

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

**APPLICATION OF OXY USA INC. AND
OXY Y-1 COMPANY TO RE-OPEN
POWDERHORN OPERATING, LLC CASE
NO. 25479 UNDER ORDER NO. R-23974,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

OXY USA Inc. and OXY Y-1 Company (collectively “Oxy” or “Applicant”), through its undersigned attorneys, files this Application to Re-Open Powderhorn Operating, LLC Case No. 25479 under Order No. R-23974 (the “Order”) pursuant to the provisions of NMSA 1978, § 70-2-17 to enforce the provisions of the Order and provide Oxy the right to participate in Powderhorn’s development as provided under Order No. R-23974. In support of this Application, Oxy states the following:

1. On July 1, 2025, Powderhorn filed an application to pool all uncommitted mineral owners in the Bone Spring formation underlying a 640-acre, more or less, non-standard horizontal well spacing unit comprised of Section 21, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico.
2. Order No. R-23974 dedicated four initial wells to the spacing unit: Fade Away Fed Com 301H, 302H, 303H, and 304H wells. *See* Order No. R-23974, Ex. A.
3. Powderhorn presented its case in support of the application to a Division Hearing Examiner on August 7, 2025.

4. Powderhorn's amended hearing exhibits reflect that OXY USA Inc. and OXY Y-1 Company each own an uncommitted working interest in the spacing unit of 6.9333% and 10.984575%, respectively. *See* Case No. 25479, Ex. A-5.

5. On September 9, 2025, when Order No. R-23974 was issued, Oxy's interests were effectively force pooled as uncommitted working interests.

6. Order No. R-23974 requires Powderhorn to submit to each owner of an uncommitted working interest in the pool, including Oxy, "an itemized schedule of estimated costs to drill, complete, and equip ("Estimated Well Costs") for each of the proposed initial wells authorized under the Order. Order No. R-23974, ¶ 31 (emphasis added).

7. Order No. R-23974 further provides uncommitted working interest owners thirty days to "elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well." Order No. R-23974, ¶ 32.

8. Accordingly, Oxy's timeline to elect to participate under Order No. R-23974 is premised on and triggered only by Powderhorn's provision of the itemized estimated well costs for each of the initial wells authorized under the order. *See* Order No. R-23974, ¶¶ 31-32.

9. On October 10, 2025, Powderhorn submitted by email a well proposal, an estimate of total well costs for all four initial dedicated wells attributable to Oxy, and an election form but failed to provide an "itemized schedule of estimated costs" for each well, as required by Order No. R-23974. *See* Email from T. Macha to J. Tari and K. Evans, dated 10/10/25 ("Macha Email") (including well proposal, total estimate of well costs, and election but no itemized

schedule of estimated costs for each well), attached as **Exhibit A**; Powderhorn Well Proposals Under Order – Fade Away Fed Com, **Exhibit B** (attachment to Macha Email); Order No. R-23974, **Exhibit C** (attachment to Macha Email).

10. In the October 10, 2025 email, Powderhorn confirmed that the well proposal and election materials were being sent by certified mail and being provided by email as a courtesy. **Exhibit A** (Powderhorn’s well proposal, **Exhibit B**, notes in the heading that it is being sent only “*Via Certified Mail*,” not that it is being sent “*Via Certified Mail and Email*”).

11. Powderhorn affirmed in its October 10, 2025 well proposal letter that Oxy has “30 days from receipt of this proposal to make [its] election[.]” See **Exhibit B** (emphasis added). Powderhorn admitted in its well proposal letter that the deadline for Oxy to respond under Order No. R-23974 is 30 days from receipt of its well proposal sent by certified mail. *Id.*

12. The certified delivery of the well proposal and election materials were not received by Oxy until October 22, 2025. See Email from J. Tari to M. Maxwell and T. Macha, dated 10/22/25, attached as **Exhibit D**. Powderhorn’s certified mailing, unlike the Macha Email, included itemized estimated well costs for each of the four initial wells authorized under the Order.

13. Oxy advised Powderhorn that it calculated the well election period under the Order to run through November 21, 2025 based on Oxy’s October 22, 2025, receipt by certified mail of Powderhorn’s well proposal, itemized estimate of well costs, and well election forms. See Email from J. Tari to M. Maxwell and T. Macha, dated 10/22/25, attached as **Exhibit D**.

14. Division regulations require operators to provide notice of compulsory pooling hearings by certified mail, return receipt requested, and all infill well proposals submitted pursuant to pooling orders are required to be sent by certified mail, return receipt requested. *See* 19.15.4.12.A(1)(a) (requiring notice of compulsory pooling applications to be provided by “certified mail, return receipt requested,” as required by 19.15.4.B NMAC); 19.15.13.10 & .11 NMAC (requiring infill well proposals submitted under compulsory pooling orders to be sent by “certified mail, return receipt requested”). Providing well proposals, estimated well costs, and election forms by certified mail is also standard industry custom and practice.

15. Powderhorn confirmed in response that it did not object to Oxy’s calculation that the deadline to elect under the Order was November 21, 2025. *See id.* (10/22/25 email response from T. Macha stating “Sounds good . . . a few days doesn’t hurt.”). This confirmation came after Powderhorn previously agreed to give Oxy “a few extra days” to accommodate Oxy’s position that the election period under the Order should be calculated from receipt of the well proposal, estimate of costs, and election forms, by certified mail. *See id.* (10/15/25 email from J. Tari and 10/15/25 email from M. Maxwell).

16. In substantial reliance on Powderhorn’s confirmation that the election deadline under the Order was November 21, 2025, Oxy provided Powderhorn its elections to participate in each of the four wells under the terms of the Order by email and certified mail on November 19, 2025—two days in advance of the agreed-upon election deadline. *See **Exhibit D***, Oxy Elections to Participate (attachments to J. Tari 11/21/25 email).

17. Powderhorn did not immediately respond to confirm receipt of Oxy’s elections, nor did it deny that Oxy’s elections were timely.

18. Separate from Oxy's election to participate under the terms of the Order, Oxy and Powderhorn were simultaneously negotiating a broader potential transaction involving Oxy's mineral interests that were subject to the Order.

19. On November 21, 2025, negotiations over that separate potential transaction were ongoing between Oxy and Powderhorn. *See* email chain between J. Yates and J.J. Laning, dated 11/21/25 (Powderhorn provides a revised proposed offer dated 11/21/25 and confirms receipt of Oxy's well elections), attached as **Exhibit E**. At the end of the day on November 21, 2025, and after reviewing Powderhorn's revised offer letter, Oxy informed Powderhorn that it had decided against transacting with Powderhorn in favor of a transaction with a different operator. *See* email chain between J. Yates and J. Tari, dated 11/21/25, attached as **Exhibit F**.

20. On November 24, 2025, three days after being informed of Oxy's business decision, Powderhorn reneged in bad faith on its written agreement that the deadline to elect to participate under the terms of the Order was November 21, 2025, and asserted for the first time that "Oxy missed its election deadline for the Fade Away unit and its interest was previously deemed non-consent." *See* email chain between J. Yates and J. Tari, dated 11/21/25, attached as **Exhibit F**.

21. Denying Oxy the right to elect to participate under the terms of the Order in these circumstances would not be "just and reasonable," as required under the Oil and Gas Act, and will deny Oxy "the opportunity to recover or receive without unnecessary expense [its] just and fair share of the oil or gas, or both," violating its correlative rights and the requirements of the Oil and Gas Act. *See* NMSA 1978, 70-2-17(C).

WHEREFORE, OXY USA Inc. and OXY Y-1 Company (collectively "Oxy") respectfully request that the Division set this matter for hearing on March 5, 2026, and re-open Case No. 25479 to confirm that Oxy's elections to participate under Order No. R-23974 were timely and valid, Powderhorn's refusal to acknowledge Oxy's timely election is in bad faith and contrary to the Oil and Gas Act, and such other relief as the Division deems just and proper.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR OXY USA INC. & OXY Y-1
COMPANY**

CASE _____: **Application of OXY USA Inc. and Oxy Y-1 Company to Re-Open Powderhorn Operating, LLC Case No. 25479 Under Order No. R-23974, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to Re-Open Powderhorn Operating, LLC Case No. 25479 under Order No. R-23974 (the “Order”) pursuant to the provisions of NMSA 1978, § 70-2-17 to enforce the provisions of the Order and provide Oxy the right to participate in Powderhorn’s development as provided under Order No. R-23974. Denying Oxy the right to elect to participate under the terms of the Order would not be “just and reasonable,” as required under the Oil and Gas Act, and will deny Oxy “the opportunity to recover or receive without unnecessary expense [its] just and fair share of the oil or gas, or both,” violating its correlative rights and the requirements of the Oil and Gas Act. *See* NMSA 1978, 70-2-17(C). The subject area is located approximately 15 miles southeast of Artesia, New Mexico.

EXHIBIT A

From: [Travis Macha](#)
To: [Jonathan_Tari@oxy.com](#); [Kimberly_Evans@oxy.com](#)
Cc: [Mason Maxwell](#)
Subject: [EXTERNAL] Powderhorn / Oxy - Well Proposals
Date: Friday, October 10, 2025 9:33:12 AM
Attachments: [Outlook-hrz0pq5u.png](#)
[Fade Away Fed Com Oxy Under Order 10.9.2025.pdf](#)
[Fade Away Order No. R 23974.pdf](#)
[Pecos River Deep Merged AFEs.pdf](#)
[Pecos River Deep Fed Com Proposal Oxy 10.10.2025.pdf](#)

**WARNING - This message is from an EXTERNAL SENDER - be
CAUTIOUS, particularly with links and attachments.**

Hey Guys,

These will be coming via certified mail as well but wanted to relay so you have them handy. Not sure of the status of the deal conversation but obviously would love to get something done here.

Thanks,

Travis Macha
Vice President of Land
512.200.5319



EXHIBIT B

POWDERHORN

ENERGY PARTNERS

October 10, 2025

Oxy Y-1 Company
Oxy USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046

Via Certified Mail

RE: Well Proposals under Order – Fade Away Fed Com
Section 21, T19S – R27E
Eddy County, New Mexico

To Whom it May Concern:

Powderhorn Operating, LLC (“Powderhorn”), as Operator for Powderhorn Assets LLC, hereby proposes under Order R-23974 the drilling and completion of the following four (4) wells, the Fade Away Fed Com Wells at the following approximate locations within Section 21, Township 19 South, Range 27 East, Eddy County, NM:

1. Fade Away Fed Com 301H

SHL: 90' FEL & 1,380' FNL or at a legal location in units A or H of section 21
BHL: 100' FWL & 660' FNL of Section 21
FTP: 100' FEL & 660' FNL of Section 21
LTP: 100' FWL & 660' FNL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

2. Fade Away Fed Com 302H

SHL: 90' FEL & 1,410' FNL or at a legal location in units A or H of section 21
BHL: 100' FWL & 1,980' FNL of Section 21
FTP: 100' FEL & 1,980' FNL of Section 21
LTP: 100' FWL & 1,980' FNL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

[Continued on Next Page]

3. Fade Away Fed Com 303H

SHL: 120' FEL & 1,360' FSL or at a legal location in units I or P of section 21
BHL: 100' FWL & 1,980' FSL of Section 21
FTP: 100' FEL & 1,980' FSL of Section 21
LTP: 100' FWL & 1,980' FSL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

4. Fade Away Fed Com 304H

SHL: 120' FEL & 1,390' FSL or at a legal location in units I or P of section 21
BHL: 100' FWL & 660' FSL of Section 21
FTP: 100' FEL & 660' FSL of Section 21
LTP: 100' FWL & 660' FSL of Section 21
TVD: 7,760'
TMD: 13,360'
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

Pursuant to the attached Order R-23974, you have 30 days from receipt of this proposal to make your election and 30 days to render payment for your portion of the estimated drilling costs. Oxy's working interest is 17.917875%, therefore Oxy's estimated total cost for the four (4) Fade Away Fed Com wells will be \$4,966,964.19

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 325.514.0211 or by email at mmaxwell@powderhornep.com

Respectfully,

Powderhorn Operating, LLC



Mason Maxwell
Landman

Enclosures

Well Elections: (Please indicate your responses in the spaces below)		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Fade Away Fed Com 301H		
Fade Away Fed Com 302H		
Fade Away Fed Com 303H		
Fade Away Fed Com 304H		

Oxy USA, Inc.

By: _____

Printed Name: _____

Title: _____

Date: _____

Oxy Y-1 Company

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT C

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING AND APPROVAL
OF NON-STANDARD SPACING UNIT
SUBMITTED BY POWDERHORN OPERATING, LLC

CASE NO. 25479
ORDER NO. R-23974

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 7, 2025, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Powderhorn ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A.
2. The Application also seeks approval of a Non-Standard horizontal spacing unit for production from all Division-designated pools underlying the Unit.
3. Operator seeks to be designated the operator of the Unit.
4. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
5. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
6. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
7. Operator identified the owners of interest in the offset oil and gas minerals from the Unit and provided evidence that notice was given.
8. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
10. Operator is the owner of an oil and gas working interest within the Unit.

11. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
12. Operator has met the notice requirements for approval of non-standard horizontal spacing units in accordance with 19.15.16.15(B)(5) NMAC.
13. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
14. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
15. OCD's rules allow the approval of a non-standard horizontal spacing unit, after notice and opportunity for hearing, "if necessary to prevent waste or protect correlative rights" 19.15.16.15(B)(5)(a) NMAC.
16. While the OCD is authorized to approve a non-standard spacing unit, Rutter & Wilbanks Corp. v. Oil Conservation Comm'n, 1975-NMSC-006, OCD lacks the authority to approve unitization and will disapprove an application if it determines that it is actually unitization. Order R-13554 (May 18, 2012) (disapproving application for a non-standard spacing unit consisting of 16 standard spacing units).
17. Approval of the Non-Standard Spacing Unit promotes effective well spacing and allows the Operator to therefore prevent waste and protect correlative rights.
18. The Unit contains separately owned uncommitted interests in oil and gas minerals.
19. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
20. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
21. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

22. The Unit is approved as a non-standard horizontal spacing unit.
23. Operator shall file Forms C-102 reflecting the correct acreage dedicated for each of the Wells.
24. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
25. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.

CASE NO. 25479
ORDER NO. R-23974

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26. Operator is designated as operator of the Unit and the Well(s).
27. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
28. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
29. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator obtains an extension by amending this Order for good cause shown.
30. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
31. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
32. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
33. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
34. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the

Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

35. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
36. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
37. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
38. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
39. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
40. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
41. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

42. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
43. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
44. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ALBERT CHANG
DIRECTOR
AC/asf

Date: 9/2/2025

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Exhibit A

COM'PU'LSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	25479
Oatr	July 31, 2025
Applicant	Powderhorn Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	332857
Applicant's Counsel:	Ben Holliday, Holliday Energy Law Group
Case Title:	Case No. 25479, Application of Powderhorn Operating, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Fade Away Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	All
Pool Name and Pool Code:	Winchester; Bone Spring West (97569)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	940
Building Blocks:	40 acre (Quarter Quarter)
Orientation:	East to West
Description: IRS/County	Section 21, Township 19 South, Range 27 East, Eddy
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	No. Powder horn seeks approval for a 640 acre non-standard spacing unit comprised of entire Section 21, to be dedicated to four initial wells listed below.
Other Situations	
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	A-4
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or -non-standard)	Add wells as needed

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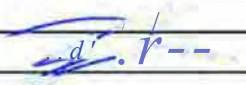
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Well#1	Fade Away Fed Com 301H SHL: 90' FEL & 1,380' FNL Sec. 21 (SE4 NE4) BHL: 100' FWL & 660' FNL Sec. 21 (NW4 NW4) Footage: 5,100.26' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Well#1	fade Away Fed Com 302H SHL: 90' FEL & 1,410' FNL Sec. 21 (SE4 NE4) BHL: 100' FWL & 1,980' FNL Sec. 21 (SW4 NW4) Footage: 5,122.91' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Well#3	Fade Away Fed Com 303H SHL: 120' FEL & 1,360' FSL of Sec. 21 (NE4 SE4) BHL: 100' FWL & 1,980' FSL of Sec. 21 (NW4 SW4) Footage: 5146.69' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Well #4	Fade Away Fed Com 304H SHL: 120' FEL & 1,390' FSL Sec. 21 (NE4 SE4) BHL: 100' FWL & 660' FSL Sec. 21 (SW4 SW4) Footage: 5,169.34' FTP to LTP Completion Target: Bone Spring Orientation: East to West Completion Status: Standard
Horizontal Well First and Last Take Points	A-3
Completion Target (Formation, TVD and MD)	Bone Spring, Exhibit B
AFE Capex. and Operating Costs	
Drilling Supervision/Month	\$10,000
Production Supervision/Month	\$1,000
Justification for Supervision Costs	A-2
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	C-1, C-3, C-4
Proof of Published Notice of Hearing (10 days before hearing)	C-5

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Land Ownership Schematic of the Spacing Unit	A-4
Tract List (including lease numbers and owners)	A-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	A-8
Pooled Parties (including ownership type)	A-5
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	A-6
List of Interest Owners (ie Exhibit A of JOA)	A-5
Chronology of Contact with Non-Joined Working Interests	A-7
Overhead Rates In Proposal Letter	\$10,000 Drilling/ \$1,000 Producing
Cost Estimate to Drill and Complete	\$5,800,000 (A-6)
Cost Estimate to Equip Well	A-6
Cost Estimate for Production Facilities	\$1,131,000 (A-6)
Geology	
Summary (including special considerations)	8-1
Spacing Unit Schematic	A-4
Gunbarrel/Lateral Trajectory Schematic	B-5
Well Orientation (with rationale)	B-1
Target Formation	Bone Spring
HSU Cross Section	B-4
Depth Severance Discussion	None
Forms, figures, and Tables	
C-102	A-3
Tracts	A-4
Summary of Interests, Unit Recapitulation (Tracts)	A-5
General Location Map (including basin)	B-2
Well Bore Location Map	A-3, A-5
Structure Contour Map-Subsea Depth	8-3
Cross Section Location Map (including wells)	B-2
Cross Section (including Landing Zone)	B-4
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Ben Holliday
Signed Name (Attorney or Party Representative):	
Date	7/31/25

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ORDER NO. R-23974

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EXHIBIT D

From: Tari, Jonathan D <Jonathan_Tari@oxy.com>
Sent: Wednesday, November 19, 2025 2:24 PM
To: Jack Yates
Cc: Travis Macha; Mason Maxwell; Evans, Kimberly M; Timmerman, AnnMarie
Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals
Attachments: Fade_Away_Fed_Com_Well_Proposals_and_AFEs_Oxy_USA_Signed.pdf;
Fade_Away_Fed_Com_Well_Proposals_and_AFEs_Oxy_Y1_Signed.pdf

Jack,

Per our conversation, please find OXY USA Inc and OXY Y-1's elections on the Fade Away Fed Com wells.

Please confirm receipt of Oxy's valid elections.

Thank you,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046 | Office: (713)366-5364

From: Travis Macha <TMacha@powderhornep.com>
Sent: Wednesday, October 22, 2025 1:07 PM
To: Tari, Jonathan D <Jonathan_Tari@oxy.com>; Mason Maxwell <mmaxwell@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>
Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Sounds good, our attorney is pretty adamant that the email notice kick started that time clock, but I don't personally care - few days doesn't hurt.

Hopefully we can get a deal signed up ahead of that regardless. Let us know if you need anything in the meantime

Thanks,

Travis Macha
Vice President of Land
512.200.5319



From: Tari, Jonathan D <Jonathan_Tari@oxy.com>
Sent: Wednesday, October 22, 2025 10:39 AM
To: Mason Maxwell <mmaxwell@powderhornep.com>; Travis Macha <TMacha@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>
Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

Mason/Travis,

OXY received the hard copies of Fade Away Fed Com well proposals in the mail today. We will use Friday, November 21, 2025 as the election due date.

Thank you,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046 | Office: (713)366-5364

From: Tari, Jonathan D <Jonathan_Tari@oxy.com>
Sent: Wednesday, October 15, 2025 2:47 PM
To: Mason Maxwell <mmaxwell@powderhornep.com>; Travis Macha <TMacha@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>
Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

Mason/Travis,

I was referring to a mutually agreed upon form that both Oxy and Powderhorn agree to. We get many well proposals, and we treat each one as the date the certified mail is received as being when the notice period begins.

I will keep a lookout with the tracking number provided to see when the physical copies are received at our offices to calculate when our election will be due.

Thanks,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046 | Office: (713)366-5364

From: Mason Maxwell <mmaxwell@powderhornep.com>

Sent: Wednesday, October 15, 2025 1:57 PM

To: Tari, Jonathan D <Jonathan_Tari@oxy.com>; Travis Macha <TMacha@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Hey Jonathan,

Wanted to chime in here, as Travis is out the rest of the day. The order constitutes an agreement between us. We're happy to give you guys a few extra days but wanted to clarify here.

Thanks,

Mason

From: Tari, Jonathan D <Jonathan_Tari@oxy.com>

Sent: Wednesday, October 15, 2025 1:34 PM

To: Travis Macha <TMacha@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Cc: Mason Maxwell <mmaxwell@powderhornep.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

Thanks for sending the tracking info along Travis, appreciate it!

Also, just want to note that absent an agreement between us confirming email as the notice, we will use the delivery of the physical files at Oxy's offices for the notice date. I will be on the lookout for these well proposals.

Thank you,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046 | Office: (713)366-5364

From: Travis Macha <TMacha@powderhornep.com>

Sent: Wednesday, October 15, 2025 8:39 AM

To: Tari, Jonathan D <Jonathan_Tari@oxy.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Cc: Mason Maxwell <mmaxwell@powderhornep.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Heads up, that tracking number is 9589 0710 5270 2936 4395 24

Thanks,

Travis Macha
Vice President of Land
512.200.5319

POWDERHORN
ENERGY PARTNERS

From: Travis Macha <TMacha@powderhornep.com>

Sent: Tuesday, October 14, 2025 9:23 AM

To: Tari, Jonathan D <Jonathan_Tari@oxy.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Cc: Mason Maxwell <mmaxwell@powderhornep.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

Our office assistant isn't in just yet, will grab from her once she is in. That said, feel free to use the 10th as the notice date

Thanks!

Travis Macha
Vice President of Land
512.200.5319

POWDERHORN
ENERGY PARTNERS

From: Tari, Jonathan D <Jonathan_Tari@oxy.com>

Sent: Tuesday, October 14, 2025 9:20 AM

To: Travis Macha <TMacha@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Cc: Mason Maxwell <mmaxwell@powderhornep.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

Hey Travis,

Just wanted to follow up and see if you would please send the certified mail tracking number for the Fade Away Fed Com well proposals?

Also, yes, just the first paragraph. Thank you for sending the correction!

Thanks,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046 | Office: (713)366-5364

From: Travis Macha <TMacha@powderhornep.com>

Sent: Friday, October 10, 2025 2:40 PM

To: Tari, Jonathan D <Jonathan_Tari@oxy.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Cc: Mason Maxwell <mmaxwell@powderhornep.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

For sure, will do

As for the proposals, I'm assuming you just mean the 1st paragraph, our bad. The footages are correct; these are just 1.5 mile so should be good unless I'm going cross eyed!

Thanks,

Travis Macha
Vice President of Land
512.200.5319

POWDERHORN
ENERGY PARTNERS

From: Tari, Jonathan D <Jonathan_Tari@oxy.com>

Sent: Friday, October 10, 2025 2:13 PM

To: Travis Macha <TMacha@powderhornep.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>

Cc: Mason Maxwell <mmaxwell@powderhornep.com>

Subject: Re: [EXTERNAL] Powderhorn / Oxy - Well Proposals

Travis,

Thank you for forwarding the digital copies along to us. Would you please provide the tracking information for these proposals?

Also, it appears that the Well Proposal Letter for the Pecos River Deep Fed Com wells has a few potential errors. Would you please confirm the letter? We just want to make sure we are inputting the right information in our systems when these arrive.

Thanks,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046 | Office: (713)366-5364

From: Travis Macha <TMacha@powderhornep.com>
Sent: Friday, October 10, 2025 10:32 AM
To: Tari, Jonathan D <Jonathan_Tari@oxy.com>; Evans, Kimberly M <Kimberly_Evans@oxy.com>
Cc: Mason Maxwell <mmaxwell@powderhornep.com>
Subject: [EXTERNAL] Powderhorn / Oxy - Well Proposals

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Hey Guys,

These will be coming via certified mail as well but wanted to relay so you have them handy. Not sure of the status of the deal conversation but obviously would love to get something done here.

Thanks,

Travis Macha
Vice President of Land
512.200.5319

POWDERHORN
ENERGY PARTNERS

POWDERHORN

ENERGY PARTNERS

October 10, 2025

Oxy Y-1 Company
Oxy USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046

Via Certified Mail

RE: Well Proposals under Order – Fade Away Fed Com
Section 21, T19S – R27E
Eddy County, New Mexico

To Whom it May Concern:

Powderhorn Operating, LLC (“Powderhorn”), as Operator for Powderhorn Assets LLC, hereby proposes under Order R-23974 the drilling and completion of the following four (4) wells, the Fade Away Fed Com Wells at the following approximate locations within Section 21, Township 19 South, Range 27 East, Eddy County, NM:

1. Fade Away Fed Com 301H

SHL: 90’ FEL & 1,380’ FNL or at a legal location in units A or H of section 21
BHL: 100’ FWL & 660’ FNL of Section 21
FTP: 100’ FEL & 660’ FNL of Section 21
LTP: 100’ FWL & 660’ FNL of Section 21
TVD: 7,760’
TMD: 13,360’
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

2. Fade Away Fed Com 302H

SHL: 90’ FEL & 1,410’ FNL or at a legal location in units A or H of section 21
BHL: 100’ FWL & 1,980’ FNL of Section 21
FTP: 100’ FEL & 1,980’ FNL of Section 21
LTP: 100’ FWL & 1,980’ FNL of Section 21
TVD: 7,760’
TMD: 13,360’
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

[Continued on Next Page]

3. Fade Away Fed Com 303H

SHL: 120' FEL & 1,360' FSL or at a legal location in units I or P of section 21

BHL: 100' FWL & 1,980' FSL of Section 21

FTP: 100' FEL & 1,980' FSL of Section 21

LTP: 100' FWL & 1,980' FSL of Section 21

TVD: 7,760'

TMD: 13,360'

Spacing: All of Section 21

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

4. Fade Away Fed Com 304H

SHL: 120' FEL & 1,390' FSL or at a legal location in units I or P of section 21

BHL: 100' FWL & 660' FSL of Section 21

FTP: 100' FEL & 660' FSL of Section 21

LTP: 100' FWL & 660' FSL of Section 21

TVD: 7,760'

TMD: 13,360'

Spacing: All of Section 21

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

Pursuant to the attached Order R-23974, you have 30 days from receipt of this proposal to make your election and 30 days to render payment for your portion of the estimated drilling costs. Oxy's working interest is 17.917875%, therefore Oxy's estimated total cost for the four (4) Fade Away Fed Com wells will be \$4,966,964.19

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 325.514.0211 or by email at mmaxwell@powderhornep.com

Respectfully,

Powderhorn Operating, LLC

Mayhew

Mason Maxwell
Landman

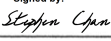
Enclosures

Well Elections: (Please indicate your responses in the spaces below)		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Fade Away Fed Com 301H	X	
Fade Away Fed Com 302H	X	
Fade Away Fed Com 303H	X	
Fade Away Fed Com 304H	X	

Oxy USA, Inc.

By:

Signed by:



A30869E7701D479...

Printed Name: Stephen Chan

Title: Team Lead

Date: 11/19/2025

Oxy Y-1 Company

By:

Printed Name:

Title:

Date:

POWDERHORN

ENERGY PARTNERS

WELL NAME

LATERAL LOCATION

SURFACE LOCATION

BOTTOM-HOLE LOCATION

Fade Away Fed Com 301H

N/2N/2 of Section 21, T19S-R27E

Unit H - Section 21

Unit D - Section 21

AFE TYPE

FIELD

FORMATION

COUNTY

Development

Northern Delaware

Third Bone Spring Sand

Eddy

AFE NUMBER

PROPERTY NUMBER

DRILLING DAYS

DEPTH (TVD/TMD)

STATE

1

8

7760'/13360'

NM

PROJECT DESCRIPTION

Drilling, Completion & Facilities costs for 1-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600					
WELL INTANGIBLE COSTS								
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER	\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD	\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING	\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$139,100.00			\$139,100.00
320	520			PERFORATING		\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES	\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS		\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION			\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.			\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL			\$2,190.00	\$2,190.00
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18

WELL TANGIBLE COSTS								
401			CASING - CONDUCTOR	\$32,100.00			\$32,100.00	
402			CASING - SURFACE	\$17,514.90			\$17,514.90	
403			CASING - SALT STRING				\$0.00	
404	604		CASING - INTERMEDIATE	\$76,879.50			\$76,879.50	
405	605		CASING - PRODUCTION / LINER	\$402,409.88			\$402,409.88	
406	606		SUBSURFACE EQUIPMENT				\$0.00	
	607		PRODUCTION TUBING		\$65,000.00		\$65,000.00	
	608		SUBSURFACE PUMPING EQUIPMENT				\$0.00	
409	609		WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24	
	610		FLOWLINES			\$32,000.00	\$32,000.00	
	611		SURFACE PUMPING EQUIPMENT				\$0.00	
412	612		LINER HANGER & ASSOC EQUIP				\$0.00	
	613		VALVES & FITTINGS			\$105,712.75	\$105,712.75	
	614		INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68	
	615		RODS				\$0.00	
417	617		TRUCKING				\$0.00	
420			RE-ENTRY EQUIPMENT				\$0.00	
	634		PRODUCTION EQUIPMENT			\$251,169.19	\$251,169.19	
447	647		MISCELLANEOUS			\$250,000.00	\$250,000.00	
448	648		OUTSIDE OPERATED				\$0.00	
	649		TANGIBLE EQUIP-ACQUISITIONS				\$0.00	
TOTAL TANGIBLE COSTS					\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14

	DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST	\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32

PREPARED BY: Brendan Tippen

DATE: 6/20/2025

OPERATOR APPROVAL:

DATE:

OPERATOR APPROVAL:

DATE:

PARTNER COMPANY NAME: Oxy USA Inc.

DATE: 11/19/2025

PARTNER APPROVAL:

Signed by: Stephen Cline

TITLE: Team Lead

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

POWDERHORN

ENERGY PARTNERS

WELL NAME

LATERAL LOCATION

SURFACE LOCATION

BOTTOM-HOLE LOCATION

Fade Away Fed Com 302H

S/2N/2 of Section 21, T19S-R27E

Unit H - Section 21

Unit E - Section 21

AFE TYPE

FIELD

FORMATION

COUNTY

Development

Northern Delaware

Third Bone Spring Sand

Eddy

AFE NUMBER

PROPERTY NUMBER

DRILLING DAYS

DEPTH (TVD/TMD)

1

8

7760'/13360'

STATE

NM

PROJECT DESCRIPTION

Drilling, Completion & Facilities costs for 1-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600					
WELL INTANGIBLE COSTS								
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302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER	\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD	\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING	\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$139,100.00			\$139,100.00
320	520			PERFORATING		\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES	\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS		\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION			\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.			\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL			\$2,190.00	\$2,190.00
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18
WELL TANGIBLE COSTS								
	401			CASING - CONDUCTOR	\$32,100.00			\$32,100.00
	402			CASING - SURFACE	\$17,514.90			\$17,514.90
	403			CASING - SALT STRING				\$0.00
	404	604		CASING - INTERMEDIATE	\$76,879.50			\$76,879.50
	405	605		CASING - PRODUCTION / LINER	\$402,409.88			\$402,409.88
	406	606		SUBSURFACE EQUIPMENT				\$0.00
		607		PRODUCTION TUBING		\$65,000.00		\$65,000.00
		608		SUBSURFACE PUMPING EQUIPMENT				\$0.00
	409	609		WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
		610		FLOWLINES			\$32,000.00	\$32,000.00
		611		SURFACE PUMPING EQUIPMENT				\$0.00
	412	612		LINER HANGER & ASSOC EQUIP				\$0.00
		613		VALVES & FITTINGS			\$105,712.75	\$105,712.75
		614		INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
		615		RODS				\$0.00
	417	617		TRUCKING				\$0.00
	420			RE-ENTRY EQUIPMENT				\$0.00
		634		PRODUCTION EQUIPMENT			\$251,169.19	\$251,169.19
	447	647		MISCELLANEOUS			\$250,000.00	\$250,000.00
	448	648		OUTSIDE OPERATED				\$0.00
		649		TANGIBLE EQUIP-ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14
TOTAL ESTIMATED WELL COST					\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32

PREPARED BY: Brendan Tippen

DATE: 6/20/2025

OPERATOR APPROVAL: _____

DATE: _____

OPERATOR APPROVAL: _____

DATE: _____

PARTNER COMPANY NAME: Oxy USA Inc.

DATE: 11/19/2025

PARTNER APPROVAL:

Signed by:

Stephen Chen

A33896C77810479

TITLE: Team Lead

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

POWDERHORN

ENERGY PARTNERS

WELL NAME

LATERAL LOCATION

SURFACE LOCATION

BOTTOM-HOLE LOCATION

Fade Away Fed Com 304H

S/2S/2 of Section 21, T19S-R27E

Unit I - Section 21

Unit M - Section 21

AFE TYPE

FIELD

FORMATION

COUNTY

Development

Northern Delaware

Third Bone Spring Sand

Eddy

AFE NUMBER

PROPERTY NUMBER

DRILLING DAYS

DEPTH (TVD/ITMD)

1

8

7760'/13360'

STATE

NM

PROJECT DESCRIPTION

Drilling, Completion & Facilities costs for 1-mile lateral

PREPARED BY: Brendan Tippen

DATE: 6/20/2025

OPERATOR APPROVAL:

DATE:

OPERATOR APPROVAL:

DATE:

PARTNER COMPANY NAME: Oxy USA Inc.

DATE: 11/19/2025

PARTNER APPROVAL:

Signed by:

Stephen Chen

A30805C77010470

TITLE: Team Lead

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Released to Imaging: 2/4/2026 11:40:34 AM

POWDERHORN

ENERGY PARTNERS

October 10, 2025

Oxy Y-1 Company
Oxy USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046

Via Certified Mail

RE: Well Proposals under Order – Fade Away Fed Com
Section 21, T19S – R27E
Eddy County, New Mexico

To Whom it May Concern:

Powderhorn Operating, LLC (“Powderhorn”), as Operator for Powderhorn Assets LLC, hereby proposes under Order R-23974 the drilling and completion of the following four (4) wells, the Fade Away Fed Com Wells at the following approximate locations within Section 21, Township 19 South, Range 27 East, Eddy County, NM:

1. Fade Away Fed Com 301H

SHL: 90’ FEL & 1,380’ FNL or at a legal location in units A or H of section 21
BHL: 100’ FWL & 660’ FNL of Section 21
FTP: 100’ FEL & 660’ FNL of Section 21
LTP: 100’ FWL & 660’ FNL of Section 21
TVD: 7,760’
TMD: 13,360’
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

2. Fade Away Fed Com 302H

SHL: 90’ FEL & 1,410’ FNL or at a legal location in units A or H of section 21
BHL: 100’ FWL & 1,980’ FNL of Section 21
FTP: 100’ FEL & 1,980’ FNL of Section 21
LTP: 100’ FWL & 1,980’ FNL of Section 21
TVD: 7,760’
TMD: 13,360’
Spacing: All of Section 21
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

[Continued on Next Page]

3. Fade Away Fed Com 303H

SHL: 120' FEL & 1,360' FSL or at a legal location in units I or P of section 21

BHL: 100' FWL & 1,980' FSL of Section 21

FTP: 100' FEL & 1,980' FSL of Section 21

LTP: 100' FWL & 1,980' FSL of Section 21

TVD: 7,760'

TMD: 13,360'

Spacing: All of Section 21

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

4. Fade Away Fed Com 304H

SHL: 120' FEL & 1,390' FSL or at a legal location in units I or P of section 21

BHL: 100' FWL & 660' FSL of Section 21

FTP: 100' FEL & 660' FSL of Section 21

LTP: 100' FWL & 660' FSL of Section 21

TVD: 7,760'

TMD: 13,360'

Spacing: All of Section 21

Targeted Interval: 3rd Bone Spring

Total Cost: See attached AFE

Pursuant to the attached Order R-23974, you have 30 days from receipt of this proposal to make your election and 30 days to render payment for your portion of the estimated drilling costs. Oxy's working interest is 17.917875%, therefore Oxy's estimated total cost for the four (4) Fade Away Fed Com wells will be \$4,966,964.19

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, and your geologic well requirements.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 325.514.0211 or by email at mmaxwell@powderhornep.com

Respectfully,

Powderhorn Operating, LLC

Mayhew

Mason Maxwell
Landman

Enclosures

Well Elections: (Please indicate your responses in the spaces below)		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Fade Away Fed Com 301H	X	
Fade Away Fed Com 302H	X	
Fade Away Fed Com 303H	X	
Fade Away Fed Com 304H	X	

Oxy USA, Inc.

By: _____

Printed Name: _____

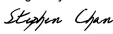
Title: _____

Date: _____

Oxy Y-1 Company

By:

Signed by:



A30869E7701D479...

Printed Name: Stephen Chan _____

Title: Team Lead _____

Date: 11/19/2025 _____

POWDERHORN

ENERGY PARTNERS

812A-82D900E2C590

POWDERHORN

AUTHORIZATION FOR EXPENDITURE

WELL NAME

LATERAL LOCATION

SURFACE LOCATION

BOTTOM-HOLE LOCATION

Fade Away Fed Com 301H

N/2N/2 of Section 21, T19S-R27E

Unit H - Section 21

Unit D - Section 21

AFE TYPE

FIELD

FORMATION

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Development

Northern Delaware

Third Bone Spring Sand

Eddy

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PROPERTY NUMBER

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7760'/13360'

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IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600					
WELL INTANGIBLE COSTS								
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER	\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD	\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING	\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$139,100.00			\$139,100.00
320	520			PERFORATING		\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES	\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS		\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION			\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.			\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL			\$2,190.00	\$2,190.00
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TOTAL WELL INTANGIBLE COSTS					\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18

WELL TANGIBLE COSTS								
401			CASING - CONDUCTOR	\$32,100.00			\$32,100.00	
402			CASING - SURFACE	\$17,514.90			\$17,514.90	
403			CASING - SALT STRING				\$0.00	
404	604		CASING - INTERMEDIATE	\$76,879.50			\$76,879.50	
405	605		CASING - PRODUCTION / LINER	\$402,409.88			\$402,409.88	
406	606		SUBSURFACE EQUIPMENT				\$0.00	
	607		PRODUCTION TUBING		\$65,000.00		\$65,000.00	
	608		SUBSURFACE PUMPING EQUIPMENT				\$0.00	
409	609		WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24	
	610		FLOWLINES			\$32,000.00	\$32,000.00	
	611		SURFACE PUMPING EQUIPMENT				\$0.00	
412	612		LINER HANGER & ASSOC EQUIP				\$0.00	
	613		VALVES & FITTINGS			\$105,712.75	\$105,712.75	
	614		INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68	
	615		RODS				\$0.00	
417	617		TRUCKING				\$0.00	
420			RE-ENTRY EQUIPMENT				\$0.00	
	634		PRODUCTION EQUIPMENT			\$251,169.19	\$251,169.19	
447	647		MISCELLANEOUS			\$250,000.00	\$250,000.00	
448	648		OUTSIDE OPERATED				\$0.00	
	649		TANGIBLE EQUIP-ACQUISITIONS				\$0.00	
TOTAL TANGIBLE COSTS					\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14

	DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST	\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32

PREPARED BY: Brendan Tippen

DATE: 6/20/2025

OPERATOR APPROVAL:

DATE:

OPERATOR APPROVAL:

DATE:

PARTNER COMPANY NAME: Oxy Y-1 Company

DATE: 11/19/2025

PARTNER APPROVAL:

Signed by:

Stephen Cline

A30806C77810479

TITLE: Team Lead

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POWDERHORN

ENERGY PARTNERS

WELL NAME

LATERAL LOCATION

SURFACE LOCATION

BOTTOM-HOLE LOCATION

Fade Away Fed Com 302H

S/2N/2 of Section 21, T19S-R27E

Unit H - Section 21

Unit E - Section 21

AFE TYPE

FIELD

FORMATION

COUNTY

Development

Northern Delaware

Third Bone Spring Sand

Eddy

AFE NUMBER

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DEPTH (TVD/TMD)

1

8

7760'/13360'

STATE

NM

PROJECT DESCRIPTION

Drilling, Completion & Facilities costs for 1-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	500	PREFIX 400	600					
WELL INTANGIBLE COSTS								
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
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	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
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PREPARED BY: Brendan Tippen

DATE: 6/20/2025

OPERATOR APPROVAL: _____

DATE: _____

OPERATOR APPROVAL: _____


DATE: _____

PARTNER COMPANY NAME: Oxy Y-1 Company

DATE: 11/19/2025

PARTNER APPROVAL:

Signed by:



A33886C77810479

TITLE: Team Lead

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Released to Imaging: 2/4/2026 11:40:34 AM

POWDERHORN

ENERGY PARTNERS

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LATERAL LOCATION

SURFACE LOCATION

BOTTOM-HOLE LOCATION

Fade Away Fed Com 304H

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WELL INTANGIBLE COSTS								
301	501			SURVEY/PERMITS/DAMAGES	\$26,750.00			\$26,750.00
302	502			LOCATION & ROAD	\$109,675.00	\$32,100.00		\$141,775.00
303				RIG MOVE	\$188,129.33			\$188,129.33
304				DRILLING - FOOTAGE				\$0.00
305	505			DRILLING - DAYWORK	\$280,340.00			\$280,340.00
	506			COMPLETION/WORKOVER RIG				\$0.00
	507			COIL TUBING/SNUBBING UNIT		\$267,500.00		\$267,500.00
	508			SLICKLINE/SWABBING				\$0.00
309	509			BITS	\$115,560.00			\$115,560.00
310	510			DIRECTIONAL SERVICES	\$243,425.00			\$243,425.00
311	511			CASING CREW	\$42,800.00			\$42,800.00
312	512			TOOL & EQUIPMENT RENTAL	\$43,870.00	\$321,000.00		\$364,870.00
313	513			FUEL & POWER	\$65,912.00	\$315,650.00		\$381,562.00
314				DIESEL - BASE FOR MUD	\$87,740.00			\$87,740.00
315	515			MUD LOGGING & GEOLOGIST	\$21,935.00			\$21,935.00
316	516			DISPOSAL, RESTORATION & BACKFILL	\$96,300.00	\$133,750.00		\$230,050.00
317	517			TRUCKING	\$21,400.00	\$53,500.00		\$74,900.00
	518			TESTING				\$0.00
319	519			CEMENTING	\$139,100.00			\$139,100.00
320	520			PERFORATING		\$267,500.00		\$267,500.00
	521			CASED HOLE LOGS				\$0.00
322	522			DOWNHOLE TOOLS & SERVICE	\$42,800.00	\$64,200.00		\$107,000.00
323	523			SCIENCE & DIAGNOSTICS				\$0.00
	524			FORMATION STIMULATION		\$525,236.25		\$525,236.25
326	526			CONSULTING SERVICES/SUPERVISION	\$163,531.67	\$96,300.00		\$259,831.67
327	527			CONTRACT LABOR / SERVICES	\$86,862.60	\$96,300.00	\$124,000.00	\$307,162.60
328	528			OTHER LABOR				\$0.00
329	529			OVERHEAD				\$0.00
330	530			WATER - FRESH	\$53,500.00	\$267,500.00		\$321,000.00
331	531			FLUIDS & CHEMICALS	\$153,545.00	\$187,250.00		\$340,795.00
332	532			CORING & ANALYSIS				\$0.00
333	533			COMMUNICATIONS	\$10,700.00	\$10,700.00		\$21,400.00
334	534			BOP TESTING	\$29,960.00	\$10,700.00		\$40,660.00
335	535			CO2/NITROGEN				\$0.00
336	536			FISHING TOOLS & SERVICES				\$0.00
337	537			INSPECTIONS	\$10,700.00			\$10,700.00
338				WIRELINE SERVICES				\$0.00
339	539			ENGINEERING & GEOLOGY - FIELD				\$0.00
340	540			ENGINEERING & GEOLOGY - OFFICE				\$0.00
341				MULTISHOT & GYRO				\$0.00
342				RE-ENTRY SERVICES				\$0.00
343	543			CAMPS & TRAILERS	\$21,935.00	\$42,800.00		\$64,735.00
344	544			SAFETY EQUIPMENT & H2S	\$5,350.00	\$5,350.00		\$10,700.00
345				CONTINGENCY				\$0.00
346	546			INSURANCE		\$2,140.00		\$2,140.00
347	547			MISCELLANEOUS	\$89,980.58			\$89,980.58
348	548			OUTSIDE OPERATED				\$0.00
349	549			SAND		\$140,437.50		\$140,437.50
350	550			SAND LOGISTICS		\$140,437.50		\$140,437.50
351	551			VACUUM TRUCK				\$0.00
352	552			WATER - BRINE				\$0.00
	560			FACILITY TRUCKING			\$12,312.50	\$12,312.50
	561			FACILITY VACUUM TRUCK				\$0.00
	562			FACILITY CONSULTING SER./SUPERVISION			\$19,741.25	\$19,741.25
	563			FACILITY CONTRACT LABOR / SER.			\$184,750.00	\$184,750.00
	564			FACILITY SURFACE RENTAL			\$2,190.00	\$2,190.00
				SIM-OPS				\$0.00
TOTAL WELL INTANGIBLE COSTS					\$2,151,801.18	\$2,980,351.25	\$342,993.75	\$5,475,146.18
WELL TANGIBLE COSTS								
		401		CASING - CONDUCTOR	\$32,100.00			\$32,100.00
		402		CASING - SURFACE	\$17,514.90			\$17,514.90
		403		CASING - SALT STRING				\$0.00
		404	604	CASING - INTERMEDIATE	\$76,879.50			\$76,879.50
		405	605	CASING - PRODUCTION / LINER	\$402,409.88			\$402,409.88
		406	606	SUBSURFACE EQUIPMENT				\$0.00
			607	PRODUCTION TUBING		\$65,000.00		\$65,000.00
			608	SUBSURFACE PUMPING EQUIPMENT				\$0.00
		409	609	WELLHEAD EQUIPMENT	\$72,794.24			\$72,794.24
			610	FLOWLINES			\$32,000.00	\$32,000.00
			611	SURFACE PUMPING EQUIPMENT				\$0.00
		412	612	LINER HANGER & ASSOC EQUIP				\$0.00
			613	VALVES & FITTINGS			\$105,712.75	\$105,712.75
			614	INSTURMENTATION & ELECTRICAL			\$149,453.68	\$149,453.68
			615	RODS				\$0.00
		417	617	TRUCKING				\$0.00
		420		RE-ENTRY EQUIPMENT				\$0.00
			634	PRODUCTION EQUIPMENT			\$251,169.19	\$251,169.19
		447	647	MISCELLANEOUS			\$250,000.00	\$250,000.00
		448	648	OUTSIDE OPERATED				\$0.00
		649		TANGIBLE EQUIP-ACQUISITIONS				\$0.00
TOTAL TANGIBLE COSTS					\$601,698.52	\$65,000.00	\$788,335.62	\$1,455,034.14
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
TOTAL ESTIMATED WELL COST					\$2,753,499.70	\$3,045,351.25	\$1,131,329.37	\$6,930,180.32

PREPARED BY: Brendan Tippen

DATE: 6/20/2025

OPERATOR APPROVAL:

DATE:

OPERATOR APPROVAL:

DATE:

PARTNER COMPANY NAME: Oxy Y-1 Company

DATE: 11/19/2025

PARTNER APPROVAL:

Signed by:

Stephen Chen

A30805C77010470

TITLE: Team Lead

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

EXHIBIT E

From: Jack Yates <jyates@powderhornep.com>
Sent: Friday, November 21, 2025 4:04 PM
To: Laning, James B <James_Laning@oxy.com>
Cc: Merrill, Brandon K <Brandon_Merrill@oxy.com>; Travis Macha <TMacha@powderhornep.com>
Subject: [EXTERNAL] RE: Fade Away Fed Com 301H-304H Well Elections- OXY

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

J.J.,

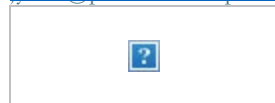
Thanks for sending this over. I'll have to look into the timing on when these were due. Given the contemplated transaction we have been discussing with Oxy, I haven't been tracking the due date for the elections.

We have also re-evaluated the broader deal since our last offer in early October and wanted to make sure you had our latest offer while decisions are being made. Please find it attached.

I will look into the elections and follow up now that Oxy would like to participate.

Thanks,

Jack Yates
Co-CEO
214-240-6863
jyates@powderhornep.com



From: Laning, James B <James_Laning@oxy.com>
Sent: Friday, November 21, 2025 8:41 AM
To: Jack Yates <jyates@powderhornep.com>; Travis Macha <TMacha@powderhornep.com>
Cc: Merrill, Brandon K <Brandon_Merrill@oxy.com>

Subject: Fade Away Fed Com 301H-304H Well Elections- OXY

Good Morning Jack and Travis,

Wanted to confirm Powderhorn received OXY's attached valid elections for the Fade Away Fed Com 301H-304H wells. Jonathan Tari had previously sent these in and he hadn't heard back on confirmation of receipt, so would appreciate if you could please confirm. Thanks and hope you have a great Thanksgiving!

J.J. Laning, CPL

Land Manager- New Mexico Delaware Basin

Occidental Oil & Gas Corporation | 5 Greenway Plaza, Suite 110 | Houston, TX 77046

713.552.8945 Direct | Rightfax 713.985.1228

james_laning@oxy.com

EXHIBIT F

From: Jack Yates <jyates@powderhornep.com>
Sent: Monday, November 24, 2025 8:16 AM
To: Tari, Jonathan D
Cc: Evans, Kimberly M; Timmerman, AnnMarie; [REDACTED]; Laning, James B; Merrill, Brandon K; Travis Macha
Subject: [EXTERNAL] RE: Fade Away Fed Com Wellbore ABOS - Oxy/MOC

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Jonathan,

After review, Oxy missed its election deadline for the Fade Away unit and its interest was previously deemed non-consent.

Thanks,

Jack Yates
Co-CEO
214-240-6863
jyates@powderhornep.com

POWDERHORN
ENERGY PARTNERS

From: Tari, Jonathan D <Jonathan_Tari@oxy.com>
Sent: Friday, November 21, 2025 6:50 PM
To: Travis Macha <TMacha@powderhornep.com>; Jack Yates <jyates@powderhornep.com>
Cc: Evans, Kimberly M <Kimberly_Evans@oxy.com>; Timmerman, AnnMarie <AnnMarie_Timmerman@oxy.com>; [REDACTED]
Subject: Fade Away Fed Com Wellbore ABOS - Oxy/[REDACTED]

Hey Jack and Travis,

OXY USA Inc and OXY Y-1 Company (Collectively, "Oxy") transacted with [REDACTED] on the Fade Away Fed Com #301H, 302H, 303H, and 304H wells.

Oxy is assigning 100% of its working interest, limited to the wellbores and Assigned Formation as defined in the attached fully executed wellbore assignment.

[REDACTED] will have an eNRI of [REDACTED] in the Fade Away Fed Com wells stated above and Oxy will be reserving any additional ORRI in the wells, as noted in the ABOS.

[REDACTED] (copied) from [REDACTED] will follow up with a recorded wellbore assignment in the near term.

Thank you,

Jonathan Tari

Land Negotiator, Sr.

New Mexico Delaware Basin

Occidental Oil & Gas Corporation

5 Greenway Plaza, Suite 110

Houston, TX 77046

Direct: (713) 366-5364

Email: Jonathan_Tari@oxy.com