

OXY USA WTP Limited Partnership / OXY USA INC / OCCIDENTAL PERMIAN LTD A subsidiary of Occidental Petroleum Corporation 5 Greenway Plaza, Suite 110, Houston, Texas 77046 P.O. Box 4294, Houston, Texas 77210-4294 Direct: 713.497.2203 Eric_Fortier@oxy.com

November 26, 2024

Re: Application for Amendment to Pool and Lease Commingle Permit and Off-lease Measurement, Sales, & Storage for Wells at the Corral Fly 02-01 Train #2 at Corral Fly 35-26 Battery.

Dear Interest Owner:

This is to advise you that OXY USA INC is filing an application with the NMOCD to amend PLC 514B for oil production at the Corral Fly 02-01 Train #2 at Corral Fly 35-26 Battery. A copy of the application is attached. This request is for existing and future wells in the Lease / Communitization Agreements and Pools in the attached application.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 Days from the date of this letter.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the order for future additions.

For questions regarding this application, please contact Eric Fortier at (713) 497-2203.

Respectfully,

Fin

OXY USA INC Eric Fortier Regulatory Engineer Eric Fortier@oxy.com

District I	
1625 N. French Drive, Hobbs, NM 88240	F
District II	1
811 S. First St., Artesia, NM 88210	
District III	
1000 Rio Brazos Road, Aztec, NM 87410	
District IV	
1220 S. St Francis Dr, Santa Fe, NM	
87505	

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION 1220 S. St Francis Drive Santa Fe, New Mexico 87505 Form C-107-B Revised August 1, 2011

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

A INC.				
4294, HOUSTON, TX	К, 77210			
g Pool and Lease Cor	nmingling Off-Lease	Storage and Measur	ement (Only if not Surfac	e Commingled)
				ingling
Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
]			
	magad assumingling?			
			ORDERS	
of production? Yes	⊠No If "yes", descri	be why commingli	ng should be approved	
(B) LEA9	SE COMMINGLIN	<u> </u>		
	losed comminging?		0	
		<u>a na</u>		
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Please attach sheet O OFF-LEASE ST	s with the following in ORAGE and MEA ets with the following i	offormation		
	ag ⊠Pool and Lease Cor State ☐ Fede ? ⊠Yes ☐No If (BLM) and State Land (A) POO Please attach sheet Gravities / BTU of Non-Commingled Production bles? ☐Yes ⊠No y certified mail of the pro ⊠ Other (Specify) WEL of production? ☐Yes (B) LEAS Please attach sheet supply? ☐Yes ☐N	4294, HOUSTON, TX, 77210 ng ☑Pool and Lease Commingling □Off-Lease State □ Federal ? ☑Yes □No If "Yes", please include t (BLM) and State Land office (SLO) been not (A) POOL COMMINGLING Please attach sheets with the following in Gravities / BTU of Calculated Gravities / Non-Commingled Production Production Calculated Gravities / BTU of Commingled Production bles? □Yes ⊠No y certified mail of the proposed commingling? ☑ Ø Other (Specify) WELL TESTS PER APPROVE of production? □Yes ☑No (B) LEASE COMMINGLIN Please attach sheets with the following in supply? □Yes □No y certified mail of the proposed commingling?	4294, HOUSTON, TX, 77210 ng ⊠Pool and Lease Commingling □Off-Lease Storage and Measur State □ Federal ? ⊠Yes □No If "Yes", please include the appropriate O (BLM) and State Land office (SLO) been notified in writing of (A) POOL COMMINGLING Please attach sheets with the following information Gravities / BTU of Non-Commingled Production BTU of Commingled Production Btu of Commingled Production bles? □Yes ⊠No y certified mail of the proposed commingling? QYes ⊠No If "yes", describe why commingling (B) LEASE COMMINGLING Please attach sheets with the following information	4294, HOUSTON, TX, 77210 ag ☑Pool and Lease Commingling □Off-Lease Storage and Measurement (Only if not Surface State □ Federal ? ☑Yes □No If "Yes", please include the appropriate Order NoPLC 514B (BLM) and State Land office (SLO) been notified in writing of the proposed comm (A) POOL COMMINGLING Please attach sheets with the following information Calculated Value of Gravities / BTU of Calculated Gravities / Calculated Value of Non-Commingled BTU of Commingled Production Production Production Production bles? □Yes No y certified mail of the proposed commingling? ☑Yes □No. ☑ Other (Specify) WELL TESTS PER APPROVED COMMINGLE ORDERS of production? Ø Other (Specify) WELL TESTS PER APPROVED COMMINGLE ORDERS of production? [Yes (B) LEASE COMMINGLING Please attach sheets with the following information supply? □Yes □No

(E) ADDITIONAL IN	FORMATION (for all application types)
Please attach s	heets with the following information
(1) A schematic diagram of facility, including legal location.	
(2) A plat with lease boundaries showing all well and facility l	ocations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers	З.
I hereby certify that the information above is true and complete to	o the best of my knowledge and belief.
SIGNATURE:	TITLE: REGULATORY ENGINEER DATE:11/19/2024
TYPE OR PRINT NAME_ERIC FORTIER	TELEPHONE NO.:713-497-2203
E-MAIL ADDRESS: ERIC FORTIER@OXY.COM	

RECEIVED:	REVIEWER:	TYPE:	APP NO:	
		ABOVE THIS TABLE FOR OCD I	DIVISION USE ONLY	
	- Geologi	CO OIL CONSERV cal & Engineering rancis Drive, Sant	ATION DIVISI g Bureau –	•
		RATIVE APPLICAT		
THIS	CHECKLIST IS MANDATORY FOR A REGULATIONS WHICH RI	EQUIRE PROCESSING AT THE		
Applicant: <u>OXY US</u>				GRID Number: 16696
Pro presidente una meromatica apparativada e	AL FLY 1 STATE #71H & MULT			PI: 30-015-55406 & MULTIPLE
ool: PIERCE CROSS	ING; BONE SPRING, EAST & MI	ULTIPLE	P	ool Code: 96473 & MULTIPLE
A. Location	ICATION: Check those n – Spacing Unit – Simul NSL □ NSP@		N] Din	□sd
[] Com [[] Inje	one only for [1] or [1] mingling – Storage – M DHC CTB P ction – Disposal – Press WFX PMX S	Aeasurement PLC PC C ure Increase – Enh	DLS OLM	AMENDMENT TO PLC 514B covery FOR OCD ONLY
A. Offse B. Roya C. Appli D. Notifi E. Notifi F. Surfa G. For a	N REQUIRED TO: Check t operators or lease ho lty, overriding royalty o cation requires publish cation and/or concurr cation and/or concurr ce owner Il of the above, proof c ptice required	lders wners, revenue ov ed notice ent approval by SL ent approval by Bl	vners _O _M	Notice Complete Application Content Complete
•	N: I hereby certify that			

administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

ERIC FORTIER

Print or Type Name

-

11/19/2024 Date

713-497-2203

Phone Number

Eric_Fortier@oxy.com e-mail Address

Signature

Released to Imaging: 2/6/2025 9:56:13 AM

APPLICATION FOR POOL & LEASE COMMINGLE, OFF-LEASE MEASUREMENT, SALES AND STORAGE Commingling proposal for Oil Production at Corral Fly 02-01 Train #2 at Corral Fly 35-26 Battery

OXY USA INC requests approval for an amendment to PLC 514B for oil production at the Corral Fly 35-26 Battery Train #2 (B-02-T25S-R29E). The wells feeding the train are listed below. This commingle request also includes *future wells within the same pools and leases/PAs/CAs of the wells listed below.*

New Wells to Added:

WELL NAME	ΑΡΙ	SURFACE LOCATION	DATE ONLINE	OIL (BPD)	GRAVITY (API)	GAS (MSCFD)	BTU/CF	WAT (BPD)
POOL: PIERCE CROSSING; BONE S	PRING, EAST (96473) - STATE LEA	SES V03361	1, VA29752	, VA29741			
CORRAL FLY 1-2 STATE COM 73H	30-015-55410	N-1-25S-29E	2/15/2024	866	45.7	2690	1305	1,120
CORRAL FLY 1 STATE COM 72H	30-015-55409	N-1-25S-29E	2/15/2024	866	45.7	2690	1305	1,120
CORRAL FLY 1 STATE COM 71H	30-015-55406	N-1-25S-29E	2/15/2024	866	45.7	2690	1305	1,120
CORRAL FLY 2 STATE 71H	30-015-55407	N-2-25S-29E	2/15/2024	866	45.7	2690	1305	1,120
CORRAL FLY 2 STATE 72H	30-015-55408	N-2-25S-29E	2/15/2024	866	45.7	2690	1305	1,120

Existing Wells:

WELL NAME	ΑΡΙ	SURFACE LOCATION	DATE ONLINE	OIL (BPD)	GRAVITY (API)	GAS (MSCFD)	BTU/CF	WAT (BPD)				
POOL: PIERCE CROSSING; BONE S	PRING, EAST (96473) - STATE LEA	SES V0336 1	1, VA29752	, VA29741							
Corral Fly 2-1 State# 21H	30-015-44507	D-02-25S-29E	May-2018	96	44.1	268	1310	212				
Corral Fly 2-1 State# 22H	30-015-44508	D-02-25S-29E	May-2018	105	44.1	413	1310	289				
Corral Fly 2-1 State# 23H	30-015-44509	D-02-25S-29E	May-2018	108	44.1	381	1310	327				
Corral Fly 2-1 State# 24H	30-015-44510	M-02-25S-29E	Apr-2018	91	44.1	243	1310	172				
Corral Fly 2-1 State# 25H	30-015-44512	M-02-25S-29E	May-2018	108	44.1	327	1310	346				
Corral Fly 2-1 State# 26H	30-015-44513	M-02-25S-29E	Apr-2018	82	44.1	241	1310	140				
POOL: PURPLE SAGE; WOLFCAM	POOL: PURPLE SAGE; WOLFCAMP GAS (98220) - STATE LEASES V033611, VA29752, VA29741											
Corral Fly 2-1 State# 31H	30-015-44585	D-02-25S-29E	Nov-2018	141	45.9	385	1334	515				
Corral Fly 2-1 State# 32H	30-015-44586	D-02-25S-29E	Nov-2018	112	45.9	279	1334	396				
Corral Fly 2-1 State# 33H	30-015-44587	D-02-25S-29E	Nov-2018	125	45.9	331	1334	476				
Corral Fly 2-1 State# 34H	30-015-44588	M-02-25S-29E	Oct-2018	110	45.9	322	1334	482				
Corral Fly 2-1 State# 35H	30-015-44589	M-02-25S-29E	Oct-2018	113	45.9	175	1334	428				
Corral Fly 2-1 State# 36H	30-015-44590	M-02-25S-29E	Oct-2018	113	45.9	146	1334	424				
POOL: CORRAL CANYON; DELAW	ARE, NORTHW	EST (96464) - STAT	TE LEASE VA	29752								
Challenger 1 State #02H	30-015-37296	3-01-25S-29E	May-2010	36	39.7	75	1275	101				
POOL:	PIERCE CROSS	NG; BONE SPRING	G, EAST (964	173) - STATE	LEASES VO	33611						
Corral Fly 2-1 State# 34H	30-015-44588	16696	ST Apr-202	143	44.1	699	1310	562				

Process Description:

Production will flow through a 10' X 40' three-phase production separator. Oil then flows to an 8' X 20' heater-treater, then to an oil vapor recovery tower. It then flows to three oil tanks before being sent through two LACT meters for sale. Oil production will be allocated to each well based on monthly well test data.

For testing purposes, the train is equipped with three three-phase test separators (6' x 20'). The test separators are equipped with turbine meters for oil and water measurement, and an orifice meter for gas measurement.

All wells will be tested daily prior to Range 1 of decline and will be tested at least three times per month during Range 1 of decline. When Range 2 decline is started, the wells will be tested at least twice per month. Wells will be tested at least once per month when Range 3 of decline is started.

Gas production flows through the 10' X 40' three-phase production separator, where it is measured through an OXY sales-quality check meter, then flows to sales. Gas production will be allocated back to each well based on well test. The gas production from the Corral Fly 2-1 Train is included in PLC 784.

Water production is sent from the three-phase separators to water tanks at the central battery, then trucked or pumped to disposal.

Additional Application Components:

The flow of production is shown in detail on the enclosed facility diagrams. Also enclosed is a map detailing the lease boundaries, well and battery locations.

The oil meters will be calibrated on a regular basis per API and NMOCD specifications.

Pursuant to Statewide rule 19.15.12.10(C)(4)(g) OXY USA INC requests the option to include additional pools or leases within the defined parameters set forth in the Order for future additions.

Commingling will not reduce the individual wells' production value or otherwise adversely affect the interest owners. It is the most effective means of producing the reserves.

The surface commingle application will be submitted separately for approval per NMOCD and SLO regulations. OXY USA INC understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.



			NIMININ U65408	65408		
Release	RRAL FL	26	25 NMNM 059388	20386	30	Receive
a s source of the second seco	CTB NIN MEXICO Project: NAD27 Sale: 1:14,000 Table : 1:14,000 Regeneration of the second	NMNM 086128 35 NMNM 086128 NMNM 086139	24S 29E 24S 29E Va29562 Va29562	1001/0/	AT206000 JIMILC 0069627A	ed by OCD: 11/26/2024 1:32:52 PM
4	NMMM 015302 3		III =		vo67112 6 vo66992	592
0	CORRAL FLY 2-1 STATE #31H, 32H, 33H STATE CA PUN 1373197 - WOLFCAMP CORRAL FLY 2-1 STATE #34H, 35H, 36H STATE CA PUN 1369325 - BONESPRING CORRAL FLY 2-1 STATE #21H, 22H CORRAL FLY 2-1 STATE #21H, 22H STATE CA PUN 1369366 - BONESPRING CORRAL FLY 2-1 STATE #24H, 25H CORRAL FLY 2-1 STATE #24H, 25H CORRAL FLY 2-1 STATE #24H, 25H CORRAL FLY 2-1 STATE #26H	совяа гу	vc6011	1022	25S 30E VON CONSTRUCTION VON CONTRACTOR VON CONTRAC	999
VB10653 16	NININA 014778 7/5 5.0008ww. Administration Magaineria	10 14	NMNM 015303	13	 - Wells Switchback Wells: CORRAL FLY 1 STATE COM 71H 6 CORRAL FLY 1 STATE COM 72H 6 CORRAL FLY 1_2 STATE COM 73% CORRAL FLY 2 STATE 71H 999 99 CORRAL FLY 2 STATE 72H 999 99 	Page ₹ of 66



<u>C-10</u>	*	1/26/2024[1		nergy, Mi		w Mexico al Resources Depart ΓΙΟΝ DIVISION	ment		Revis	<i>PPgge9</i> sed July 9, 2024	
	D Permitting			OIL	CONSERVIT				🗹 Initial Submit	tal	
							Submittal Type:	Amended Report			
								51	As Drilled		
			•		WELL LOCAT	FION INFORMATION		•			
API Ni 30-015	umber 5- <u>55406</u>	5	Pool Code 96473			Pool Name PIERCE	E CROSS	SING; E		NG, EAS	
Proper 336	ty Code 5244		Property N	lame	CORRAL F	FLY 1 STATE COM	Well Number 71	Н			
OGRII	D No. 16696		Operator N	Jame	OX	Y USA INC.			Ground Level El 310		
Surface	e Owner: 🗹	State □Fee □] Tribal 🗖 Fe	deral		Mineral Owner: 🖬	State □ Fee	🗆 Tribal 🗖	Federal		
					Surf	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
Ν	1	258	29E		363 SOUTH	1687 WEST	32.1529	972°	-103.941158°	EDDY	
		1			Bottom	Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
Р	1	258	29E		20 SOUTH	570 EAST	32.1520	· · · ·	-103.931279°	EDDY	
Dedica	ated Acres	Infill or Defi	ining Well	Definin	g Well API	Overlapping Spacir	og Unit (V/N)	Consolida	tion Code		
	19.84	Defining	-	Demini	g well Al I	Y	ig Offit (1/N)	Consolida	non code		
Order l	Numbers.		9			I Well setbacks are under Common Ownership: □Yes □No					
	runioers.					wen setbacks are u		ownersnip.			
					Kick C	off Point (KOP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)		
D	12	258	29E		300 NORTH	1270 WEST	32.1511	142°	-103.942503°	EDDY	
					First Ta	ake Point (FTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
М	1	258	29E		100 SOUTH	1270 WEST	32.1522	241°	-103.942506°	EDDY	
	-1	1	1		Last Ta	ake Point (LTP)	I	I			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
Р	1	258	29E		100 SOUTH	570 EAST	32.1523	305°	-103.931279°	EDDY	
Unitize	ed Area or Ar	rea of Uniform	Interest	Spacing	; Unit Type 🖬 Horiz	zontal 🗖 Vertical	Grou	nd Floor Ele	vation:		
OPER/	ATOR CERT	TIFICATIONS				SURVEYOR CERTIF	ICATIONS				
I hereby	certify that th	e information con	tained herein is	true and con	nplete to the best of	I hereby certify that the w	ell location show	on this plat y	vas plotted from the fiel	d notes of actual	
		ief , and, if the we ons a working inte				surveys made by me or un my belief.	der my supervisio	on, and shat the	e same is true and corr	ect to the best of	
includin	ng the proposed	l bottom hole loca	tion or has a ri	ght to drill th		nių centų.	Q X	N MEX	1 m		
interest,	or to a volunt	ary pooling agree			ng order heretofore		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~				
	by the division						12/1	23782			
					1 has received the used mineral interest		Van	<u> </u>	MA I		
in each	tract (in the tak		ation) in which a	any part of th	e well's completed		The second	/-31-24	F		
		or obtainea a co . Reev			i ine uivision.		0.1	ONAL S	~		
		. I ceev	B/22/20	24		Signature and Sector D					
Signatu			Date			Signature and Seal of Profe	essional Surveyor				
	IE REEVE	S				23782	December	19, 2023			
	Nieme					Certificate Number	Date of Surve	ev			
Printed	Iname							5			
Printed		VES@OXY	.COM					5			

Received by OCD: 11/26/2024 1032052PPM

Property Name	Well Number	Drawn By	Revised By	
CORRAL FLY 1 STATE COM	71H	L.T.T. 07-31-24		

Page 1006/166



<u>C-10</u> Submit	1 <u>2</u> : Electronical	lv	Er			w Mexico al Resources Depar ΓΙΟΝ DIVISION	Revised July 9, 2024				
	D Permitting	,						Submittal	☑ Initial Submit	al Submittal	
								Type:	Amended Rep	oort	
							As Drilled				
					WELL LOCAT	TION INFORMATION	1	-	·		
	5- <u>55409</u>)	Pool Code 96473			Pool Name PIERC	E CROSS	SING; B	ONE SPRI	NG, EAS	
362			Property N	lame	CORRAL F	LY 1 STATE COM	Well Number 72	Н			
OGRIE	O No. 16696		Operator N	Jame	OXY	Ground Level Elevation 3102.9'					
Surface		State □Fee □] Tribal 🗖 Fe	deral		Mineral Owner:	State 🗆 Fee	🗆 Tribal 🗖			
					Surf	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
Ν	1	258	29E		363 SOUTH	1717 WEST	32.1529	973°	-103.941061°	EDDY	
					Bottom	Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
0	1	258	29E		20 SOUTH	1570 EAST	32.1520	067°	-103.934510°	EDDY	
Dedica	ted Acres	Infill or Defi	ining Well	Definir	ıg Well API	Overlapping Spaci	ng Unit (Y/N)	Consolidat	ion Code		
3	19.92	Defining	-		-	Y	,				
Order 1	Numbers.	· · · ·	,			Well setbacks are under Common Ownership: □Yes □No					
					Kick O	ff Point (KOP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
С	12	258	29E		300 NORTH	2210 WEST	32.151		-103.939466°	EDDY	
					First Ta	ake Point (FTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
Ν	1	258	29E		100 SOUTH	2210 WEST	32.1522	259°	-103.939469°	EDDY	
					Last Ta	ke Point (LTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)		
0	1	25S	29E		100 SOUTH	1570 EAST	32.1522	287°	-103.934510°	EDDY	
Unitize	ed Area or Ai	rea of Uniform	Interest	Spacing	g Unit Type 🖬 Horiz	rontal 🗖 Vertical	Grou	nd Floor Elev	vation		
				Spacing					, ution.		
OPER/	ATOR CERT	TIFICATIONS				SURVEYOR CERTI	FICATIONS				
my know organize includin location interest, entered	vledge and bela ation either ow g the proposed pursuant to a or to a volunta by the division	ief, and, if the we ms a working inte l bottom hole loca contract with an a ary pooling agree	ll is a vertical o rest or unleased ttion or has a ri owner of a work ment or a comp	r directional l mineral inte ght to drill th cing interest ulsory poolis	erest in the land his well at this or unleased mineral ng order heretofore	I hereby certify that the v surveys made by me or u my belief.	vell location show inder my supervision	MEX 23/82	as plotted from the fie.	ld notes of actua. ect to the best of	
consent in each t interval	of at least one tract (in the tai	lessee or owner o rget pool or forma l or obtained a co	of a working intention) in which	erest or unlea any part of th ng order fror	n has received the ased mineral interest he well's completed n the division.		rank Trss/	0NAL S	144 144 155		
Signatur	·e		Date			Signature and Seal of Pro-	fessional Surveyor				
LESL	IE REEVE	S				23782	December	19, 2023			
Printed 1	Name					Certificate Number	Date of Surv	ey			
	IE REEV	VES@OXY	.COM								
LEOL											

Received by OCD: 11/26/2024 1332252PPM

Property Name	Well Number	Drawn By	Revised By
CORRAL FLY 1 STATE COM	72H	L.T.T. 07-31-24	

Page 1206f166



Released to Imaging: 2/6/2025-9:56:13-4Mf

<u>C-10</u> Submit) <u>2</u> : Electronical	lv	Er			w Mexico al Resources Depar FION DIVISION	Revised July 9, 202				
	D Permitting	'7						Initial Submittal		tal	
							Submittal Type:	Amended Rep	oort		
						51	As Drilled				
					WELL LOCAT	TION INFORMATION	Ň		•		
API Ni 80-015	umber 5- 55410		Pool Code 96473			Pool Name PIERC	E CROSS	SING; B	ONE SPRI	NG, EAS	
	ty Code 6246		Property N		CORRAL FL	LY 1_2 STATE COM Well Number 73H					
OGRII	D No. 16696		Operator N	Jame	OXY	Y USA INC. Ground Level Elevation 3101.6'					
Surface	e Owner: 🗹	State □Fee □] Tribal 🗖 Fe	deral		Mineral Owner:	Z State □ Fee	🗆 Tribal 🗖			
					Surfa	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) Lo	ongitude (NAD 83)	County	
Ν	1	258	29E		363 SOUTH	1657 WEST	32.1529	-	-103.941255°	EDDY	
					Bottom	Hole Location		I			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83) L	ongitude (NAD 83)	County	
Ν	2	258	29E		20 SOUTH	2310 WEST	32.1520		-103.956278°	EDDY	
Dedicated Acres Infill or Defining Well Defining Well API						Overlapping Spaci	ng Unit (Y/N)	Consolidation Code			
	99.33	Defining	g			Y					
Order 1	Numbers.					Well setbacks are u	inder Common	Ownership: [∃Yes □No		
					Kick O	ff Point (KOP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)	-	
D	12	258	29E		300 NORTH	330 WEST	32.1511	.23°	-103.945539°	EDDY	
	-			-	First Ta	ake Point (FTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	-	ongitude (NAD 83)	-	
М	1	258	29E		100 SOUTH	330 WEST	32.1522	223°	-103.945543°	EDDY	
	1	1	-1	-	Last Ta	ke Point (LTP)				-	
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)		
N	2	258	29E		100 SOUTH	2310 WEST	32.1522	235°	-103.956277°	EDDY	
Unitize	ed Area or Ar	rea of Uniform	Interest	Spacing	g Unit Type 🖬 Horiz	contal 🗖 Vertical	Groui	nd Floor Elev	vation:		
OPER.	ATOR CERT	TFICATIONS				SURVEYOR CERTI	FICATIONS				
my know organize includin location interest, entered	vledge and bel ation either ow g the proposed pursuant to a or to a volunt by the division	ief, and, if the we ns a working inte l bottom hole loca contract with an ary pooling agree	ell is a vertical o crest or unleased ution or has a ri, owner of a work ement or a comp	r directional l mineral inte ght to drill th cing interest o ulsory poolin	erest in the land tis well at this or unleased mineral ng order heretofore	I hereby certify that the v surveys made by me or u my belief.	vell location show nder my supervisio	m, Baddlar phone M MEX 10 23782	yas plotted from the fie Some is true and corr	ld notes of actual ect to the best of	
consent in each interval	of at least one tract (in the tak will be located	lessee or owner a	of a working inte ation) in which a	erest or unlea any part of th ng order from	n has received the ased mineral interest he well's completed n the division.		Tr'ss,	8-13-24 ONAL S	N S S S S S S S S S S S S S S S S S S S		
Signatur	re		Date			Signature and Seal of Pro-	fessional Surveyor				
LESL	IE REEVE	S				23782	December	19, 2023			
Printed 1		/ES@OXY	COM			Certificate Number	Date of Surve	ey			
I FSI											

Received by OCD: 11/26/2024/1232052PPM

Received by OCD: 11/26/2024/1:32052PPM Pa						
Property Name	Well Number	Drawn By	Revised By			
CORRAL FLY 1_2 STATE COM	73H	L.T.T. 07-31-24	REV. 1 D.M.C. 08-13-24 (WELL NAME CHANGE)			



C-102 State of New Energy, Minerals & Natura Submit Electronically OIL CONSERVAT Via OCD Permitting OIL CONSERVAT						al Resources Depar	tment		Revi	Page 15 sed July 9, 2024
								Initial Submit	ital	
								Submitta Type:	Amended Rej	port
									As Drilled	
					WELL LOCAT	FION INFORMATION	[1		
API Nu	umber		Pool Code			Pool Name DICDO				
	5- 5540	7	96473			Pool Name PIERC	= CROS	SING; E	BONE SPRI	NG, EAST
Propert	ty Code 6245		Property N	lame	CODDA				Well Number	TT
OGRIE			Operator N	Jamo	CORKA	L FLY 2 STATE			71 Ground Level El	
UUKIL	16696		Operator	Name	OX	Y USA INC.			303	
Surface	e Owner: 🗹	State □Fee □] Tribal 🗖 Fe	deral		Mineral Owner:	State 🗆 Fee	🗆 Tribal 🗆	Federal	
					Surf	ace Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	JAD 83) I	Longitude (NAD 83)	County
Ν	2	258	29E		1309 SOUTH	1331 WEST	32.155		-103.959428°	EDDY
	1	_	1		Bottom	Hole Location		I_		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	JAD 83) I	Longitude (NAD 83)	County
0	2	258	29E		20 SOUTH	1980 EAST	32.152		-103.953005°	EDDY
Dedica	ited Acres	Infill or Defi	ining Well	Definir	ng Well API	Overlapping Space	ng Unit (Y/N)	Consolida	tion Code	
3	59.16	Defining	J			Y				
Order 1	Numbers.					Well setbacks are under Common Ownership: □Yes □No				
					Kick C	Off Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	NAD 83)	Longitude (NAD 83)	County
M	2	25S	29E		50 SOUTH	330 WEST	32.152		-103.962674°	EDDY
					Einst Tr	ake Point (FTP)				
UL	Section	Township	Range	Lot	Filst Ta	Ft. from E/W	Latitude (N		Longitude (NAD 83)	County
M	2	25S	29E	200	100 SOUTH		32.152		-103.962674°	EDDY
					Last Ta	ake Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	JAD 83)	Longitude (NAD 83)	County
0	2	25S	29E	Lot	100 SOUTH	1980 EAST	32.152		-103.953005°	EDDY
	_								100000000	22.2.1
Unitize	ed Area or A	rea of Uniform	Interest	Spacing	g Unit Type 🖬 Horiz	zontal 🗆 Vertical	Grou	und Floor Ele	evation:	
e intile				Sparing	g enne rype 🛃 menn					
OPER	ATOR CERT	TIFICATIONS				SURVEYOR CERTI	TICATIONS			
OILIC	TORCER	In territory								
		e information con ief , and, if the we			mplete to the best of	I hereby certify that the v surveys made by me or u	ell location show	n on this plat	was plotted from the fie	ld notes of actual
organiza	ation either ow	ns a working inte	erest or unleased	l mineral int	erest in the land	my belief.	ider mysupervisi	N MEX	te same is it de und corr	ect to the best of
includin location	g the proposed pursuant to a	l bottom hole loca contract with an o	tion or has a rig owner of a work	ght to drill ti ting interest	his well at this or unleased mineral		× ×		6	
location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore					23782 Nol					
	by the division						Vanl	Du	Chiller .	
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest					07-29-24					
in each i	tract (in the ta	rget pool or forma	ation) in which a	any part of t	he well's completed		1.08		UP	
	~	l or obtained a co. Reeve			m ine aivision.			ONAL		
120		Neevel		.+		Cimplum of C. 1. 07	hanian 1 Cr			
	Signature Date					Signature and Seal of Prot	essional Surveyor			
Signatur						0.000				
Signatur LESLI						23782	December			
Signatur						Certificate Number	December Date of Surv			

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



C-102 State of Ne Submit Electronically Energy, Minerals & Natur Via OCD Permitting OIL CONSERVATION						al Resources Depart	ment		Revised July 9, 2024		
					CONSERVIT				☑ Initial Submittal		
							Submitta	Amended Rep	port		
								As Drilled			
WELLLOC						TION INFORMATION		1			
API Nı	umber		Pool Code			Pool Name DICDO					
30-015	5- <mark>5540</mark> 8	}	96473			Pool Name PIERCI		SING; E	SONE SPRII	NG, EAS I	
Propert	ty Code 5245		Property N	lame	CORRA	L FLY 2 STATE			Well Number 72	ч	
OGRIE			Operator N	Jame	Condi	LILIZSIMIL			Ground Level El		
	16696		- F		OX	Y USA INC.			303-		
Surface	e Owner: 🖬	State □Fee □] Tribal 🗖 Fe	deral		Mineral Owner:	State 🖬 Fee	🗆 Tribal 🗆	Federal		
					Surf	ace Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83)	Longitude (NAD 83)	County	
N	2	25S	29E		1309 SOUTH		32.155		-103.959331°	EDDY	
					Bottom	Hole Location					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83)	Longitude (NAD 83)	County	
P	2	25S	29E	201	20 SOUTH	900 EAST	32.152		-103.949516°	EDDY	
Dedica	ted Acres	Infill or Defi	ining Well	Definir	ng Well API	Overlapping Spacin	ng Unit (Y/N)	Consolida	tion Code		
	19.04	Defining	-		-8	Y	-8 ()				
Order 1	Numbers.	1	2			Well setbacks are u	nder Common	Ownership:	□Yes □No		
								-			
TT		T 1.		T T T		Off Point (KOP)			· · · · · · · · · · · · · · · · · · ·		
UL M	Section 2	Township 25S	Range 29E	Lot	Ft. from N/S 50 SOUTH	Ft. from E/W 1320 WEST	Latitude (N 32.152		Longitude (NAD 83) -103.959476°	EDDY	
101	2						52.152		105.757470	LDD1	
						ake Point (FTP)				a	
UL M	Section 2	Township 25S	Range 29E	Lot	Ft. from N/S 100 SOUTH	Ft. from E/W 1320 WEST	Latitude (N 32.152		Longitude (NAD 83) -103.959475°	EDDY EDDY	
IVI	2	255	291				52,152.	238	-105.959475	EDDT	
			1			ike Point (LTP)					
UL P	Section 2	Township 25S	Range 29E	Lot	Ft. from N/S 100 SOUTH	Ft. from E/W 900 EAST	Latitude (N 32.152		Longitude (NAD 83) -103.949516°	County EDDY	
r	2	235	296		100 5001H	900 EAS1	52.152.		-105.949510	EDDY	
Unitize	ed Area or Ai	rea of Uniform	Interest	Spacing	g Unit Type 🖬 Horiz	zontal 🗖 Vertical	Grou	nd Floor El	evation:		
OPER A	ATOR CER1	TIFICATIONS				SURVEYOR CERTIF	ICATIONS				
I hereby certify that the information contained herein is true and complete to the best of						I hereby certify that the well location shown on this blatyons blotted from the field notes of actual surveys made by me or under mysupervision, and that the same is true and correct to the best of					
		ief , and, if the we ons a working inte				surveys made by me or un my belief.	ider my supervisi	$_{N}$ MEX	he same is true and corr	ect to the best of	
includin	g the proposed	d bottom hole loca	ation or has a rig	ght to drill ti					20		
interest,	or to a volunt	ary pooling agree			ng order heretofore			23482	X D		
	by the division						Vien	Du	chiller		
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest						7-29-2	4 4				
in each i	tract (in the ta	rget pool or forma	ation) in which a	any part of t	he well's completed		· ° ° ° ,		JP		
0.0		d or obtained a co. Reeves	mpulsory poolir 8/22/202		m ine aivision.			ONAL			
100		⊃ Ceeves		4		Cimpton - 10 1 CT	and an al Co-				
	e		Date			Signature and Seal of Prof	essional Surveyor				
Signatur		<u><u></u></u>									
Signatur	IE REEVE	S			1	23782	December	22, 2023			
Signatur		S				23782 Certificate Number	December Date of Surv				

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

Page 1806f 66



From:	McClure, Dean, EMNRD on behalf of Engineer, OCD, EMNRD
To:	Musallam, Sandra C; Fortier, Eric; Leung, Steven A
Cc:	McClure, Dean, EMNRD; Clelland, Sarah, EMNRD; Rikala, Ward, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; Lamkin, Baylen L.; Lamkin, Baylen L.
Subject:	Approved Administrative Order PLC-514-C
Date:	Thursday, February 6, 2025 9:51:12 AM
Attachments:	PLC514C Order.pdf

NMOCD has issued Administrative Order PLC-514-C which authorizes Oxy USA, Inc. (16696) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool	
20.015.44507		N/2 N/2	1-25S-29E	0(472	
30-015-44507	Corral Fly 2 1 State #21H	N/2 N/2	2-25S-29E	96473	
20.015.44500		N/2 N/2	1-25S-29E	96473	
30-015-44508	Corral Fly 2 1 State #22H	N/2 N/2	2-25S-29E	90475	
20.015 44500	Correl Ely 2.1 State #2211	S/2 N/2	1-25S-29E	06472	
30-015-44509	Corral Fly 2 1 State #23H	S/2 N/2	2-25S-29E	96473	
30-015-44510	Correl Ely 2.1 State #241	N/2 S/2	1-25S-29E	96473	
30-015-44510	Corral Fly 2 1 State #24H	N/2 S/2	2-25S-29E	904/3	
20.015 44512	Connel Ely 2 1 State #2511	N/2 S/2	1-25S-29E	06472	
30-015-44512	Corral Fly 2 1 State #25H	N/2 S/2	2-25S-29E	96473	
20.015 44512		S/2 SW/4	1-25S-29E	0(472	
30-015-44513	Corral Fly 2 1 State #26H	S/2 S/2	2-25S-29E	96473	
20.015.44505		N/2	1-25S-29E	00220	
30-015-44585	Corral Fly 2 1 State #31H	N/2	2-25S-29E	98220	
20.015.4459(N/2	1-25S-29E	00220	
30-015-44586	Corral Fly 2 1 State #32H	N/2	2-25S-29E	98220	
20.015 44507		N/2	1-25S-29E	00220	
30-015-44587	Corral Fly 2 1 State #33H	N/2	2-25S-29E	98220	
		S/2	1-25S-29E	09220	
30-015-44588	Corral Fly 2 1 State #34H	S/2	2-25S-29E	98220	
		\mathbf{L}	2-25S-29E	96473	
20.015.44590		S/2	1-25S-29E	00220	
30-015-44589	Corral Fly 2 1 State #35H	S/2	2-25S-29E	98220	
20.015.44500		S/2	1-25S-29E	00220	
30-015-44590	Corral Fly 2 1 State #36H	S/2	2-25S-29E	98220	
30-015-37296	Challenger 1 State #2H	E/2 W/2	1-25S-29E	96464	
20.015.55410	Convel Els 1.2 State Corre #7211	W/2 W/2	1-25S-29E	0(472	
30-015-55410	Corral Fly 1 2 State Com #73H	E/2 W/2, A B	2-25S-29E	96473	
30-015-55409	Corral Fly 1 State Com #72H	E/2 W/2, W/2 E/2	1-25S-29E	96473	
30-015-55406	Corral Fly 1 State Com #71H	All minus G J O	1-25S-29E	96473	
30-015-55407	Corral Fly 2 State #71H	W/2 W/2, W/2 E/2 C	2-25S-29E	96473	
30-015-55408	Corral Fly 2 State #72H	All minus G J O	2-25S-29E	96473	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

Fortier, Eric
McClure, Dean, EMNRD; Musallam, Sandra C; Leung, Steven A
Clelland, Sarah, EMNRD
[EXTERNAL] Re: RE: Action ID: 406800; PLC-514-C
Tuesday, January 28, 2025 6:22:59 AM

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments. Hi Dean,

Yes, that is correct. Please let me know if you have any further questions.

Best regards, Eric Fortier

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Monday, January 27, 2025 5:21 PM
To: Fortier, Eric <Eric_Fortier@oxy.com>; Musallam, Sandra C <Sandra_Musallam@oxy.com>;
Leung, Steven A <Steven_Leung@oxy.com>
Cc: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: RE: [EXTERNAL] RE: Action ID: 406800; PLC-514-C

Hello Eric,

Other than Oxy, Contango Resources, Inc. is the only working or overriding royalty interest owner in the Bone Spring underlying sections 1 and 2?

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

From: Fortier, Eric <Eric_Fortier@oxy.com>
Sent: Monday, January 27, 2025 8:08 AM
To: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>; Musallam, Sandra C
<Sandra_Musallam@oxy.com>; Leung, Steven A <Steven_Leung@oxy.com>
Cc: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: [EXTERNAL] RE: Action ID: 406800; PLC-514-C

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Hi Dean,

Please find attached the tracking information for both oil and gas notices. I confirm that the SLO was notified, and their tracking information is included in the attached documents. Please let me know if you need anything further.

Best regards,

Eric Fortier

Staff Regulatory Engineer <u>Eric_Fortier@oxy.com</u> O: 713-497-2203 C: 603-343-8601

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Friday, January 24, 2025 5:41 PM
To: Fortier, Eric <Eric_Fortier@oxy.com>; Musallam, Sandra C <Sandra_Musallam@oxy.com>;
Leung, Steven A <Steven_Leung@oxy.com>
Cc: Clelland, Sarah, EMNRD <Sarah.Clelland@emnrd.nm.gov>
Subject: [EXTERNAL] Action ID: 406800; PLC-514-C

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

To whom it may concern (c/o Eric Fortier for Oxy USA, Inc.),

The Division is reviewing the following application:							
Action ID	06800						
Admin No.	PLC-514-C						
Applicant	Oxy USA, Inc. (16696)						
Title	Corral Fly 35 26 Battery (Oil Only)						
Sub. Date	11/26/2024						

The Division is reviewing the following application:

Please provide the following additional supplemental documents:

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Please provide additional information regarding the following:

- Please provide a list of the noticed persons including the tracking number associated with each.
- Please confirm that the SLO was notified of this application.

Additional notes:

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

New Mexico State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE Revised August 2024

COMMUNITIZATION AGREEMENT ONLINE Version

API #: 30-0 15

55406

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this <u>lst</u> [day] of <u>November</u> [month], 20<u>24</u>, by and between the parties signing below ("Parties"):

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by the Legislature, as set forth in Section 19-10-53, NMSA 1978, in the interest of development of oil and gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department ("OCD") where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring

formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version

Received by OCD: 11/26/2024 1:32:52 PM

State/State

2024 SEP 27 AM 9: 46

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W/2, E/2 E/2, and NW/4 NE/4

0f Sect(s): <u>1</u>	Twp: 25S Rng: 29E NMPM_Eddy	County, NM
----------------------	-----------------------------	------------

Containing 519.84 acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order topromote the conservation of the hydrocarbons in and that may be produced from said formation inand under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the Parties do hereby communitize for proration or spacingpurposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

ONLINE version

Received by OCD: 11/26/2024 1:32:52 PM

State/State

2024 SEP 27 AM 9: 46

4. <u>OXY USA INC.</u> shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by <u>OXY USA INC.</u>. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royaltyshare taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not bereleased from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may " SEP 27 AM 9:46 terminated at any time by mutual agreement of the Parties. ONLINE State/State version

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10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. This Agreement shall be binding upon the Parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

ONLINE version

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16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's request, Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Operator_OXY USA INC.	Lessees of Record	a OXY USA INC.
By James Laning		EOG Resources Inc
Print name of person		
Attorney In Fact	_	
Type of authority	-	
for the second s		
	AV.	
Signature	[] []	
(

Attach additional page(s) if needed.

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State/State

OPERATOR: OXY USA INC.

BY: James Laning, A	Attorney In Fact	(Name and Title of Author	ized Agent)
		(Signature of Authorized	Agent) A.P.
\mathcal{O}	Acknowledgment in an In	dividual Canacity	202
	210kilowicuginolic in an in	arrian capacity	2024 SEP 27
State of) SS)		27
County of)		AM
This instrument was	s acknowledged before me on	Date	9: 46
By			
Name(s) of Person	(8)		
(Seal)	Signature o	f Notarial Officer
	Μ	ly commission expires:	
	Acknowledgment in an Rep	resentative Capacity	
State of TEX			
County of HA	VAG) SS) CICLG)		
This instrument was	s acknowledged before me on ⁄	eptember 19,202 Date :_	
	aning Attorney - 11- Face	CE & DXYUSAMC.	
DELE	ENA D. LANG Dic, State of Texas	Tulund Signature o	f Notarial Officer
Comm. E	xpires 02-18-2026 ID 128179978		
	My comm	nission expires: 2-18-2026	r
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Lease	#	and	Lessee	of	Record:	VA-2975-0002	OXY	USA	INC.
		CE LL VA	Leggee	UL	ILCCUI U.				

BY: James Laning, Attorney In Fact	(Name and Title of Authorized Agent)						
Acknowledgment in an	(Signature of Authorized Agent)						
State of) SS)	A						
County of)	9: 47						
This instrument was acknowledged before me on By Name(s) of Person(s)	Date						
(Seal)	Signature of Notarial Officer						
	My commission expires:						
Acknowledgment in an Re	epresentative Capacity						
State of TEXAS) SS) County of HARTIS)							
This instrument was acknowledged before me on September 19, 2024 Date:							
By: Janes Laning, Attorney-In-Fact of OXY USA INC., a Delaware Corporation on behave of said Corporation.							
DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2026 Notary ID 128179978	Louision expires: 2-18-2026						

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Lease # and Lessee of Record	: VA-2974-0001 EO	G Resources Inc
BY: Matthew Smith Agent and Attorney-in-F	act A	(Name and Title of Authorized Agent)
	401	(Signature of Authorized Agent)
Ackn	owledgment in an	Individual Capacity
State of Texas County of Midland) SS))	2024 SEP 27
This instrument was acknowled By Mathew Smith Name(s) of Person(s)	lged before me on	September 16,2024 Date
(Seal)		Signature of Notarial Officer
SARAH TISDALE SEMER Notary ID #128936570 Wy Commission Expires March 29, 2028		My commission expires: March 29, 7028
	vledgment in an R	epresentative Capacity
) SS)	
County of This instrument was acknowled By:		Date:
Name(s) of Person(s)		
(Seal)		Signature of Notarial Officer
		My commission expires:
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EXHIBIT A

Attached to and made a part of that Communitization Agreement dated November 1, 2024
by and between OXY USA INC. , (Operator) OXY USA INC. ,
EOG Resources Inc , ,
, (Record Title Holders/Lessees of Record) covering
the Subdivisions : W/2, E/2 E/2, and NW/4 NE/4
Sect(s): 1, Twnshp 25 South , Rnge: 29 East, NMPM Eddy County, NM
Limited in depth fromft toft. (enter here what is granted in pooling order if
applicable)
OPERATOR of Communitized Area: <u>OXY USA INC.</u>

DESCRIPTION OF LEASES COMMITTED:

TRACT NO. 1

Lessor:	State of Ne	w Mexico ac	ting by and through its Commissioner of	Public Land
Lessee of Rec	ord: <u>OXY U</u>	SA INC.		4 SEP
Serial No. of I	Lease: VA-2	975	Date of Lease: <u>9/1/2003</u>	27
Description of	f Lands Com	mitted:		AM
Subdivisions:	W/2			9:47
Sect(s): 1	Twnshp:	25 South	, Rng: <u>29 East NMPM Eddy</u>	County, NM
No. of Acres:	319.88			

TRACT NO. 2 Lessor: <u>State of New Mexico acting by and through its Commissioner of Public Lands</u>

Lessee of Record: EOG Resources Inc		
Serial No. of Lease: <u>VA-2974</u> Date of Lease: <u>9/1/2003</u>	Date of Lease: <u>9/1/2003</u>	
Description of Lands Committed:		
Subdivisions: E/2 E/2 and NW/4 NE/4		
Sect(s): 1 Twnshp: 25 South Rng: 29 East NMPM Eddy Coun	ty, NM	
No. of Acres: 199.96 ONLINE State/State version August, 2021		

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Corral Fly 1 State Com 71H

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RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	319.88	61.53%
No. 2	199.96	38.47%
TOTALS	519.84	100%

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Oxy USA Inc. Corral Fly 1 State Com #071H Bone Spring <u>Township: 25 South, Range: 29 East, NMPM</u> Section 1: Lots 1,2,3,4, S2NW4, SE4NE4, SW4, E2SE4

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 01, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

(a)

That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.

- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 10th day of October, 2024.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

New Mexico State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE Revised August 2024

COMMUNITIZATION AGREEMENT

ONLINE Version

API #: 30-0 15

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THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this <u>1st</u> [day] of <u>November</u> [month], 20<u>24</u>, by and between the parties signing below ("Parties"):

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by the Legislature, as set forth in Section 19-10-53, NMSA 1978, in the interest of development of oil and gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department ("OCD") where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring

formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: E/2 W/2 and W/2 E/2

Of Sect(s): 1	Twp: 258 Rng: 29ENMPM_Eddy	County, NM
	I wp Itig Itivii ivi =	County, 14141

Containing <u>319.92</u> acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order topromote the conservation of the hydrocarbons in and that may be produced from said formation inand under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the Parties do hereby communitize for proration or spacingpurposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

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4. OXY USA INC. shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by OXY USA INC. . If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royaltyshare taken in kind in conformity with applicable contracts, laws, and regulations.

There shall be no obligation upon the Parties to offset any well or wells situated on the tracts 6. of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not bereleased from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties. ONLINE

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10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. This Agreement shall be binding upon the Parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's request, Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Operator OXY USA INC.	Lessees of I	Record_OXY USA INC.
By James Laning		EOG Resources Inc
Print name of person		
Attorney In Fact		
Type of authority	7	
4		
Signature	A.v.	

Attach additional page(s) if needed.

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BY: James Laning, Attorney In Fact (Name and Title of Authorized Agent) (Signature of Authorized Agent) Acknowledgment in an Individual Capacity State of) SS) County of) This instrument was acknowledged before me on Date By Name(s) of Person(s) Signature of Notarial Officer (Seal) My commission expires: _ Acknowledgment in an Representative Capacity State of TEXAS SS) County of HARRIS) This instrument was acknowledged before me on september 9, 2024 Date : _ By: Janes Laning, Attorney-In-Fact of OXY USA INC., a Deburge Corporation. Name(s) of Personies **DELEENA D. LANG** Signature of Notarial Officer fotary Public, State of Texas Comm. Expires 02-18-2026 Notary ID 128179978 My commission expires: ______ SH:6 HY LZ JJS WIL ONLINE State/State version

BY: James Laning, Attorney In Fact	(Name and Title of Authorized Agent)
	(Signature of Authorized Agent)
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Acknowledgment	t in an Individual Capacity
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SS)	
County of)	
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By	
Name(s) of Person(s)	
(Seal)	Signature of Notarial Office
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State of TEXAS) SS) County of HARRIS) This instrument was acknowledged before r By: Sadues (Artin Q, Attorne	
State of TEXAS) SS) County of HARZIS) This instrument was acknowledged before r By: Same Laring, Attorne	ne on September 19,202/Date:
State of TEXAS) SS) County of HARZIS) This instrument was acknowledged before r By: Same Laring, Attorne Delance, Corporation, on be Name(s) of Person(s)	ne on September 19,202/Date: u-h-Fact of OXY USA INC., a have of said corporation. LOULUL LOLA
State of TEXAS) SS) County of HARIES) This instrument was acknowledged before r By: Sanues Aning, Attorne Name(s) of Person(s) (DELEENA D. LANG Notary Public, State of Texas Comm. Expires 02-18-2026	ne on September 19,202/Date: u-M-Fact of OXY USA INC, a half of said Corporation. The Signature of Notarial Office
State of TEXAS) SS) County of HARZIS) This instrument was acknowledged before r By: Same Laring, Attorne Delance, Corporation, on be Name(s) of Person(s)	ne on September 19,202/Date: 11-12-Fac:t of OXY USA INC, a half of said Corporation. 12-12-12-222 My commission expires: _2-12-222
State of TEXAS) County of HARTLES) This instrument was acknowledged before r By: Janues Laning, Attorne Notary Public, State of Texas Comm. Expires 02-18-2026 Notary ID 128179978	ne on September 19,202/Date: u-M-Fact of OXY USA INC, a half of said Corporation. The Signature of Notarial Office

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BX: Matthew Smith Agent and Attorney-in-	Fact	(Name and Title of Authorized Agent)
J ,	χ-	(Signature of Authorized Agent)
	,	g
Acknowledg	gment in an Inc	dividual Capacity
State of)		
SS) County of)		
This instrument was acknowledged be	fore me on	Date
By Name(s) of Person(s)		
(Seal)		Signature of Notarial Office
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State of EXAS) County of Midland) This instrument was acknowledged be	ent in an Repr	y commission expires:
State of Texas) County of Midland SS) This instrument was acknowledged be By: Mathew Mith	ent in an Repr	resentative Capacity Date: <u>9/16/2024</u>
State of Texas) County of Midland) This instrument was acknowledged be By: Mathew Mith Name(s) of Person(s)	ent in an Repr fore me on	y commission expires:

EXHI	BIT	A
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Attached to and made a part of that Communitization Agreement dated <u>November 1</u> , 2024
by and between OXY USA INC. , (Operator) OXY USA INC. ,
EOG Resources Inc , , , , , , , , , , , , , , , , , , ,
, (Record Title Holders/Lessees of Record) covering
the Subdivisions : <u>E/2W/2 and W/2 E/2</u>
Sect(s): 1, Twnshp 25 South, Rnge: 29 East, NMPM_EddyCounty, NM
Limited in depth fromft toft. (enter here what is granted in pooling order if
applicable)
OPERATOR of Communitized Area: OXY USA INC.
DESCRIPTION OF LEASES COMMITTED:
TRACT NO. 1 Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: OXY USA INC.
Serial No. of Lease: VA-2975Date of Lease: 9/1/2003
Description of Lands Committed:
Subdivisions: E/2 W/2
Sect(s): 1Twnshp:25 South, Rng: 29 East NMPM EddyCounty, NM
No. of Acres: <u>159.95</u>
TRACT NO. 2 Lessor: State of New Mexico acting by and through its Commissioner of Public Lands
Lessee of Record: EOG Resources Inc
Serial No. of Lease: VA-2974 Date of Lease: 9/1/2003
Description of Lands Committed:
Subdivisions: W/2 E/2
Section 1 Transform 25 Section Date 20 First NIMPAGE 11 Contention
Sect(s): I Iwnsnp: 25 South Rng: 29 East NMPM Eddy County, NM No. of Acres: 159.97 ONLINE State/State Version August, 2021 State/State
ONLINE State/State
August, 2021 51.0

Corral Fly 1 State Com 72H

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RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	159.95	50%
No. 2	159.97	50%
TOTALS	319.92	100%

version August, 2021 State/State

8

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NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Oxy USA Inc. Corral Fly 1 State Com #072H Bone Spring <u>Township: 25 South, Range: 29 East, NMPM</u> Section 1: Lots 2,3, SW4NE4, SE4NW4, E2SW4, W2SE4

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 01, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

(a)

That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.

- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 10th day of October, 2024.

COMMISSIONER OF PUBLIC LANDS

of the State of New Mexico

New Mexico State Land Office Oil, Gas, & Minerals Division

STATE/STATE OR STATE/FEE Revised August 2024

COMMUNITIZATION AGREEMENT ONLINE Version

API #: 30-0

THIS COMMUNITIZATION AGREEMENT ("Agreement") [which is NOT to be used for carbon dioxide or helium] is entered into and made effective this <u>lst</u> [day] of <u>November</u> [month], 20<u>24</u>, by and between the parties signing below ("Parties"):

WHEREAS, the Commissioner of Public Lands of the State of New Mexico ("Commissioner") is authorized by the Legislature, as set forth in Section 19-10-53, NMSA 1978, in the interest of development of oil and gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil and gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department ("OCD") where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner to be fair and equitable.

WHEREAS, the Parties own working, royalty, or other leasehold or other interests or operating rights under the oil and gas leases and lands subject to this Agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules and regulations, which leases, along with the well(s) on each lease to be encompassed by this Agreement, are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Bone Spring

formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well-spacing program established for such formation in and under said lands; and

WHEREAS, the Parties hereto desire to communitize and pool their respective interests in said leases subject to this Agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE version

State/State



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

1. The lands described in Exhibit A (or B) covered by this Agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: W/2 W/2 of Sec. 1 and E/2 W/2 and N/2 NE/4 of Sec. 2

Of Sect(s): 1 and 2	Twp: 258 Rng: 29ENMPM_Eddy	County, NM
---------------------	----------------------------	------------

Containing <u>399.33</u> acres, more or less. It is the judgment of the Parties that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the OCD, and in order topromote the conservation of the hydrocarbons in and that may be produced from said formation inand under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the Parties do hereby communitize for proration or spacingpurposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit A showing the acreage, depths communitized, and ownership (lessees of record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the Parties that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals or performance of other lease obligations under the terms of said leases shall not be affected by this Agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this Agreement shall remain in full force and effect as originally issued and amended.

ONLINE version

State/State



4. <u>OXY USA INC.</u> shall be the operator of the said communitized area ("Operator") and all matters of operation shall be determined and performed by <u>OXY USA INC.</u>. If more than one Operator operates wells subject to this Agreement, the Commissioner reserves the right to require one or more or all operators who added infill wells to this Agreement to obtain a new agreement.

5. The Commissioner hereafter is entitled to the right to take in kind the Commissioner's share for the communitized substances allocated to such tract, and the Operator shall make deliveries of such royaltyshare taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the Parties to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the Parties shall not bereleased from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws.

9. This Agreement shall be effective as of the date hereinabove written upon execution by the Parties, notwithstanding the date of execution, and upon approval by the Commissioner, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all applicable State laws, rules, and regulations; provided, that this Agreement shall not expire if there is a well producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this Agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this Agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well located within the physical boundaries of that specific lease assignment. Provided further, however, that prior to production in paying quantities from the communitized area, and upon fulfillment of all requirements of the Commissioner with respect to any dry hole or abandoned well drilled upon the communitized area, this Agreement may be terminated at any time by mutual agreement of the Parties. AUG 26 MM 9:36 ONLINE State/State version

10. Notwithstanding any other provision herein, if there is a cessation of production of communitized substances for more than sixty (60) days beginning one year after the date of execution, this Agreement shall automatically terminate, along with the ability to produce communitized substances, unless notice of reworking or drilling operations on the communitized area is made within 60 days of cessation of production of communitized substances and are thereafter conducted with reasonable diligence or the Commissioner of Public Lands otherwise grants an exception to continued drilling operations, including for the compliance of other state rules, laws, or policies. All such notices provided pursuant to this Paragraph shall be in writing and must be approved by the Commissioner. As to State Trust Lands, written notice of intention to commence any operations hereunder shall be filed with the Commissioner within thirty(30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this Agreement. All requests to the Commissioner to grant an exception or exceptions for the compliance of other state rules, laws, or policies must be made in writing within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to this Agreement or any lease from the State of New Mexico included in this Agreement

11. Operator shall furnish the Commissioner and the OCD, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

12. It is agreed between the Parties that the Commissioner, or the Commissioner's duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State Land Office and the OCD.

13. If any order of the OCD upon which this Agreement is predicated or based is in anyway changed or modified, then in such event said Agreement is likewise modified to conform thereto.

14. This Agreement may be executed in any number of counterparts, no one of which needs to be executed by all Parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all Parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. This Agreement shall be binding upon the Parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

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State/State



16. In the event that Operator is aggrieved by a decision of the Commissioner with respect to any action by the Commissioner arising under this Agreement, Operator may within thirty (30) days after the date of such action file an administrative contest pursuant to 19-7-64 NMSA (1978) and 19.2.15 NMAC. Operator shall initiate no court action against the Commissioner or New Mexico State Land Office regarding this Agreement except to appeal a final decision of the Commissioner rendered pursuant to such a contest proceeding, and as provided by 19-7-64 NMSA (1978). The Parties agree that any venue for any appeal or other action shall be in Santa Fe, New Mexico.

17. Operator shall notify the Commissioner in writing within ten (10) days of (i) Operator's receipt of any compliance order, enforcement order, notice of violation, warning letter, or other written notice of final or contemplated enforcement action taken by any federal, state, or local governmental entity arising out of or concerning any of Operator's operations on New Mexico state trust land; (ii) Operator's receipt of any order, judgment, or decree (on consent or otherwise) entered by any federal or state court against Operator arising out of or concerning any of Operator's operations on New Mexico state trust land; or (iii) Operator's receipt of any written notice of claim, written pre-suit notice, or lawsuit arising out of or concerning any of Operator's operations on New Mexico state trust land. Upon the Commissioner's request, Operator shall promptly provide the Commissioner with a copy of any such order, judgment, decree, notice, letter, or lawsuit.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

Operator OXY USA INC.	Lessees of Record	OXY USA INC.
By James Laning		OXY USA WTP LIMITED PARTNERSHIP
Print name of person		
Attorney In Fact	<u> </u>	
Type of authority		
Signature		

Attach additional page(s) if needed.

State/State

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OPERATOR: OXY USA INC.

BY: James Laning,	Attorney In Fact	(Name and Title of Authorized Agent)
	Acknowledgment in an In	(Signature of Authorized Agent) dividual Capacity
State of County of) SS))	
	as acknowledged before me on	Date
(Se	- al)	Signature of Notarial Officer
	M Acknowledgment in an Repr	y commission expires:
State of Texas County of Harr	ris ss)	
This instrument was By: <u>JAMES U</u> limited pa	GINGER BAILEY GARCIA Notary Public, State of Texas Comm. Expires 04-07-2027 Notary ID 130181257	Jgust 22,2024 Date: Of OXY USA Inc., a Delaware JB. Ch-D Signature of Notarial Officer
ONLINE version	My comm State/State	nission expires: <u>477/2027</u>

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A.P.

BY: James Laning, Attorney In Fact	(Name and Title of Authorized Agent)
2	P
101	(Signature of Authorized Agent)
Acknowledgme	nt in an Individual Capacity
State of)	
SS) County of)	
This instrument was acknowledged before	me on Date
By	
Name(s) of Person(s)	
(Seal)	Signature of Notarial Officer
	Mer commission continue.
	My commission expires:
	My commission expires:
Acknowledgment	in an Representative Capacity
Acknowledgment State of Texas)	
State of Texas)	
State of Texas) SS) County of Harris)	in an Representative Capacity
State of Texas) SS) County of Harris)	in an Representative Capacity
State of TEXAS) SS) County of Harris) This instrument was acknowledged before By: James Laning, Attorney	
State of Texas) SS) County of Harris)	in an Representative Capacity
State of TEXAS) State of TEXAS) County of Harris) This instrument was acknowledged before By: James Laning, Attorney Name(s) of Person(s) Imited partnershipe (Seal)	in an Representative Capacity me on August 22,2024 Date: <u>-in-Fact of Oxy USA Inc. a Delawa</u> <u>MiB.M.</u> Signature of Notarial Officer
State of TEXAS) State of TEXAS) County of Harris) This instrument was acknowledged before By: James Laning, Attorney Name(s) of Person(s) Imited partnership. (Seal) GINGER BALL	in an Representative Capacity me on August 22, 2024 Date: <u>-in-Fact of Oxy USA Inc., a Delawa</u> <u>Jub Jub</u> Signature of Notarial Officer <u>EY GARCIA</u> State of Texase s 04-07-2027
State of TEXAS) State of TEXAS) County of Harris) This instrument was acknowledged before By: James Laning, Attorney Name(s) of Person(s) Imited partnershipe (Seal) GINGER BAIL Notary Public, S Comm. Expires Notary ID 1	in an Representative Capacity me on August 22, 2024 Date: <u>-in-Fact of Oxy USA Inc., a Delawa</u> <u>Jub Jub</u> Signature of Notarial Officer <u>EY GARCIA</u> State of Texase s 04-07-2027

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_(Signature of Authorized Agent)
idual Capacity
Date
Signature of Notarial Office
ommission expires:
entative Capacity
UST 2212024 Date:
or thorship.
ust 22,2024 Date: f of OxyUSIA WTP Limited partnership.
Signature of Notarial Office
41712027
Similission expires.
ommission expires:
2

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EXHIBIT A

Attached to and made a	part of that Co	mmunitization Agreemen	nt dated November 1, 2024

by and between <u>OXY USA INC.</u> , LIMITED PARTNERSHIP,	(Operator) OXY USA INC., OXY USA WTP
, (Record Title H	olders/Lessees of Record) covering
the Subdivisions : $W/2 W/2$ of Sec. 1 and $E/2 W$	/2 and N/2 NE/4 of Sec. 2
Sect(s): 1 and 2 , Twnshp 25 South , Rnger	29 East , NMPM_EddyCounty, NM
Limited in depth fromft toft. (er	ter here what is granted in pooling order if
applicable)	
OPERATOR of Communitized Area: <u>OXY USA</u>	INC.
DESCRIPTION OF LEASES COMMITTED	:
TRACT NO. 1 Lessor: State of New Mexico acting by an	d through its Commissioner of Public Lands
Lessee of Record: OXY USA INC.	
Serial No. of Lease: VA-2975	Date of Lease: <u>9/1/2003</u>
Description of Lands Committed:	
Subdivisions: <u>W/2 W/2</u>	
Sect(s): 1 Twnshp: 25 South , R	ng: <u>29 East NMPM Eddy</u> County, NM
No. of Acres: <u>159.93</u>	
TRACT NO. 2 Lessor: <u>State of New Mexico acting by and throu</u>	gh its Commissioner of Public Lands
Lessee of Record: OXY USA WTP LIMITED P	ARTNERSHIP
Serial No. of Lease: <u>V0-3361</u>	Date of Lease: <u>8/1/1990</u>

Description of Lands Committed:

Subdivisions: E/2 W/2 and N/2 NE/4

Eddy County, NM Sect(s): 2 Twnshp: 25 South Rng: 29 East NMPM

No. of Acres: <u>239.40</u>

ONLINE version August, 2021

Received by OCD: 11/26/2024 1:32:52 PM

State/State

RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	159.93	40.05%
No. 2	239.40	<u>59.95%</u>
TOTALS	399.33	100%

ONLINE version August, 2021

State/State

(a)

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Oxy USA, Inc Corral Fly 1 2 State Com #073H Bone Spring <u>Township: 25 South, Range: 29 East, NMPM</u> Section 1: Lots 3 & 4, S2NW4, SW4 Section 2: Lots 1, 2 & 3, SE4NW4, E2SW4

Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State on New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 01, 2024**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.

(b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.

- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

TN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 21st day of October, 2024.

COMMISSIONER OF PUBLIC LANDS of the State of New Mexico Released to Imaging: 2/6/2025 9:56:13 AM

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To Company Name	To Name	To Address Line 1	To City	To State	To ZIP PIC
COMMISSIONER OF PUBLIC LANDS	STATE OF NEW MEXICO	P O BOX 1148	SANTA FE	NM	87504 _9414811898765483604107
	CONTANGO RESOURCES INC	301 NW 63RD ST STE 300	OKLAHOMA CITY	OK	73116 _9414811898765483604145

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS **PO BOX 507** HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO SS } COUNTY OF EDDY }

Account Number: 1008 24710 Ad Number: CORRAL FLY OIL Description: Ad Cost: \$62.07

Sherry Groves, being first duly sworn, says:

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

December 5, 2024

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

Sherry Dines

Agent

Subscribed to and sworn to me this 12th day of December 2024.

Leanne Kaufenberg, Notary Public, Redwood County

Minnesota

KIM HOFFMAN **OXY - REGULATORY DEPT** PO BOX 4294 HOUSTON, TX 77210 kim hoffman@oxy.com



OXY USA INC located at 5 Greenway Plaza, Suite 110 Houston TX 77046 is applying to the NMOCD to amend commingle permit PLC 514B for oil production at Corral Fly 35-26 Battery in Eddy County, Section 2, T25S R29E. Wells are located in Sections 1 and 2. Production is from the Pierce Crossing: Bone Spring East, Purple Sage; Wolfcamp Gas and Corral Canyon; Delaware Northwest pools.

Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days after publica-tion, or the NMOCD may approve the application.

For questions pertaining to the application, please contact Eric Fortier at (713) 467-2203.

Published in the Carlsbad Current-Argus December 5, 2024 24710



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ALERT: WINTER STORMS IN THE SOUTHERN, SOUTHEAST, AND NORTHEAST AND WILDFIRE...

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Return Receipt Electronic	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\checkmark

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

APPLICATION FOR SURFACE COMMINGLING SUBMITTED BY OXY USA, INC.

ORDER NO. PLC-514-C

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Oxy USA, Inc. ("Applicant") submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells as described in Exhibit A ("Application").
- 2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
- 3. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
- 4. Applicant provided notice of the Application to the Bureau of Land Management ("BLM") or New Mexico State Land Office ("NMSLO"), as applicable.
- 5. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
- 6. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10 C.(4)(g) NMAC.
- 7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease as described in Exhibit A.
- 8. This Order is associated with Order PLC-784-G which authorizes in-full or in-part the commingling of gas production from the pools, leases, and wells as described in Exhibit A.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.

Order No. PLC-514-C

- 10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10 A.(2) NMAC, 19.15.12.10 C.(4)(c) NMAC, and 19.15.12.10 C.(4)(e) NMAC, as applicable.
- Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9
 A.(5) NMAC and 19.15.23.9 A.(6) NMAC, as applicable.
- Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10 B.(1) NMAC or 19.15.12.10 C.(1) NMAC, as applicable.
- 13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10 B.(3) NMAC and 19.15.12.10 C.(4)(h) NMAC.
- 14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10 C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
- 15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

- 2. This Order supersedes Order PLC-514-B.
- 3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease as described in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

4. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

- 5. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
- 6. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8 B. NMAC for such venting

or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8 E. NMAC.

- 7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10 C.(2) NMAC.
- 8. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
- 9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10 C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
- 10. If a well is not included in Exhibit A but produces from a pool and lease as described in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
- 11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
- 12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
- 13. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

GERASIMOS RAZATOS DIRECTOR (ACTING)

DATE: 2/6/2025

Order No. PLC-514-C

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-514-C Operator: Oxy USA, Inc. (16696) Central Tank Battery: Corral Fly 35 26 Battery Central Tank Battery Location: UL B, Section 2, Township 25 South, Range 29 East Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
CORRAL CANYON; DELAWARE, NORTHWEST	96464
PIERCE CROSSING; BONE SPRING, EAST	96473
PURPLE SAGE; WOLFCAMP (GAS)	98220

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VA 2975 0002	W /2	1-25S-29E
CA Bone Spring NMSLO 203721 PUN 1369325	N/2 N/2	1-25S-29E
CA Bone Spring NMISLO 203721 FUN 1309323	N/2 N/2	2-25S-29E
CA Bone Spring NMSLO 203720 PUN 1369377	S/2 N/2	1-25S-29E
CA Bone Spring NMISLO 205720 FUN 1509577	S/2 N/2	2-25S-29E
CA Bone Spring NMSLO 203719 PUN 1369366	N/2 S/2	1-25S-29E
CA bone Spring INVISEO 203/13 1 UN 1303300	N/2 S/2	2-25S-29E
CA Bone Spring NMSLO 203718 PUN 1369354	S/2 SW/4	1-25S-29E
CA Bone Spring NMISLO 205718 FUN 1509554	S/2 S/2	2-25S-29E
CA Wolfcamp NMSLO 203794 PUN 1373200	N/2	1-25S-29E
CA wollcamp MMISLO 203774 I UN 1375200	N/2	2-25S-29E
CA Wolfcamp NMSLO 203793 PUN 1373197	S/2	1-25S-29E
CA Wolicallip INVISEO 203793 FUN 1373197	S/2	2-25S-29E
V0 3361 0001	All	2-25S-29E
CA Bone Spring NMSLO 205068 PUN 1406483	E/2 W/2, W/2 E/2	1-25S-29E
CA Bone Spring NMSLO 205069 PUN 1406495	All minus G J O	1-25S-29E
CA Bono Spring NMSLO 205077	W/2 W/2	1-25S-29E
CA Bone Spring NMSLO 205077	E/2 W/2, A B	2-25S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-44507	Convol Ely 2.1 State #2111	N/2 N/2	1-25S-29E	96473
30-013-44307	30-015-44507 Corral Fly 2 1 State #21H	N/2 N/2	2-25S-29E	904/3
20.015.44509	Correl Ely 2 1 State #2211	N/2 N/2	1-25S-29E	96473
30-013-44308	30-015-44508 Corral Fly 2 1 State #22H	N/2 N/2	2-25S-29E	
30-015-44509 Corral Fly 2 1 State #23H	S/2 N/2	1-25S-29E	96473	
	S/2 N/2	2-25S-29E	90473	
30-015-44510 Corral Fly 2		N/2 S/2	1-25S-29E	0(472
	Corral Fly 2 1 State #24H	N/2 S/2	2-25S-29E	96473

Corrol Fly 2.1 State #25H	N/2 S/2	1-25S-29E	96473
Corrar Fly 2 1 State #2511	N/2 S/2	2-25S-29E	<i>7</i> 04 <i>73</i>
30-015-44513 Corral Fly 2 1 State #26H 30-015-44585 Corral Fly 2 1 State #31H	S/2 SW/4	1-25S-29E	06472
	S/2 S/2	2-25S-29E	96473
	N/2	1-25S-29E	00220
Corral Fly 2 1 State #31H	N/2	2-25S-29E	98220
015-44586 Corral Fly 2 1 State #32H	N/2	1-25S-29E	00220
Corral Fly 2 1 State #32H	N/2	2-25S-29E	98220
	N/2	1-25S-29E	00220
30-015-44587 Corral Fly 2 1 State #33H	N/2	2-25S-29E	98220
	S/2	1-25S-29E	00220
Corral Fly 2 1 State #34H	S/2	2-25S-29E	98220
v	L	2-25S-29E	96473
	S/2	1-25S-29E	00220
Corral Fly 2 1 State #35H	S/2	2-25S-29E	98220
	S/2	1-25S-29E	00220
Corral Fly 2 1 State #36H	S/2	2-25S-29E	98220
Challenger 1 State #2H	E/2 W/2	1-25S-29E	96464
Corral Fly 1 2 State Com #73H	W/2 W/2	1-25S-29E	0(152
	E/2 W/2, A B	2-258-29E	96473
Corral Fly 1 State Com #72H		1-25S-29E	96473
Corral Fly 1 State Com #71H	All minus G J O	1-25S-29E	96473
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30-015-55407 Corral Fly 2 State #71H	C	2-238-29E	96473
	Corral Fly 2 1 State #31H Corral Fly 2 1 State #32H Corral Fly 2 1 State #33H Corral Fly 2 1 State #33H Corral Fly 2 1 State #34H Corral Fly 2 1 State #35H Corral Fly 2 1 State #36H Challenger 1 State #2H Corral Fly 1 2 State Com #73H Corral Fly 1 State Com #72H	Corral Fly 2 1 State #25H N/2 S/2 Corral Fly 2 1 State #26H S/2 SW/4 S/2 S/2 S/2 SW/4 Corral Fly 2 1 State #31H N/2 Corral Fly 2 1 State #31H N/2 Corral Fly 2 1 State #32H N/2 Corral Fly 2 1 State #32H N/2 Corral Fly 2 1 State #33H N/2 Corral Fly 2 1 State #33H N/2 Corral Fly 2 1 State #34H S/2 Corral Fly 2 1 State #34H S/2 Corral Fly 2 1 State #35H S/2 Corral Fly 2 1 State #36H S/2 Corral Fly 2 1 State #36H S/2 Corral Fly 1 State Com #73H W/2 W/2 E/2 W/2, A B E/2 W/2, A B Corral Fly 1 State Com #72H E/2 W/2, W/2 E/2 Corral Fly 1 State Com #71H All minus G J O W/2 W/2 W/2 E/2 W/2 W/2 E/2	Corral Fly 2 1 State #25H N/2 S/2 2-25S-29E Corral Fly 2 1 State #26H S/2 SW/4 1-25S-29E S/2 SV/2 2-25S-29E 2-25S-29E Corral Fly 2 1 State #31H N/2 2-25S-29E Corral Fly 2 1 State #31H N/2 2-25S-29E Corral Fly 2 1 State #32H N/2 1-25S-29E Corral Fly 2 1 State #32H N/2 2-25S-29E Corral Fly 2 1 State #33H N/2 2-25S-29E Corral Fly 2 1 State #33H N/2 2-25S-29E Corral Fly 2 1 State #34H S/2 2-25S-29E Corral Fly 2 1 State #34H S/2 2-25S-29E Corral Fly 2 1 State #35H S/2 1-25S-29E Corral Fly 2 1 State #36H S/2 1-25S-29E Corral Fly 2 1 State #36H S/2 2-25S-29E Corral Fly 2 1 State #36H S/2 2-25S-29E Corral Fly 1 2 State Com #73H W/2 W/2 1-25S-29E Corral Fly 1 State Com #72H E/2 W/2, A B 2-25S-29E Corral Fly 1 State Com #72H E/2 W/2, W/2 E/2 1-25S-29E Corral Fly 1 State Com #72H E/2 W/2, W/2 E/2 1-25S-29E

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Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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Operator:	OGRID:
OXY USA INC	16696
P.O. Box 4294	Action Number:
Houston, TX 772104294	406800
	Action Type:
	[C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS	3	
Created By		Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please email us at OCD.Engineer@emnrd.nm.gov.	2/6/2025

CONDITIONS

Action 406800