncommitted Parties/Persons to be Pooled:**

OXY Y-1 Company

WI

Devon Energy Corporation  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102

405 235 3611 Phone  
www.devonenergy.com



December 21, 2023

*Via U.S. Priority Mail*

Oxy Y-1 Company  
Occidental Petroleum Corporation  
Attn: Matthew W. Cole  
5 Greenway Plaza, Suite 110  
Houston, TX 77046-0521

RE: Cat Island 16 State 231H, 232H, 233H & 234H  
Section 16, Township 23 South, Range 31 East  
Eddy County, New Mexico

Dear Working Interest Owner,

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill, complete, and equip the following horizontal wells in the Bone Spring formation:

- Cat Island 16 State 231H as a horizontal well to an approximate landing TVD of 10,050', and approximate TMD of 15,050' in the Bone Spring formation at an approximate SHL of 510' FSL & 2406' FWL of Section 16, or at a legal location in Unit N, and an approximate BHL of 20' FNL & 420' FWL of Section 16, or at a legal location in Unit D. Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$3,344,117.96 and total completed well costs of \$7,288,723.32.
- Cat Island 16 State 232H as a horizontal well to an approximate landing TVD of 9,800', and approximate TMD of 14,800' in the Bone Spring formation at an approximate SHL of 510' FSL & 2436' FWL of Section 16, or at a legal location in Unit N, and an approximate BHL of 20' FNL & 1720' FWL of Section 16, or at a legal location in Unit C. Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$2,889,117.96 and total completed well costs of \$6,833,723.32.
- Cat Island 16 State 233H as a horizontal well to an approximate landing TVD of 10,050', and approximate TMD of 15,050' in the Bone Spring formation at an approximate SHL of 510' FSL & 2466' FWL of Section 16, or at a legal location in Unit N, and an approximate BHL of 20' FNL & 2220' FEL of Section 16, or at a legal location in Unit B. Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$2,889,117.96 and total completed well costs of \$6,833,723.32.
- Cat Island 16 State 234H as a horizontal well to an approximate landing TVD of 9,800', and approximate TMD of 14,800' in the Bone Spring formation at an approximate SHL of 510' FSL & 2496' FWL of Section 16, or at a legal location in Unit N, and an approximate BHL of 20' FNL & 880' FEL of Section 16, or at a legal location in Unit A. Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$2,889,117.96 and total completed well costs of \$6,833,723.33.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A-3

Submitted by: Devon Energy Production Co. L.P.  
Hearing Date: March 7, 2024  
Case No. 24192

Cat Island 16 State 231H, 232H, 233H & 234H  
Well Proposals  
December 21, 2023

Devon reserves the right to modify the locations and drilling plans described above to address surface and subsurface concerns. Devon will advise of any such modifications.

Devon is proposing to drill the wells under the terms of the modified AAPL form of Operating Agreement (“JOA”) which contains the following general provisions:

- Devon named as Operator
- Contract Area: All of Section 16-T23S-R31E, depth limited.
- 100% / 300% Non-Consenting Penalty
- \$8,000/\$800 Drilling and Producing Overhead Rates

If you wish to participate in the operation, please indicate in the space provided below, along with a signed AFE, and deliver to my attention at the letterhead address or by email at [aaron.young@dvn.com](mailto:aaron.young@dvn.com), and Devon will provide the completed JOA for your review.

If you do not wish to participate in the proposed operation, Devon would like to negotiate a voluntary agreement that includes your interest.

If an agreement is not reached within 30 days of the date of this letter, Devon will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in blue ink, appearing to read 'Aaron Young', is written over a faint, light blue circular stamp or watermark.

Aaron Young  
Sr. Staff Landman



Cat Island 16 State 231H, 232H, 233H & 234H  
Well Proposals  
December 21, 2023

**Cat Island 16 State 231H**

\_\_\_\_\_ I/we elect to participate in the drilling and completion of the **Cat Island 16 State 231H** well. A signed AFE is returned herewith.

\_\_\_\_\_ I/we elect not to participate in the drilling and completion of the **Cat Island 16 State 231H** well.

**Cat Island 16 State 232H**

\_\_\_\_\_ I/we elect to participate in the drilling and completion of the **Cat Island 16 State 232H** well. A signed AFE is returned herewith.

\_\_\_\_\_ I/we elect not to participate in the drilling and completion of the **Cat Island 16 State 232H** well.

**Cat Island 16 State 233H**

\_\_\_\_\_ I/we elect to participate in the drilling and completion of the **Cat Island 16 State 233H** well. A signed AFE is returned herewith.

\_\_\_\_\_ I/we elect not to participate in the drilling and completion of the **Cat Island 16 State 233H** well.

**Cat Island 16 State 234H**

\_\_\_\_\_ I/we elect to participate in the drilling and completion of the **Cat Island 16 State 234H** well. A signed AFE is returned herewith.

\_\_\_\_\_ I/we elect not to participate in the drilling and completion of the **Cat Island 16 State 234H** well.

OXY USA Inc.

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

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

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

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



### Authorization for Expenditure

AFE # XX-159353.01  
 Well Name: CAT ISLAND 16 STATE 231H  
 Cost Center Number: 1094838701  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

**Explanation and Justification:**

**DRILL & COMPLETE BONE SPRING WELL**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010130	COMPANY LABOR-ADJ	1,601.03	0.00	0.00	1,601.03
6040110	CHEMICALS - OTHER	0.00	53,923.00	0.00	53,923.00
6060100	DYED LIQUID FUELS	93,950.94	122,248.00	0.00	216,198.94
6060130	GASEOUS FUELS	0.00	35,011.00	0.00	35,011.00
6060190	ELEC & PWRLINE SERV	0.00	17,500.00	0.00	17,500.00
6080100	DISPOSAL - SOLIDS	70,686.22	5,285.00	0.00	75,971.22
6080110	DISP-SALTWATER & OTH	0.00	13,485.00	0.00	13,485.00
6080115	DISP VIA PIPELINE SW	0.00	97,200.00	0.00	97,200.00
6090100	FLUIDS - WATER	23,368.96	38,435.00	0.00	61,803.96
6090120	RECYC TREAT&PROC-H2O	0.00	85,835.00	0.00	85,835.00
6100100	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
6100110	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
6110120	ROAD&SITE PREP M&S	27,833.33	0.00	0.00	27,833.33
6110130	ROAD&SITE PREP SVC	55,666.67	60,161.00	0.00	115,827.67
6120100	I & C SERVICES	0.00	104,340.63	0.00	104,340.63
6130170	COMM SVCS - WAN	803.51	0.00	0.00	803.51
6130360	ROTC - ENGINEERING	0.00	1,583.00	0.00	1,583.00
6130370	ROTC - GEOSTEERING	6,422.95	0.00	0.00	6,422.95
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	9,740.26	144,257.00	0.00	153,997.26
6160100	MATERIALS & SUPPLIES	13,506.77	0.00	0.00	13,506.77
6170100	PULLING&SWABBING SVC	0.00	7,700.00	0.00	7,700.00
6170110	SNUBBG&COIL TUBG SVC	0.00	84,567.00	0.00	84,567.00
6190100	TRCKG&HL-SOLID&FLUID	27,413.55	0.00	0.00	27,413.55
6190110	TRUCKING&HAUL OF EQP	34,393.34	53,056.00	0.00	87,449.34
6200130	CONSLT & PROJECT SVC	89,371.49	55,197.00	0.00	144,568.49
6230120	SAFETY SERVICES	26,377.17	1,483.00	0.00	27,860.17
6300270	SOLIDS CONTROL SRVCS	56,837.16	0.00	0.00	56,837.16
6310120	STIMULATION SERVICES	0.00	497,769.00	0.00	497,769.00
6310190	PROPPANT PURCHASE	0.00	354,237.00	0.00	354,237.00
6310200	CASING & TUBULAR SVC	84,873.09	0.00	0.00	84,873.09
6310250	CEMENTING SERVICES	145,000.00	0.00	0.00	145,000.00
6310280	DAYWORK COSTS	536,500.00	0.00	0.00	536,500.00
6310300	DIRECTIONAL SERVICES	197,294.76	0.00	0.00	197,294.76
6310310	DRILL BITS	64,427.99	0.00	0.00	64,427.99
6310330	DRILL&COMP FLUID&SVC	256,553.25	13,636.00	0.00	270,189.25
6310370	MOB & DEMOBILIZATION	500,000.00	0.00	0.00	500,000.00
6310380	OPEN HOLE EVALUATION	15,752.14	0.00	0.00	15,752.14
6310480	TSTNG-WELL, PL & OTH	0.00	114,406.00	0.00	114,406.00
6310600	MISC PUMPING SERVICE	0.00	19,090.00	0.00	19,090.00
6320100	EQPMNT SVC-SRF RNTL	112,655.30	190,204.00	0.00	302,859.30
6320110	EQUIP SVC - DOWNHOLE	68,070.04	31,712.00	0.00	99,782.04
6320160	WELDING SERVICES	2,833.14	0.00	0.00	2,833.14
6320190	WATER TRANSFER	0.00	42,689.00	0.00	42,689.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



### Authorization for Expenditure

AFE # XX-159353.01  
 Well Name: CAT ISLAND 16 STATE 231H  
 Cost Center Number: 1094838701  
 Legal Description: SEC 16-23S-31E

AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY

Revision:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	186,309.38	0.00	186,309.38
6520100	LEGAL FEES	1,000.00	0.00	0.00	1,000.00
6550100	MISCS COSTS & SERVS	0.00	12,035.15	0.00	12,035.15
6550110	MISCELLANEOUS SVC	34,337.45	0.00	0.00	34,337.45
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	7,055.09	46,679.11	0.00	53,734.20
6740340	TAXES OTHER	0.00	31,749.18	0.00	31,749.18
	<b>Total Intangibles</b>	<b>2,579,825.60</b>	<b>2,526,782.45</b>	<b>0.00</b>	<b>5,106,608.05</b>

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060180	ELEC & PWRLINE EQUIP	0.00	45,000.00	0.00	45,000.00
6120110	I&C EQUIPMENT	0.00	111,425.22	0.00	111,425.22
6120120	MEASUREMENT EQUIP	0.00	41,653.84	0.00	41,653.84
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	391,228.06	0.00	391,228.06
6300220	STORAGE VESSEL&TANKS	0.00	96,915.00	0.00	96,915.00
6300230	PUMPS - SURFACE	0.00	14,845.00	0.00	14,845.00
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	165,803.00	0.00	165,803.00
6310460	WELLHEAD EQUIPMENT	42,500.00	143,524.00	0.00	186,024.00
6310530	SURFACE CASING	26,034.00	0.00	0.00	26,034.00
6310540	INTERMEDIATE CASING	264,355.00	0.00	0.00	264,355.00
6310550	PRODUCTION CASING	378,328.00	0.00	0.00	378,328.00
6310580	CASING COMPONENTS	28,075.36	0.00	0.00	28,075.36
6330100	PIPE,FIT,FLANG,CPLNG	0.00	366,178.79	0.00	366,178.79
	<b>Total Tangibles</b>	<b>764,292.36</b>	<b>1,417,822.91</b>	<b>0.00</b>	<b>2,182,115.27</b>

<b>TOTAL ESTIMATED COST</b>	<b>3,344,117.96</b>	<b>3,944,605.36</b>	<b>0.00</b>	<b>7,288,723.32</b>
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**WORKING INTEREST OWNER APPROVAL**

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



### Authorization for Expenditure

AFE # XX-159354.01  
 Well Name: CAT ISLAND 16 STATE 232H  
 Cost Center Number: 1094838901  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

**Explanation and Justification:**

**DRILL & COMPLETE BONE SPRING WELL**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010130	COMPANY LABOR-ADJ	1,601.03	0.00	0.00	1,601.03
6040110	CHEMICALS - OTHER	0.00	53,923.00	0.00	53,923.00
6060100	DYED LIQUID FUELS	93,950.94	122,248.00	0.00	216,198.94
6060130	GASEOUS FUELS	0.00	35,011.00	0.00	35,011.00
6060190	ELEC & PWRLINE SERV	0.00	17,500.00	0.00	17,500.00
6080100	DISPOSAL - SOLIDS	70,686.22	5,285.00	0.00	75,971.22
6080110	DISP-SALTWATER & OTH	0.00	13,485.00	0.00	13,485.00
6080115	DISP VIA PIPELINE SW	0.00	97,200.00	0.00	97,200.00
6090100	FLUIDS - WATER	23,368.96	38,435.00	0.00	61,803.96
6090120	RECYC TREAT&PROC-H2O	0.00	85,835.00	0.00	85,835.00
6100100	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
6100110	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
6110120	ROAD&SITE PREP M&S	27,833.33	0.00	0.00	27,833.33
6110130	ROAD&SITE PREP SVC	55,666.67	60,161.00	0.00	115,827.67
6120100	I & C SERVICES	0.00	104,340.63	0.00	104,340.63
6130170	COMM SVCS - WAN	803.51	0.00	0.00	803.51
6130360	ROTC - ENGINEERING	0.00	1,583.00	0.00	1,583.00
6130370	ROTC - GEOSTEERING	6,422.95	0.00	0.00	6,422.95
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	9,740.26	144,257.00	0.00	153,997.26
6160100	MATERIALS & SUPPLIES	13,506.77	0.00	0.00	13,506.77
6170100	PULLING&SWABBING SVC	0.00	7,700.00	0.00	7,700.00
6170110	SNUBBG&COIL TUBG SVC	0.00	84,567.00	0.00	84,567.00
6190100	TRCKG&HL-SOLID&FLUID	27,413.55	0.00	0.00	27,413.55
6190110	TRUCKING&HAUL OF EQP	34,393.34	53,056.00	0.00	87,449.34
6200130	CONSLT & PROJECT SVC	89,371.49	55,197.00	0.00	144,568.49
6230120	SAFETY SERVICES	26,377.17	1,483.00	0.00	27,860.17
6300270	SOLIDS CONTROL SRVCS	56,837.16	0.00	0.00	56,837.16
6310120	STIMULATION SERVICES	0.00	497,769.00	0.00	497,769.00
6310190	PROPPANT PURCHASE	0.00	354,237.00	0.00	354,237.00
6310200	CASING & TUBULAR SVC	84,873.09	0.00	0.00	84,873.09
6310250	CEMENTING SERVICES	145,000.00	0.00	0.00	145,000.00
6310280	DAYWORK COSTS	536,500.00	0.00	0.00	536,500.00
6310300	DIRECTIONAL SERVICES	197,294.76	0.00	0.00	197,294.76
6310310	DRILL BITS	64,427.99	0.00	0.00	64,427.99
6310330	DRILL&COMP FLUID&SVC	256,553.25	13,636.00	0.00	270,189.25
6310370	MOB & DEMOBILIZATION	45,000.00	0.00	0.00	45,000.00
6310380	OPEN HOLE EVALUATION	15,752.14	0.00	0.00	15,752.14
6310480	TSTNG-WELL, PL & OTH	0.00	114,406.00	0.00	114,406.00
6310600	MISC PUMPING SERVICE	0.00	19,090.00	0.00	19,090.00
6320100	EQPMNT SVC-SRF RNTL	112,655.30	190,204.00	0.00	302,859.30
6320110	EQUIP SVC - DOWNHOLE	68,070.04	31,712.00	0.00	99,782.04
6320160	WELDING SERVICES	2,833.14	0.00	0.00	2,833.14
6320190	WATER TRANSFER	0.00	42,689.00	0.00	42,689.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



### Authorization for Expenditure

AFE # XX-159354.01  
 Well Name: CAT ISLAND 16 STATE 232H  
 Cost Center Number: 1094838901  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	186,309.38	0.00	186,309.38
6520100	LEGAL FEES	1,000.00	0.00	0.00	1,000.00
6550100	MISCS COSTS & SERVS	0.00	12,035.15	0.00	12,035.15
6550110	MISCELLANEOUS SVC	34,337.45	0.00	0.00	34,337.45
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	7,055.09	46,679.11	0.00	53,734.20
6740340	TAXES OTHER	0.00	31,749.18	0.00	31,749.18
	<b>Total Intangibles</b>	<b>2,124,825.60</b>	<b>2,526,782.45</b>	<b>0.00</b>	<b>4,651,608.05</b>

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060180	ELEC & PWRLINE EQUIP	0.00	45,000.00	0.00	45,000.00
6120110	I&C EQUIPMENT	0.00	111,425.22	0.00	111,425.22
6120120	MEASUREMENT EQUIP	0.00	41,653.84	0.00	41,653.84
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	391,228.06	0.00	391,228.06
6300220	STORAGE VESSEL&TANKS	0.00	96,915.00	0.00	96,915.00
6300230	PUMPS - SURFACE	0.00	14,845.00	0.00	14,845.00
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	165,803.00	0.00	165,803.00
6310460	WELLHEAD EQUIPMENT	42,500.00	143,524.00	0.00	186,024.00
6310530	SURFACE CASING	26,034.00	0.00	0.00	26,034.00
6310540	INTERMEDIATE CASING	264,355.00	0.00	0.00	264,355.00
6310550	PRODUCTION CASING	378,328.00	0.00	0.00	378,328.00
6310580	CASING COMPONENTS	28,075.36	0.00	0.00	28,075.36
6330100	PIPE,FIT,FLANG,CPLNG	0.00	366,178.79	0.00	366,178.79
	<b>Total Tangibles</b>	<b>764,292.36</b>	<b>1,417,822.91</b>	<b>0.00</b>	<b>2,182,115.27</b>

<b>TOTAL ESTIMATED COST</b>	<b>2,889,117.96</b>	<b>3,944,605.36</b>	<b>0.00</b>	<b>6,833,723.32</b>
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**WORKING INTEREST OWNER APPROVAL**

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



### Authorization for Expenditure

AFE # XX-159355.01  
 Well Name: CAT ISLAND 16 STATE 233H  
 Cost Center Number: 1094839001  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

**Explanation and Justification:**

**DRILL & COMPLETE BONE SPRING WELL**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010130	COMPANY LABOR-ADJ	1,601.03	0.00	0.00	1,601.03
6040110	CHEMICALS - OTHER	0.00	53,923.00	0.00	53,923.00
6060100	DYED LIQUID FUELS	93,950.94	122,248.00	0.00	216,198.94
6060130	GASEOUS FUELS	0.00	35,011.00	0.00	35,011.00
6060190	ELEC & PWRLINE SERV	0.00	17,500.00	0.00	17,500.00
6080100	DISPOSAL - SOLIDS	70,686.22	5,285.00	0.00	75,971.22
6080110	DISP-SALTWATER & OTH	0.00	13,485.00	0.00	13,485.00
6080115	DISP VIA PIPELINE SW	0.00	97,200.00	0.00	97,200.00
6090100	FLUIDS - WATER	23,368.96	38,435.00	0.00	61,803.96
6090120	RECYC TREAT&PROC-H2O	0.00	85,835.00	0.00	85,835.00
6100100	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
6100110	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
6110120	ROAD&SITE PREP M&S	27,833.33	0.00	0.00	27,833.33
6110130	ROAD&SITE PREP SVC	55,666.67	60,161.00	0.00	115,827.67
6120100	I & C SERVICES	0.00	104,340.63	0.00	104,340.63
6130170	COMM SVCS - WAN	803.51	0.00	0.00	803.51
6130360	ROTC - ENGINEERING	0.00	1,583.00	0.00	1,583.00
6130370	ROTC - GEOSTEERING	6,422.95	0.00	0.00	6,422.95
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	9,740.26	144,257.00	0.00	153,997.26
6160100	MATERIALS & SUPPLIES	13,506.77	0.00	0.00	13,506.77
6170100	PULLING&SWABBING SVC	0.00	7,700.00	0.00	7,700.00
6170110	SNUBBG&COIL TUBG SVC	0.00	84,567.00	0.00	84,567.00
6190100	TRCKG&HL-SOLID&FLUID	27,413.55	0.00	0.00	27,413.55
6190110	TRUCKING&HAUL OF EQP	34,393.34	53,056.00	0.00	87,449.34
6200130	CONSLT & PROJECT SVC	89,371.49	55,197.00	0.00	144,568.49
6230120	SAFETY SERVICES	26,377.17	1,483.00	0.00	27,860.17
6300270	SOLIDS CONTROL SRVCS	56,837.16	0.00	0.00	56,837.16
6310120	STIMULATION SERVICES	0.00	497,769.00	0.00	497,769.00
6310190	PROPPANT PURCHASE	0.00	354,237.00	0.00	354,237.00
6310200	CASING & TUBULAR SVC	84,873.09	0.00	0.00	84,873.09
6310250	CEMENTING SERVICES	145,000.00	0.00	0.00	145,000.00
6310280	DAYWORK COSTS	536,500.00	0.00	0.00	536,500.00
6310300	DIRECTIONAL SERVICES	197,294.76	0.00	0.00	197,294.76
6310310	DRILL BITS	64,427.99	0.00	0.00	64,427.99
6310330	DRILL&COMP FLUID&SVC	256,553.25	13,636.00	0.00	270,189.25
6310370	MOB & DEMOBILIZATION	45,000.00	0.00	0.00	45,000.00
6310380	OPEN HOLE EVALUATION	15,752.14	0.00	0.00	15,752.14
6310480	TSTNG-WELL, PL & OTH	0.00	114,406.00	0.00	114,406.00
6310600	MISC PUMPING SERVICE	0.00	19,090.00	0.00	19,090.00
6320100	EQPMNT SVC-SRF RNTL	112,655.30	190,204.00	0.00	302,859.30
6320110	EQUIP SVC - DOWNHOLE	68,070.04	31,712.00	0.00	99,782.04
6320160	WELDING SERVICES	2,833.14	0.00	0.00	2,833.14
6320190	WATER TRANSFER	0.00	42,689.00	0.00	42,689.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



### Authorization for Expenditure

AFE # XX-159355.01  
 Well Name: CAT ISLAND 16 STATE 233H  
 Cost Center Number: 1094839001  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	186,309.38	0.00	186,309.38
6520100	LEGAL FEES	1,000.00	0.00	0.00	1,000.00
6550100	MISCS COSTS & SERVS	0.00	12,035.15	0.00	12,035.15
6550110	MISCELLANEOUS SVC	34,337.45	0.00	0.00	34,337.45
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	7,055.09	46,679.11	0.00	53,734.20
6740340	TAXES OTHER	0.00	31,749.18	0.00	31,749.18
	<b>Total Intangibles</b>	<b>2,124,825.60</b>	<b>2,526,782.45</b>	<b>0.00</b>	<b>4,651,608.05</b>

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060180	ELEC & PWRLINE EQUIP	0.00	45,000.00	0.00	45,000.00
6120110	I&C EQUIPMENT	0.00	111,425.22	0.00	111,425.22
6120120	MEASUREMENT EQUIP	0.00	41,653.84	0.00	41,653.84
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	391,228.06	0.00	391,228.06
6300220	STORAGE VESSEL&TANKS	0.00	96,915.00	0.00	96,915.00
6300230	PUMPS - SURFACE	0.00	14,845.00	0.00	14,845.00
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	165,803.00	0.00	165,803.00
6310460	WELLHEAD EQUIPMENT	42,500.00	143,524.00	0.00	186,024.00
6310530	SURFACE CASING	26,034.00	0.00	0.00	26,034.00
6310540	INTERMEDIATE CASING	264,355.00	0.00	0.00	264,355.00
6310550	PRODUCTION CASING	378,328.00	0.00	0.00	378,328.00
6310580	CASING COMPONENTS	28,075.36	0.00	0.00	28,075.36
6330100	PIPE,FIT,FLANG,CPLNG	0.00	366,178.79	0.00	366,178.79
	<b>Total Tangibles</b>	<b>764,292.36</b>	<b>1,417,822.91</b>	<b>0.00</b>	<b>2,182,115.27</b>

<b>TOTAL ESTIMATED COST</b>	<b>2,889,117.96</b>	<b>3,944,605.36</b>	<b>0.00</b>	<b>6,833,723.32</b>
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**WORKING INTEREST OWNER APPROVAL**

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates



### Authorization for Expenditure

AFE # XX-159356.01  
 Well Name: CAT ISLAND 16 STATE 234H  
 Cost Center Number: 1094839101  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

**Explanation and Justification:**

**DRILL & COMPLETE BONE SPRING WELL**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010130	COMPANY LABOR-ADJ	1,601.03	0.00	0.00	1,601.03
6040110	CHEMICALS - OTHER	0.00	53,923.00	0.00	53,923.00
6060100	DYED LIQUID FUELS	93,950.94	122,248.00	0.00	216,198.94
6060130	GASEOUS FUELS	0.00	35,011.00	0.00	35,011.00
6060190	ELEC & PWRLINE SERV	0.00	17,500.00	0.00	17,500.00
6080100	DISPOSAL - SOLIDS	70,686.22	5,285.00	0.00	75,971.22
6080110	DISP-SALTWATER & OTH	0.00	13,485.00	0.00	13,485.00
6080115	DISP VIA PIPELINE SW	0.00	97,200.00	0.00	97,200.00
6090100	FLUIDS - WATER	23,368.96	38,435.00	0.00	61,803.96
6090120	RECYC TREAT&PROC-H2O	0.00	85,835.00	0.00	85,835.00
6100100	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
6100110	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
6110120	ROAD&SITE PREP M&S	27,833.33	0.00	0.00	27,833.33
6110130	ROAD&SITE PREP SVC	55,666.67	60,161.00	0.00	115,827.67
6120100	I & C SERVICES	0.00	104,340.63	0.00	104,340.63
6130170	COMM SVCS - WAN	803.51	0.00	0.00	803.51
6130360	ROTC - ENGINEERING	0.00	1,583.00	0.00	1,583.00
6130370	ROTC - GEOSTEERING	6,422.95	0.00	0.00	6,422.95
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	9,740.26	144,257.00	0.00	153,997.26
6160100	MATERIALS & SUPPLIES	13,506.77	0.00	0.00	13,506.77
6170100	PULLING&SWABBING SVC	0.00	7,700.00	0.00	7,700.00
6170110	SNUBBG&COIL TUBG SVC	0.00	84,567.00	0.00	84,567.00
6190100	TRCKG&HL-SOLID&FLUID	27,413.55	0.00	0.00	27,413.55
6190110	TRUCKING&HAUL OF EQP	34,393.34	53,056.00	0.00	87,449.34
6200130	CONSLT & PROJECT SVC	89,371.49	55,197.00	0.00	144,568.49
6230120	SAFETY SERVICES	26,377.17	1,483.00	0.00	27,860.17
6300270	SOLIDS CONTROL SRVCS	56,837.16	0.00	0.00	56,837.16
6310120	STIMULATION SERVICES	0.00	497,769.00	0.00	497,769.00
6310190	PROPPANT PURCHASE	0.00	354,237.00	0.00	354,237.00
6310200	CASING & TUBULAR SVC	84,873.09	0.00	0.00	84,873.09
6310250	CEMENTING SERVICES	145,000.00	0.00	0.00	145,000.00
6310280	DAYWORK COSTS	536,500.00	0.00	0.00	536,500.00
6310300	DIRECTIONAL SERVICES	197,294.76	0.00	0.00	197,294.76
6310310	DRILL BITS	64,427.99	0.00	0.00	64,427.99
6310330	DRILL&COMP FLUID&SVC	256,553.25	13,636.00	0.00	270,189.25
6310370	MOB & DEMOBILIZATION	45,000.00	0.00	0.00	45,000.00
6310380	OPEN HOLE EVALUATION	15,752.14	0.00	0.00	15,752.14
6310480	TSTNG-WELL, PL & OTH	0.00	114,406.00	0.00	114,406.00
6310600	MISC PUMPING SERVICE	0.00	19,090.00	0.00	19,090.00
6320100	EQPMNT SVC-SRF RNTL	112,655.30	190,204.00	0.00	302,859.30
6320110	EQUIP SVC - DOWNHOLE	68,070.04	31,712.00	0.00	99,782.04
6320160	WELDING SERVICES	2,833.14	0.00	0.00	2,833.14
6320190	WATER TRANSFER	0.00	42,689.00	0.00	42,689.00

Costs on this form are estimates only. Working Interest Owners should not consider these estimates





### Authorization for Expenditure

AFE # XX-159356.01  
 Well Name: CAT ISLAND 16 STATE 234H  
 Cost Center Number: 1094839101  
 Legal Description: SEC 16-23S-31E  
 AFE Date: 12/20/2023  
 State: NM  
 County/Parish: EDDY  
 Revision:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	186,309.38	0.00	186,309.38
6520100	LEGAL FEES	1,000.00	0.00	0.00	1,000.00
6550100	MISCS COSTS & SERVS	0.00	12,035.15	0.00	12,035.15
6550110	MISCELLANEOUS SVC	34,337.45	0.00	0.00	34,337.45
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	7,055.09	46,679.11	0.00	53,734.20
6740340	TAXES OTHER	0.00	31,749.18	0.00	31,749.18
	<b>Total Intangibles</b>	<b>2,124,825.60</b>	<b>2,526,782.45</b>	<b>0.00</b>	<b>4,651,608.05</b>

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060180	ELEC & PWRLINE EQUIP	0.00	45,000.00	0.00	45,000.00
6120110	I&C EQUIPMENT	0.00	111,425.22	0.00	111,425.22
6120120	MEASUREMENT EQUIP	0.00	41,653.85	0.00	41,653.85
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	391,228.06	0.00	391,228.06
6300220	STORAGE VESSEL&TANKS	0.00	96,915.00	0.00	96,915.00
6300230	PUMPS - SURFACE	0.00	14,845.00	0.00	14,845.00
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	165,803.00	0.00	165,803.00
6310460	WELLHEAD EQUIPMENT	42,500.00	143,524.00	0.00	186,024.00
6310530	SURFACE CASING	26,034.00	0.00	0.00	26,034.00
6310540	INTERMEDIATE CASING	264,355.00	0.00	0.00	264,355.00
6310550	PRODUCTION CASING	378,328.00	0.00	0.00	378,328.00
6310580	CASING COMPONENTS	28,075.36	0.00	0.00	28,075.36
6330100	PIPE,FIT,FLANG,CPLNG	0.00	366,178.79	0.00	366,178.79
	<b>Total Tangibles</b>	<b>764,292.36</b>	<b>1,417,822.92</b>	<b>0.00</b>	<b>2,182,115.28</b>

<b>TOTAL ESTIMATED COST</b>	<b>2,889,117.96</b>	<b>3,944,605.37</b>	<b>0.00</b>	<b>6,833,723.33</b>
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**WORKING INTEREST OWNER APPROVAL**

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.

Costs on this form are estimates only. Working Interest Owners should not consider these estimates

**Chronology of Contact with Uncommitted Working Interests**

**Cat Island 16 State 231H, 232H, 233H, & 234H**

Week of 12/21/2023, Devon sent initial well proposal letter, AFEs and terms to the proposed Operating Agreement

Week of 1/4/2024, follow up correspondence with uncommitted working interest owner and discuss anticipated timing.

Week of 1/19/2024, follow up correspondence with uncommitted working interest owner. Informed owner Devon was targeting a March 7<sup>th</sup> hearing date. .

Week of 2/21/2024, follow up correspondence with uncommitted working interest owner. Discussed potential form of Operating Agreement.

Week of 3/1/2024, follow up correspondence with uncommitted working interest owner and possible form of Operating Agreement.

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

**APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 24191-24194**

**SELF-AFFIRMED STATEMENT OF JOSH O'BRIEN, GEOLOGIST**

1. My name is Josh O'Brien, and I am employed as a petroleum geologist by Devon Energy Production Company, L.P. ("Devon"). I am familiar with the applications filed in these consolidated cases and I have conducted a geologic study of the lands in the subject area.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology and my credential have been accepted and made a matter of public record.

3. **Devon Exhibit B-1** is an area map showing the location of Devon's proposed spacing units outlined in red with red arrows depicting the orientation and general location of the initial wells targeting the Bone Spring formation. This map also shows the existing wells in the surrounding sections that are completed in the Bone Spring formation.

4. The initial target for the proposed wells is the Second Bone Spring Sandstone of the Bone Spring formation.

5. **Devon Exhibit B-2** is a subsea structure map that I prepared for the Third Bone Spring Lime top, which is the base of the Second Bone Spring Sand, with contour intervals of 20 feet. Devon's proposed spacing unit is outlined with a red box. This exhibit demonstrates that the structure in the Bone Spring formation is consistent across the proposed spacing unit and dips gently to the East. I do not observe any faulting, pinch

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B

Submitted by: Devon Energy Production Co. L.P.  
Hearing Date: March 7, 2024  
Case No. 24192

outs, or other geologic impediments to developing this formation in this area with horizontal wells.

6. **Devon Exhibit B-2** also depicts a line of cross section through Devon's proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval and are of good quality. In my opinion, these well logs are representative of the geology in the subject area.

7. **Devon Exhibit B-3** is a structural cross section that I prepared using the logs from the representative wells shown on Exhibit B-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the initial wells is identified on the exhibit with a gray box. The cross-section demonstrates that the targeted interval is continuous and relatively uniform across the proposed spacing unit.

8. My geologic study indicates the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

9. As reflected in Exhibit B-1, the primary orientation for the existing wells targeting the Bone Spring formation in this area is standup. In my opinion the standup orientation of Devon's proposed wells is consistent with existing development and appropriate for the maximum horizontal stress orientation in the Bone Spring formation in this area, which is roughly 60 degrees.

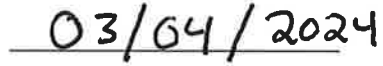
10. In my opinion, approval of these applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

11. **Devon Exhibits B-1 through B-3** were either prepared by me or compiled under my direction and supervision.

12. 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 these cases. This statement is made on the date next to my signature below.



Josh O'Brien



Date

### Exhibit B-1 Producing Horizontal Bone Spring Well Map

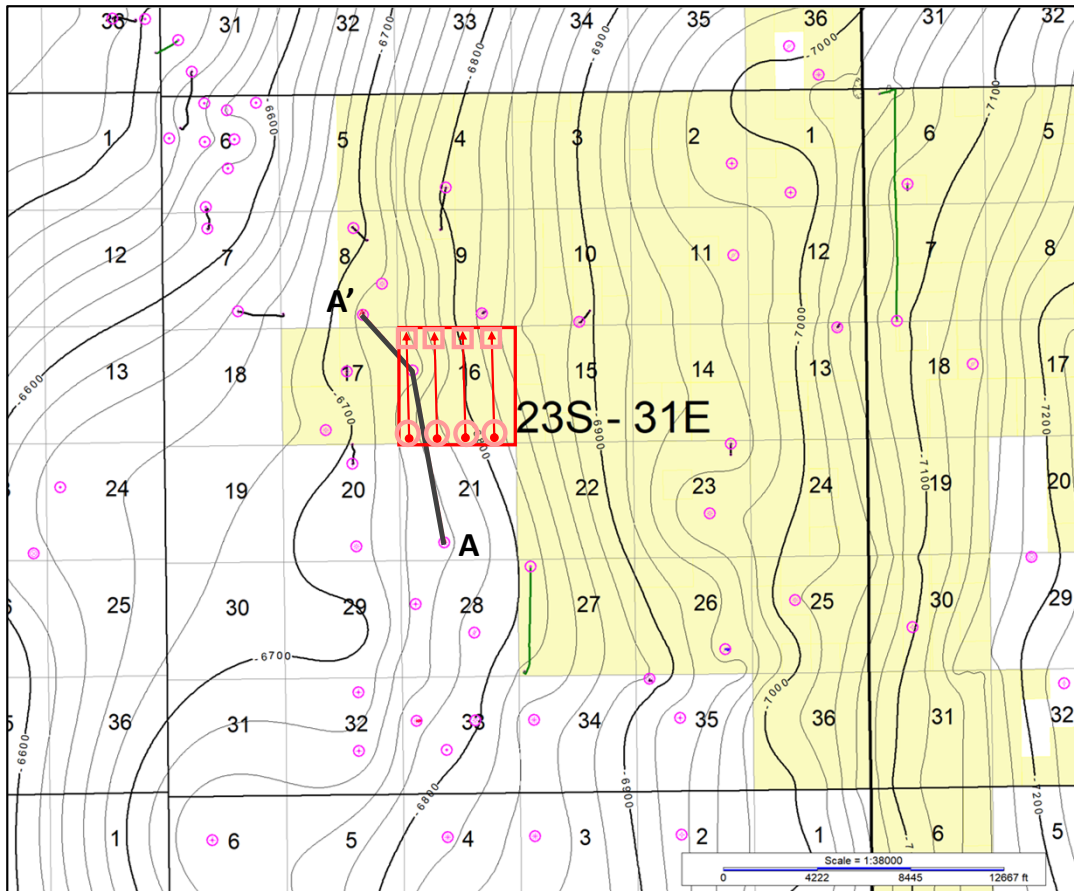


### Structure Map 3BSLM (Base of 2BSSS) CI = 20 Feet

Horizontal Locations:  
*Cat Island 16 State 231H*  
*Cat Island 16 State 232H*  
*Cat Island 16 State 233H*  
*Cat Island 16 State 234H*

- Producing Horizontal Wells
- BHL
- FTP
- Control Points

### Exhibit B-2 3BSLM Cross Section A – A'



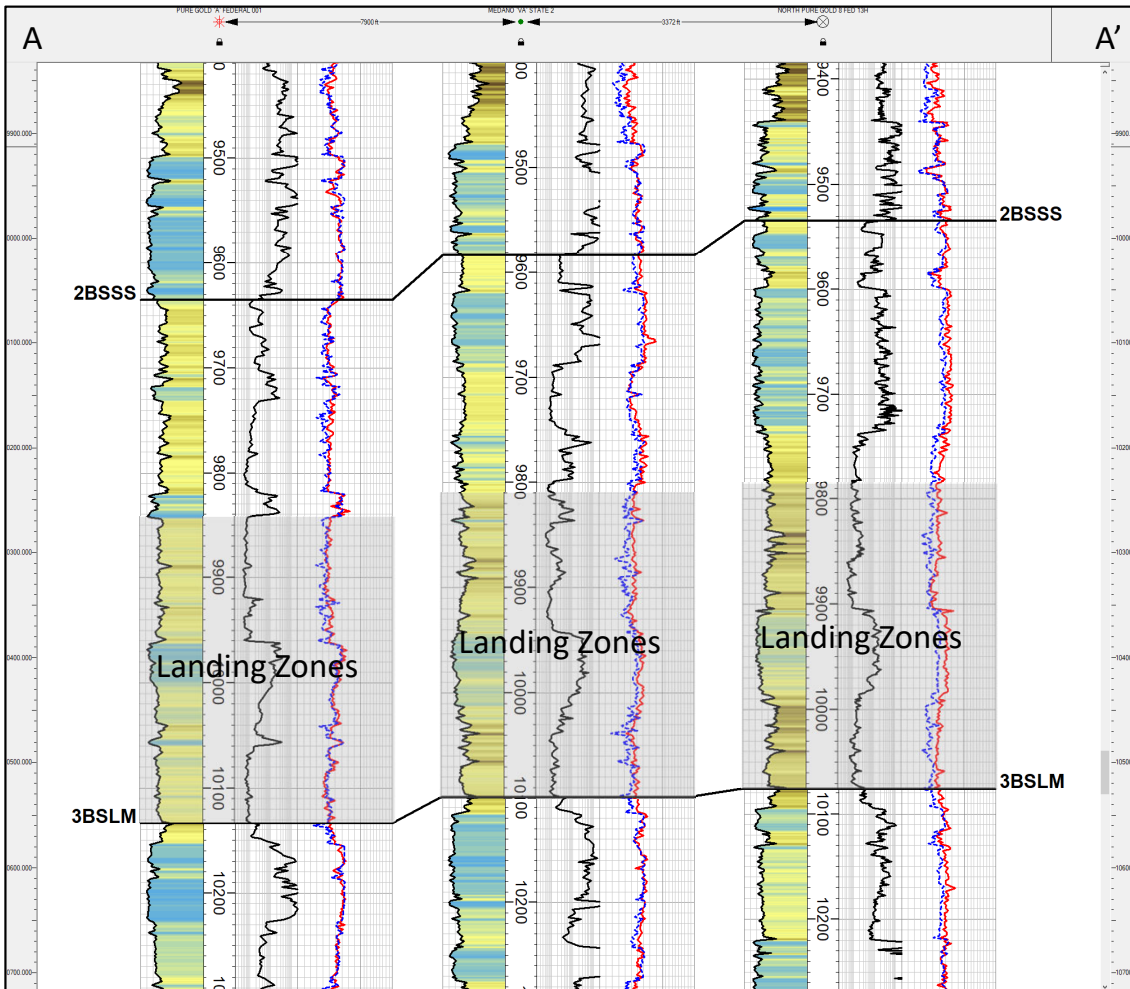
### Structure Map 3BSLM (Base of 2BSSS) CI = 20 Feet

Horizontal Locations:

- Cat Island 16 State 231H
- Cat Island 16 State 232H
- Cat Island 16 State 233H
- Cat Island 16 State 234H

- BHL
- FTP
- Control Points

### Exhibit B-3 Structural Cross Section A – A' Bone Spring



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B-3  
Submitted by: Devon Energy Production Co. L.P.  
Hearing Date: March 7, 2024  
Case No. 24192



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

**APPLICATION OF DEVON ENERGY PRODUCTION  
COMPANY, L.P. FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 24192**

**SELF-AFFIRMED STATEMENT OF  
MICHAEL H. FELDEWERT**

1. I am attorney in fact and authorized representative of Devon Energy Production Company, L.P. (“Devon”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

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

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

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of March 4, 2024.

5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings on February 22, 2024. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit D.

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. C  
Submitted by: Devon Energy Production Co. L.P.  
Hearing Date: March 7, 2024  
Case No. 24192**



Michael H. Feldewert

03/05/24

Date



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

February 16, 2024

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico: Cat Island 16 State #232H**

Ladies & Gentlemen:

This letter is to advise you that Devon Energy Production Company, L.P. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 7, 2024, 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 Ave., 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 Aaron Young at (405) 228-2850 [Aaron.Young@dvn.com](mailto:Aaron.Young@dvn.com).

Sincerely,

Paula M. Vance  
**ATTORNEY FOR DEVON ENERGY PRODUCTION COMPANY, L.P.**

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

Devon - Cat Island 231H-234H wells - Case nos. 24191-24194  
Postal Delivery Report

9214 8901 9403 8349 3380 02	OXY Y-1 Company Occidental Petroleum Corporation 5 Greenway Plaza Suite 110 Houston TX 77046	In-Transit
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# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005881314

This is not an invoice

HOLLAND AND HART  
PO BOX 2208

SANTA FE, NM 87504-2208

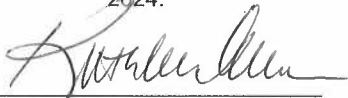
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

02/22/2024



Legal Clerk

Subscribed and sworn before me this February 22, 2024:



State of WI, County of Brown  
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0005881314  
PO #: 232H  
# of Affidavits 1

This is not an invoice

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, March 7, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov). Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca at [Sheila.Apodaca@emnrd.nm.gov](mailto:Sheila.Apodaca@emnrd.nm.gov), or the New Mexico Relay Network at 1-800-659-1779, no later than February 26, 2024.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m6e15eb231e444ec5068a93e3e3463547>

Webinar number: 2482 287 8726

Join by video system: 24822878726@nmemnrd.webex.com

You can also dial 173.243.2.68 and enter your webinar number.

Join by phone: 1-844-992-4726 United States Toll Free

+1-408-418-9388 United States Toll

Access code: 2482 287 8726

Panelist password: NZhMuJmK383 (69468565 from phones and video systems)

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: OXY Y-1 Company Occidental Petroleum Corporation.

Case No. 24192: Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. Said unit will be initially dedicated to the proposed **Cat Island 16 State #232H** well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 16, with a first take point in the SE/4 SW/4 of Section 16 (Unit N) and a last take point in the NE/4 NW/4 (Unit C) of Section 16. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 26 miles southeast of Carlsbad, New Mexico. #5881314, Current Argus, February 22, 2024

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Submitted by: Devon Energy Production Co. L.P.

Hearing Date: March 7, 2024

Case No. 24192