BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING OCTOBER 03, 2019

CASE NOS. 20788 & 20789

HEADS CC 9-4 FED COM #31H WELL HEADS CC 9-4 FED COM #32H WELL HEADS CC 9-4 FED COM #33H WELL HEADS CC 9-4 FED COM #34H WELL HEADS CC 9-4 FED COM #35H WELL HEADS CC 9-4 FED COM #36H WELL

EDDY COUNTY, NEW MEXICO



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

APPLICATION OF OXY USA INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20788 & 20789

AFFIDAVIT OF PETER R. VAN LIEW IN SUPPORT OF CASE NOS. 20788 & 20789

Peter R. Van Liew, of lawful age and being first duly sworn, declares as follows:

1. My name is Peter R. Van Liew. I work for Oxy USA Inc. as a Senior Land Negotiator.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials in petroleum land matters have been accepted by the Division and made a matter of record.

3. I am familiar with the applications filed by Oxy in these consolidated cases, and I am familiar with the status of the lands in the subject areas.

4. None of the uncommitted parties in these consolidated cases has indicated opposition to these pooling applications, and therefore I do not expect any opposition at the hearing.

5. Oxy Exhibit A-1 is an exhibit identifies the tracts of land comprising the proposed horizontal spacing units in Case Nos. 20788 and 20789. This proposed spacing unit includes both fee and federal lands.

6. In <u>Case No. 20788</u>, Oxy is seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 639.61-acre, more or less, horizontal well spacing

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789 unit comprised of the W/2 of Sections 4 and 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

- 7. Oxy seeks to dedicate this spacing unit to the following proposed initial wells:
 - The Heads CC 9-4 Fed Com #31H Well, and the Heads CC 9-4 Fed Com #32H Well, both of which will be horizontally drilled from a common surface location in the SW/4 SW/4 (Unit M) of Section 9 to bottom-hole locations in the NW/4 NW/4 (Lot 4) of Section 4.
 - The Heads CC 9-4 Fed Com #33H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 9 to a bottom-hole location in the NE/4 NW/4 (Lot 3) of Section 4.

8. Oxy has prepared a draft Form C-102s for these proposed wells, copies of each are attached hereto as Oxy Exhibit A-2, Oxy Exhibit A-3, and Oxy Exhibit A-4.

9. These wells are located in the Purple Sage; Wolfcamp (Gas) Pool (98220), and Oxy has or will apply for administrative approval of any non-standard locations of these wells.

10. There are no depth severances in the Wolfcamp formation.

11. Oxy Exhibit A-5 is an exhibit identifying the working interest owners and their percentage of ownership interests by tract for the proposed Heads CC 9-4 Fed Com #31H Well, the Heads CC 9-4 Fed Com #32H Well, and the Heads CC 9-4 Fed Com #33H Well. This exhibit also contains a unit recapitulation, showing the percentage of ownership interests in the horizontal spacing unit. Oxy is seeking to pool the working interest owners highlighted in yellow on Oxy Exhibit A-5.

12. Oxy Exhibit A-5 also reflects the operating rights, record title owners, and overriding royalty interest owners that Oxy seeks to pool in this case. There are no unleased mineral interest owners.

13. In <u>Case No. 20789</u>, Oxy is seeking an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 639.33-acre, more or less, horizontal well spacing unit comprised of the E/2 of Sections 4 and 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico.

14. Oxy seeks to dedicate this spacing unit to the following proposed initial wells:

- The Heads CC 9-4 Fed Com #34H Well and the Heads CC 9-4 Fed Com #35H Well, both of which will be horizontally drilled from a common surface location in the SW/4 SE/4 (Unit O) of Section 9 to bottom-hole locations in the NW/4 NE/4 (Lot 2) of Section 4.
- The Heads CC 9-4 Fed Com #36H Well to be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 16 to a bottom-hole location in the NE/4 NE/4 (Lot 1) of Section 4.

15. Oxy has prepared draft Form C-102s for these proposed wells, copies of which are attached hereto as Oxy Exhibit A-6, Oxy Exhibit A-7, and Oxy Exhibit A-8.

16. These wells are located in the Purple Sage; Wolfcamp (Gas) Pool (98220), and Oxy has or will apply for administrative approval of any non-standard locations of these wells.

17. There are no depth severances in the Wolfcamp formation.

18. Oxy Exhibit A-9 is an exhibit identifying the working interest owners and their percentage of ownership interests by tract for the proposed Heads CC 9-4 Fed Com #34H Well, the Heads CC 9-4 Fed Com #35H Well, and the Heads CC 9-4 Fed Com #36H Well. This

exhibit also contains a unit recapitulation, showing the percentage of ownership interests in the horizontal spacing unit. Oxy is seeking to pool the working interest owners highlighted in yellow on **Oxy Exhibit A-9**.

19. Oxy Exhibit A-9 reflects the operating rights, record title owners, and overriding royalty interest owners that Oxy seeks to pool in this case. There are no unleased mineral interest owners.

20. Oxy sent well proposal letters, together with corresponding AFEs, to the working interest owners in **Case Nos. 20788** and **20789**. The costs reflected in the AFEs are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letters, along with the AFE, is attached hereto as **Oxy Exhibit A-10**.

21. Oxy seeks approval of overhead and administrative costs at \$7,500/month while drilling and \$750/month while producing. These costs are consistent with what Oxy and other operators are charging in this area for these types of wells. Oxy respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in these cases.

22. Oxy has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

23. If Oxy reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Oxy is no longer seeking to pool that party.

24. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Oxy Exhibits A-5 and A-9. In compiling these

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addresses, Oxy conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

25. Oxy Exhibits A-1 through A-10 were either prepared by me or compiled under my direction and supervision.

PETER R. VAN LIEW

STATE OF TEXAS) COUNTY OF Harris

SUBSCRIBED and SWORN to before me this _30th day of September 2019 by Peter R. Van Liew.

NOTARY PUBLIC

My Commission Expires:

417123



13604164_v1



							BEF	ORE THE OIL CONSEL Santa Fe, New Exhibit No Submitted by: O	/ Mexico <mark>5. A2</mark>
DISTRICT I						lew Mexico		Hearing Date: Oct Case Nos 2078	ober 3, 2019
1625 N. FRENCH DR., H Phone: (575) 393-5161 Fa		160				Resources De		F	form C-102
DISTRICT II 811 S. FIRST ST., AF Phone: (575) 748-1283	RTESIA, NM Fax: (575) 74	88210				ION DIVIS FRANCIS DR.	SION	Revised A Submit one copy t	ugust 1, 2011 o appropriate
DISTRICT III 1000 RIO BRAZOS RD						fexico 87505		Distri	ct Office
Phone: (505) 334-6176 DISTRICT IV 1220 S. ST. FRANCIS DR Phone: (505) 476-3460	5 Fax: (605)	934-6170		~				AMEND	ED REPORT
API N	lumber			CATION Pool Code	AND ACR	EAGE DEDICATI	ON PLAT Pool Name		
Property Code				HEADS	Property M CC 9_4 H	FEDERAL COM		Well Num 31	
OGRID No.					Operator 1 OXY USA			Elevation 292	
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UL or lot No.	Section	Townshi		Lot Idn	Feet from th		Feet from the	East/West line	County
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Dedicated Acres	Joint o	r Infill	Consolidation	Code Or	rder No.				
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X=604116.8 LAT.=32.253633 LONG.=103.99653	E FN		SPACING UNIT	ĺ	l.	POINT LEGEND	Signature	De	ite
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	C CRD AZ - 359 43 29 			 	SECTION 4 SECTION 9	$\begin{array}{c} 3 \\ 3 \\ x = 603813.7 \\ E \\ 4 \\ x = 603825.1 \\ E \\ 5 \\ x = 603825.1 \\ E \\ 5 \\ x = 603827.3 \\ E \\ 6 \\ x = 603837.3 \\ E \\ 6 \\ x = 606482.7 \\ E \\ 7 \\ x = 606452.7 \\ E \\ 7 \\ x = 606457.3 \\ E \\ 8 \\ x = 606432.3 \\ E \\ \end{array}$	I hereb sbown on thi notes of actu under my sup true and corri Mi Signature &	OR CERTIFICAT y certify that the we splat was plotted fr al surveys made by pervision, and that the cert to the best of m ARCH 5, 2019 Date of Survey Seal of Professions	ll location om field me or e same is y belief.
EIP 100' FSL & 330' Y=445738.3 X=604166.8 LAT.=32.225003 LONG.=103.9964E 50' FSL & 330' Y=445688.3 N X=604167.1 E LAT.=32.224865' LONG.=103.9964B	N 40 E 40 3' N B1' W FWL FWL E N	880' S		HORZ. D		<u>SURFACE_LOCATION</u> Y=445891.5 N X=604716.2 E LAT.=32.225419' N LONG.=103.994703' W	LICENSES	Ressional Street Stores	5/9/19 17777 BY: AM

DISTRICT I 1625 N. FRENCH DR., Phone: (575) 303-6161 J DISTRICT II Bill S. FIRST ST., A Phone: (575) 748-1285 DISTRICT III 1000 RIO BRAZOS F Phone: (505) 334-617 DISTRICT IV 1220 S. ST. FRANCIST Phone: (505) 476-346 API Property O OGRID No UL or lot No.	ARTESIA, NM J Pax: (676) 74 RD., AZTEC, N 78 Pax: (606) JR., SANTA FE, 60 Fax: (506) Number Code	88210 8-9720 IM 87410 334-6170 NM 87505 476-3462	WELL LO	erals & ONS 1220 SC Santa 1 <u>OCATION</u> Pool Code	& Natu ERV2 OUTH S Fe, Ne AND CC 9_ Opera OXY U	ATIC ST. FI W Me: ACREA erty Nam .4 FEI ator Nam USA II ce Loca	DERAL COM	SION	Revised A Submit one copy t Distri	OXY USA INC Ctober 3, 2019 88 & 20789 Form C-102 agust 1, 2011 o appropriate ct Office ED REPORT Aber
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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

DISTRICT I 1625 N. PRENCH DR., EG Phone: (575) 359-8161 Faz DISTRICT II 011 S. FIRST ST., AR Phone: (575) 748-1283 F DISTRICT III 1000 RIO BRAZOS RD Phone: (505) 334-6178	TESIA, NM Fax: (675) 74	88210 8-9720	DIL C	erals & ONSI 1220 SC	ERVATI DUTH ST.	ew Mexico Resources De ON DIVIS FRANCIS DR. exico 87505	SION	Revised Au Submit one copy to Distri	No. A4 OXY USA INC October 3, 2019 788 & 20789 788 C 20789 788 C 20789 788 C 20789 788 C 20789 788 C 20789 788 C 2078 789 C 2078 789 C 2078 780
DISTRICT IV 1220 S. ST. FRANCIS DR. Phone: (505) 476-3460	., SANTA FE, Fex: (505)	NM 87505 476-3462	WELL LO	CATION	AND ACRI	EAGE DEDICATI	ON PLAT	AMEND	ED REPORT
API N	umber		-	Pool Code			Pool Name		
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OGRID No.				ame INC.	_	Elevation 2926			
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	Section	Township	Range	Lot Idn	Feet from the	·	Feet from the	East/West line	County
M	9	24-S	29-E		250	SOUTH	950	WEST	EDDY
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3	4	24-S	29-E		20	NORTH	2130	WEST	EDDY
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ETP 100' FSL & 2130' Y=445748.B M X=605966.8 L LAT.=32.225016' LONG.=103.99066 <u>KOP</u> 50' FSL & 2130' Y=445698.B N X=605967.0 E LAT.=32.224879' LONG.=103.990660	FWL	950' S.L. 250'		GRID AZ		<u>SURFACE LOCATION</u> Y=445891.9 N X=604786.1 E LAT.=32.225420' N LONG.=103.994477' W	LICENSED	ESSIONAL CHAD HARCROW	5/10/19 17777 BY: AM

BEFORE THE OIL CONSERVATION DIVISION

W/2 of Sections 4 and 9, Township 24 South, Range 29 East, Eddy County, NM 639.61 Total Acres In proposed spacing unit: W/2 Sec. 4 & N/2NW/4, SE/4NW/4 Sec. 9 Tract 1 Acres contributed to proposed spacing unit: 439.61 34.400000% OXY Y-1 Company 65.600000% OXY USA Inc. 100.000000% Total Committed interest 100.00% 0.00% **Total Uncommitted Interest** SW/4NW/4 & SW/4 Sec. 9 Tract 2 200 Acres contributed to proposed spacing unit: 20.058140% OXY USA Inc. 79.360470% Occidental Permian Limited Partnership 0.581390% Avalanche Royalty Partners LLC 100.000000% 100.00% **Total Committed Interest** 0.00% **Total Uncommitted Interest**

Working Interest for each party in 639.61 acre proposed spacing unit:

OXY USA Inc.	51.35949
OXY Y-1 Company	23.643459
Occidental Permian Limited Partnership	24.81527
Avalanche Royalty Partners LLC	0.181809
EOG Resources Inc. (Record Title Only in Tr. 1)	0.000009
Lawrence W. Robinette and wife, Sally H. Robinette (ORRI)	0.00000
BK Exploration Corporation (ORRI)	0.00000
XTO Holdings LLC (ORRI)	0.00000
OXY USA WTP LP (ORRI)	0.000009
Rutler and Wilbanks Corporation (ORRI)	0.00000
	100.000009

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A5 Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789

DISTRICT I 1625 N. FRENCH DR., HOBES, Phone: (575) 398-31631 Pax: (575 DISTRICT II Bill S. FIRT ST., ARTESIA Phone: (576) 748-1283 Pax: (5	,		& Natu \mathbf{SERV} SOUTH	iral H ATIC ST. Fl	ON DIVIS RANCIS DR.	SION	Revised A Submit one copy t	OXY USA INC October 3, 2019 788 & 20789 Form C-102 agust 1, 2011
DISTRICT III 1000 RIO BRAZOS RD., AZT Phone: (505) 334-6178 Fax:	(506) 934-6170	Santa	Fe, Ne	w Me	xico 87505		DISCI	et onnee
DISTRICT IV 1220 S. ST. FRANCIS DR., SAN Phone: (505) 476-3460 Fax:	NA FE, NM 67606 (505) 476-3462						□ AMEND	ED REPORT
API Numbe		WELL LOCATION Pool Code	N AND	ACREA	GE DEDICATI	ON PLAT Pool Name		
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L				ce Loca			2928	D. I
UL or lot No. Secti	on Township	Range Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County
0 9	24-S	29-E	10	00	SOUTH	2163	EAST	EDDY
		Bottom Hole L	ocation 1	f Diffe	rent From Sur	face		*
UL or lot No. Section	·····	Range Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County
2 4 Dedicated Acres Jo		29-E	2 Drder No.	0	NORTH	2240	EAST	EDDY
		SSIGNED TO THIS	COMPLE	TION U	NTIL ALL INTER	ESTS HAVE BE	EN CONSOLIDA	ATED
r	OR A I	NON-STANDARD U	NIT HAS	BEEN	APPROVED BY 7	THE DIVISION		
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<u>SURFACE_LOCATION</u> Y=445754.6 N X=606964.7 E LAT.=32.225023' N LONG.=103.987434'	Y=445704.2 X=606887.9 LAT.=32.22488 LONG.=103.9876		Y=445754.2 N X=606887.7 U T.=32.225023 IG.=103.98768	1		Maa	PHESSIONAL SUPERIOR	5/9/19 17777 BY: AM

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

							BE	FORE THE OIL CONS Santa Fe, N Exhibit Submitted by: Hearing Date: C	No. A7 OXY USA INC	
DISTRICT I 1625 N. FRENCH DR., E	IODES NM 88	240 Fn	oray Min		State of New Resturated	w Mexico Resources De	nartment	Case Nos 207	788 & 20789	
Phone: (576) 393-6161 Fe	LX: (575) 393-0	0410				ON DIVIS			Form C-102 ugust 1, 2011	
DISTRICT II 811 S. FIRST ST., AJ Phone: (575) 748-1283	RTESIA, NM Fax: (675) 74	88210 8-9720			OUTH ST. F			Submit one copy t	o appropriate	
DISTRICT III 1000 RIO BRAZOS RI					Fe, New Me			Distri	ct Office	
Phone: (505) 334-6170 DISTRICT IV 1220 S. ST. FRANCIS DF Phone: (505) 476-3460	8 Fax: (505)	334-0170		~				🗆 AMEND	ED REPORT	
API N	lumber			CATION Pool Code	AND ACREA	GE DEDICATI	Pool Name			
Property Co	ode			HEADS	Property Nam CC 9_4 FE			Well Num 35		
OGRID No.					Operator Nam			Elevatio		
					OXY USA I	NC.		2928	8.2	
					Surface Loca	ation				
UL or lot No.	Section	Township		Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
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			Bottom	Hole Loo	cation If Diffe	rent From Sur	face			
UL or lot No.	Section	Township	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
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Dedicated Acres	Joint o	or Infill	Consolidation (Code Or	der No.					
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POINT LEG 1 Y=456271 X=6609079 2 2 Y=453629 X=609069 3 Y=450974 3	.1 N .2 E .2 N .8 E .9 N		 		07" 57.0'	<u>* ALL COORDINATES</u> ARE NAD 27 VALUES	Signature Date Printed Name E-mail Address			
3 X=609101.0 E 4 Y=448323.0 N x=609114.4 E 5 Y=445667.2 N X=609128.2 E 6 Y=445651.6 N 8 X=606482.7 E 7 Y=456057.3 E 8 Y=456261.7 N X=606432.3 E		SECTION 4 SECTION 9 7		<u>هــــــــــــــــــــــــــــــــــــ</u>			I hereby shown on this notes of actua under my sup true and corre MA Signature & S	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MARCH 5, 2019 Date of Survey Signature & Seal of Professional Surveyor HADD		
<u>SURFACE LOC</u> Y=445754. X=606999. LAT.=32.2250 LONG.=103.987	8 N 7 E 923' N		i i		2128' 5	ETP 100' FSL & 1340' FEL Y=445759.4 N X=607787.7 E LAT.=32.225029' N - LONG.=103.984772' W KOP -50' FSL & 1340' FEL Y=445709.4 N X=607787.9 E LAT.=32.224892' N LONG.=103.984772' W	LICENSED	TO ESSIONAL SOLUTION No. CHAD HARCROW	5/9/19 17777 BY: AM	

DISTRICT I					State of Ne			Santa Fe, N Exhibit	No. A8 OXY USA INC October 3, 2019			
1625 N. FRENCE DR., HOBBS, NM 68240Energy, Minerals & Natural Resources DepartmentForm C-102Phone: (376) 398-0101 Fax: (976) 398-0720OILCONSERVATION DIVISIONRevised August 1, 2011011 S. FIRST ST., ARTESIA, NM 682101220 SOUTH ST. FRANCIS DR.Submit one copy to appropriate011 S. FIRST ST., ARTESIA, NM 682101220 SOUTH ST. FRANCIS DR.Submit one copy to appropriate011 DISTRICT IIISanta Fe, New Mexico 87505District Office												
DISTRICT IV 1220 S. ST. FRANCIS 1 Phone: (505) 476-34												
API	Number			Pool Code			Pool Name					
Property	Code				Well Number							
				HEADS	CC 9_4 FE	DERAL COM		36				
OGRID No	D.		Operator Name OXY USA INC.					Elevation 2927.0'				
					Surface Loc	ation						
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
В	16	24-S	29-E		963	NORTH	1646	EAST	EDDY			
			Bottom	Hole Loc	ation If Diffe	erent From Sur	face		· · · · · ·			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
1	4	24-S	29-E		20	NORTH	440	EAST	EDDY			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Order No.

Dedicated Acres

Joint or Infill

Consolidation Code



		E/2 of Sections 4 and 9, Township 24 South, Range 29 East, Eddy County, NM	Total Acres in proposed spacing unit:	639.33
Tract 1		N/2NE/4, SE/4 Sec. 4 & NE/4 Sec. 9	Acres contributed to proposed spacing unit:	399.33
	65.600000% 100.000000%	OXY Y-1 Company OXY USA Inc. Total Committed Interest Total Uncommitted Interest		100.00% 0.00%
Tract 2		NW/4SE/4 Sec. 9	Acres contributed to proposed spacing unit:	40
	80.000000% 100.000000%	OXY Y-1 Company OXY USA Inc. Total Committed Interest Total Uncommitted Interest		100.00% 0.00%
Tract 3		S/2NE/4 Sec. 4	Acres contributed to proposed spacing unit:	80
	100.000000%	Chevron U.S.A. Inc. Total Committed Interest Total Uncommitted Interest S/2SE/4, NE/4SE/4 Sec. 9	Acres contributed to proposed spacing unit:	0.00% 100.00% 120
	79 360470%	OXY USA Inc. Occidental Permian Limited Partnership Avalanche Royally Partners LLC Total Committed Interest Total Uncommitted Interest		100.00% 0.00%

Working Interest for each party in 639.33 acre proposed spacing unit:

OXY USA Inc.	49.74430%
QXY Y-1 Company	22.73779%
Occidental Permian Limited Partnership	14,89568%
Chevron U.S.A. Inc.	12.51310%
Avalanche Royalty Partners LLC	0.10912%
EOG Resources Inc. (Record Title Only in Tr. 1 & 2)	0.00000%
Lawrence W. Robinette and wife, Sally H. Robinette (ORRI)	0.00000%
BK Exploration Corporation (ORRI)	0.00000%
XTO Holdings LLC (ORRI)	0,00000%
OXY USA WTP LP (ORRI)	0.00000%
Rutter and Wilbanks Corporation (ORRI)	0.00000%
	100.00000%



March 6, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Marathon Oil Permian LLC 5555 San Felipe Street Houston, Texas 77056 Attn: Land Department – Permian

RE: Well Proposal – Heads CC 9-4 Fed Com 31H SHL – 960' FWL and 250' FSL Section 9, Township 24 South, Range 29 East, Eddy County, NM BHL – 20' FNL and 330' FWL Section 4, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Heads CC 9-4 Fed Com #31H well at the referenced surface location in Section 9-24S-29E to its terminus at the referenced bottom hole location in Section 4-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,070', and to an approximate measured depth of 20,070' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated April 1, 2019, by and between OXY USA Inc., as Operator, and OXY Y-1 Company, et al as Non-Operators, covering Section 4 and 9, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 4 and 9, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Heads 9-4 Fed Com #31H well by executing and returning one copy of this letter within thirty (30) days.

If you have any questions, or would like to discuss this proposal in greater detail, please don't hesitate to call or email me.

Sincerely,

Enclosures

OXY USA Inc.

Peter Van Liew, RPL Senior Land Negotiator Working Interest Party elects to:

_____ participate in the drilling of the Heads CC 9-4 Fed Com #31H

non-consent the drilling of the Heads CC 9-4 Fed Com #31H

By:_____

Name:

Title: _____

Date: _____

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A10 Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789



Occidental Oil and Gas Corporation Heads CC 9-4 #31H

RMT: PRN State & County: NM, Eddy Field; Corral Well Type: 10k WC Date: 7/10/2017

	r						·	·
Code	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move							
3010	Major Mob / Demob		\$	\$				
3011	Location & Roads + Maintenance		\$ 103,000	\$				
3021	Rig Move		\$ 74,859	\$ -				
Labor,	Services & Equipment Rentals					_		
1000	Employee Wages		\$ 3,863	\$ 140,724				
1050	Location Services		s -	S				
2004	Contractor Maintanence/Gangs/Rouslabouts		\$ 14	\$				
2017	Contract Supervision		\$	\$ -				
2019	Contractor HES		\$ -	\$.				
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hot Oiling		\$	\$ +				
3002	Services Misc Heavy Equipment		\$:-	\$ -				
3003	Fluid Haul		\$ 6,719	\$ 53,382				
3005	Services Inspection		S 353	\$ 37,606				
3009	Services Wellhead		\$4	\$ 15,553				
3012	Cased/Open Hole Logging		\$	\$				
3013	Services Coiled Tubing		\$ +	\$				
3014	Directional Drilling & LWD		\$	\$ 486,420				
3015	Fishing		\$.	S -				
3016	Mud Logging		\$	\$ 30,311				
3018	Services Perforating		\$	\$				
3010	Wire line & Slick line		s	\$ -				
3020	Rig Work		\$	\$ 727,075				
3022	Drilling & Completion Fluids		\$ 5,601	\$ 69,437				
3023	Cementing		\$	\$ 249,260				
3024	Services Stimulation		\$	\$				
3025	Services Downhole Other		\$ -	\$ 12,772				
3026	Formation Testing and Coring		\$	\$ 3				
3029	Camp & Catering		\$ 8,254	\$ 38,034				
3032	Communications & IT		\$ 547	\$ 19,936				
3035	Services Disposal		\$	\$ 135,267				
3039	Services Fluid Hauling from Site		\$ -	\$				
4005	Rental Downhole Equipment & Tools		\$ -	\$ 4,102				
4007	HES & Industrial waste handling		\$ 466	\$ 7,878				
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 104,308				
Consu	Consumables							
5021	Material Surface Other		\$	\$				
5023	Welhead & X-mas tree		\$	\$ 69,483				
5027	Materal Subsurface Lift Equipment Other		\$ -	\$ -				
5028	Casing and Casing Accessories		\$	\$ 774,825				
5029	Material Tubing and Accs		\$	\$ -				
5500	Material Consumables		\$ 10,300	\$				
5502	Drilling Fluids Products		\$ +	\$ 195,236				
5503	Bits, Reamers, Scrapers, HO's		\$	\$ 77,674				
5505	Fuel & Lubricants		\$ 2,125	\$ 77,405				
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742				
Logistic	s, Insurance & Tax							
8000	Land Transportation		\$ 644	\$ 46,922				
8102	Tax & contingency		\$ 11,847	\$ 296,545				
8918	Permits/Settlements/Other		\$ -	S :=:				
8921	Waste Handling and Disp		\$	\$ 40,433				
8945	Loss & Loss Expenses Paid		\$	\$				
9999	Olher Costs		\$	\$				
Subtot	al	\$ -	\$ 248,777	\$ 3,769,360	\$ • \$ •	\$ -	\$ 8	\$



Occidental Oil and Gas Corporation Heads CC 9-4 #31H

RMT:	PRN
State & County:	NM, Eddy
Field:	Corral
Well Type:	10k WC
Date:	7/10/2017

Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Locatio	n, Mobilization, Rig Move								
3010	Major Mob / Demob								
3011	Location & Roads + Maintenance								
3021	Rig Move			·					
Labor, S	Services & Equipment Rentals								
1000	Employee Wages								
1050	Location Services						· · · · · · · · · · · · · · · · · · ·		
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services								
3001	Services Hol Oiling								
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging								
3013	Services Coiled Tubing								
3014	Directional Drilling & LWD								
3015	Fishing								
3016	Mud Logging								
3018	Services Perforating								
3018	Wire line & Slick line								
3019	Rig Work								
	Drilling & Completion Fluids								
3022									
3023	Cementing								
3024	Services Stimulation								
3025	Services Downhole Other								
3026	Formation Testing and Coring Camp & Catering								
3029									
3032	Communications & IT								
3035	Services Disposal								
3039	Services Fluid Hauling from Site								
4005	Rental Downhole Equipment & Tools								
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								L
	Consumables								r
5021	Material Surface Other								
5023	Wellhead & X-mas tree								
5027	Materal Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products					-			
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants			7					
7004	Utilities: Electricity, Water & Sewers & Trash						·		
	s, Insurance & Tax				1		·······		
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs								
Subtot	al	\$ -	\$ -	\$.	ş .	\$ -	\$ -	\$	\$ 2

\frown			Occid	lental	l Oil and	I G	as Corpo	ora	tion					State & County:	SWN NM, E	Eddy
OX	Y III				ads CC									Field		r Canyon
				пе	eads CC	3.	-4 #310							Well Type		
														Date	3/6/20)19
Code	Element Name	1	1 Phase	Locati	2 on/Rig Move		3 Drilling		4 P&A		5 Completion	Ar	6 tificial Lift	7 Hookup		8 Facilities
Location	, Mobilization, Rig Move															
3010	Major Mob / Demob	\$		\$		_	\$ -	\$		-	\$ 8,163	\$		\$ -	\$	-
3011	Location & Roads + Maintenance	\$	2	\$	103,000	\$		\$	25	\$	3,500	\$		\$.	\$	
3021	Rig Move	\$		\$	75,000	\$	(.	\$.(#)	\$	÷.	\$	8	\$ -	\$	
Labor, S	ervices & Equipment Rentals		_		_					_	_			_		
1000	Employee Wages	\$		\$	4,000	\$	141,000	S	355	\$	100,000	\$		\$ -	\$	
1050	Location Services	\$		\$	28	\$		\$	•	\$	+	\$	*	\$ -	S	
2004	Contractor Maintenance/Roustabouts	\$		\$		\$		\$	*•`	\$	1,500	\$	×.	\$ -	\$	
2017	Contract Supervision	\$		\$		\$		\$	17 6 2	\$	57,400	\$	8,678	\$ -	\$	-
2019	Contractor HES	\$		\$		\$	•	\$	×	\$	10,931	\$	•	\$ -	S	
2034	Labor services	\$	58	\$	1,000	\$		\$	(.	\$	*	\$		\$ -	\$	
3001	Services Hot Oiling	\$	3	\$		\$	3.0	\$		\$	12,500	\$	5,710	\$ +	\$	
3002	Services Misc Heavy Equipment	\$	34 ~~	\$		\$		\$	(A)	\$	40,500	\$	1,713	\$.	\$	
3003	Fluid Haul	\$	4	\$	7,000	\$		\$		\$	-	\$		\$ -	S	
3005	Services Inspection	\$		\$		\$	38,000	S		\$	4,500	\$	5 740	\$ -	S	
3009	Services Wellhead	\$		\$		\$	16,000	\$	10	\$	45,100	\$	5,710	\$ •	\$	
3012	Cased/Open Hole Logging	S		\$	2	\$		\$		\$	9,500	\$	*	\$.	\$	
3013	Services Coiled Tubing	\$	34 	\$	- ÷	\$	100.000	\$	26	\$	178,535	\$		\$ +	\$	
3014	Directional Drilling & LWD	\$	4	\$	`	\$		\$	18	\$		\$		\$.	\$	
3015	Fishing	\$		\$		\$		\$		\$		\$		\$ -	\$	
3016	Mud Logging	\$	÷.	\$	17	\$	30,000	\$	35	\$	÷.	\$	×	\$ -	S	
3018	Services Perforating	\$		\$		\$	•	\$		\$	172,200	\$	2	\$ •	\$	
3019	Wire line & Slick line	\$		\$		\$		\$	-	\$	42,000	\$	7,422	\$ -	\$	
3020	Rig Work	\$	<u></u>	\$	2	\$	727,000	\$	12	\$	t:	\$	24,936	\$ •	\$	
3022	Drilling & Completion Fluids	\$		\$	6,000	\$	69,000	\$	See	\$	•	\$		\$ •	\$	
3023	Cementing	\$	<u>.</u>	\$		\$	249,000	\$	(*)	\$	÷	\$	•	\$ -	\$	
3024	Services Stimulation	\$	<u></u>	\$		\$		\$		\$	3,188,848	\$		\$ +	\$	
3025	Services Downhole Other	\$		\$	•	\$	13,000	\$	•	\$	53,550	\$	13,726	\$ -	\$	
3026	Formation Testing and Coring	\$	8	\$	3	\$	121	\$		\$	224,269	\$		\$ -	\$	
3029	Camp & Catering	\$		\$	8,000	\$		\$	255	\$	•	\$	8	\$ -	S	
3032	Communications & IT	\$		\$	1,000	\$		\$	•	\$	470.000	5	-	\$ -	5	500.0
3035	Services Disposal	S		\$	¥	\$	135,000	\$	2 	\$	179,000	\$	4,111	\$ -	\$	560,0
3039	Services Fluid Hauling from Site	S	<u> </u>	\$	*	\$ \$	4 000	\$		\$	•	\$	•	\$ \$	\$	
4005	Rental Downhole Equipment & Tools	\$		\$	2	· ·	4,000 8,000	\$ \$		\$		\$			5	
4007	HES & Industrial waste handling	\$		\$	19,000	\$		3 \$		\$ \$	125,908	\$ \$	7,177	s -	5	
4013	Rental Surface Equipment & Tools	\$		3	19,000	2	104,000	Φ		Φ	122,906	φ	7,177	\$	1.2	
	Consumables			1.	_			-		_					1	
5021	Material Surface Other	\$	×	\$	(e	\$	-	\$	X.95	\$	•			\$ 125,000	\$	
5023	Wellhead & X-mas tree	\$		\$		\$		\$	•	\$	22,500	\$	*	\$ -	\$	
5027	Materal Subsurface Lift Equipment Other	\$		\$		\$	775.000	\$	0.0	S		S	66,231	\$.	S	
5028	Casing and Casing Accessories	\$	· ·	\$		\$	775,000	\$	125	\$	·	\$	-	\$ -	\$	
5029	Material Tubing and Accs	\$	3	\$	10.000	\$		\$		\$		\$	39,967	<u>\$</u> -	\$	
5500	Material Consumables	\$		\$	10,000	\$		\$	515 101	\$	260,131	\$	*	\$ -	\$	
5502	Drilling Fluids Products	\$		\$		5	195,000	-	2.00 (1997)	\$		\$	*	\$ ·		
5503	Bits, Reamers, Scrapers, HO's	\$		\$	3 000	\$	78,000		240	\$		\$	¥ 2	\$ -	\$	
5505	Fuel & Lubricants	\$		\$	2,000	\$	77,000			\$	3,196	\$	1,440	\$- \$-	\$	_
004	Utilities: Electricity, Water & Sewers & Trasi , Insurance & Tax	\$		\$		0	12,000	9		\$	5,190	U.	1,440		LΨ	_
		e 1	-	I ¢	4.000	•	47.000	c	250		40.000	æ		e	l c	
000	Land Transportation	\$	•	\$	1,000		47,000		•	\$	10,000		9 190	\$ -	\$	
8102	Tax & conlingency	\$	2	\$	12,000		297,000	\$ \$	1.5-	\$	220,686		8,180		\$ \$	
3918	Permits/Settlements/Other Waste Handling and Disp	\$		\$		\$	40,000			\$		\$ \$	* *	\$ - \$ -	5	
8921	Vvaste Handling and Disp Loss & Loss Expenses Paid	\$		\$		\$		ծ \$	-	-		\$		\$ - \$ -	\$	
8945		\$		\$		\$ \$		\$ \$		\$ \$		5 5		s -	5	
9999	Other Costs															

Company Name:
BY:
Name:
B-11
Date:

and the second second	Total Drilling (1+2+3+4):	\$ 4,017,000
	Total Completion (5+6+7):	\$ 5,294,415
	Total Facilities (8):	\$ 560,000
	Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,871,415



March 6, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Avalanche Royalty Partners LLC 100 St. Paul Street, Suite 305 Denver, Colorado 80206 Attn: Land Manager

RE: Well Proposal – Heads CC 9-4 Fed Com 32H SHL – 995' FWL and 250' FSL Section 9, Township 24 South, Range 29 East, Eddy County, NM BHL – 20' FNL and 1230' FWL Section 4, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Heads CC 9-4 Fed Com #32H well at the referenced surface location in Section 9-24S-29E to its terminus at the referenced bottom hole location in Section 4-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,070', and to an approximate measured depth of 20,070' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated April 1, 2019, by and between OXY USA Inc., as Operator, and OXY Y-1 Company, et al as Non-Operators, covering Section 4 and 9, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 4 and 9, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Heads 9-4 Fed Com #32H well by executing and returning one copy of this letter within thirty (30) days.

If you have any questions, or would like to discuss this proposal in greater detail, please don't hesitate to call or email me.

Sincerely,

OXY USA Inc.

Peter Van Liew, RPL

Senior Land Negotiator

Working Interest Party elects to:

____ participate in the drilling of the Heads CC 9-4 Fed Com #32H

____ non-consent the drilling of the Heads CC 9-4 Fed Com #32H

Enclosures

By: _____

Name: _____

Title: _____

Date: _____



Occidental Oil and Gas Corporation Heads CC 9-4 #32H

RMT:	PRN
State & County:	NM, Eddy
Field:	Corral
Well Type:	10k WC
Date:	7/10/2017

Code	Element Name	Prep Phase	Location & Rig Move	Drilling	Completi	on Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move							n
3010	Major Mob / Demob		S S	\$				
3011	Location & Roads + Maintenance		\$ 103,000	\$.				
3021	Rig Move		\$ 74,859	\$				
Labor, S	Services & Equipment Rentals							
1000	Employee Wages		\$ 3,863	\$ 140,724				
1050	Location Services		\$	\$				
2004	Contractor Maintanence/Gangs/Roustabouts		\$ 120	\$				
2017	Contract Supervision		\$	\$				
2019	Contractor HES		\$	\$				
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hot Oiling		\$ 2.00	\$ -				
3002	Services Misc Heavy Equipment		\$ 243	\$ 240				
3003	Fluid Haul		\$ 6,719	\$ 53,382				
3005	Services Inspection		\$ 353	\$ 37,606				
3009	Services Wellhead		S /t	\$ 15,553				
3012	Cased/Open Hole Logging		\$ <u>5</u> **	\$				
3013	Services Coiled Tubing		S	\$ -				
3014	Directional Drilling & LWD		\$	\$ 486,420				
3015	Fishing		\$	\$				
3016	Mud Logging		\$	\$ 30,311				
3018	Services Perforating		\$ (*)	\$				
3019	Wire line & Slick line		\$	\$				
3020	Rig Work		\$	\$ 727,075				
3022	Drilling & Completion Fluids		\$ 5,601	\$ 69,437				
3023	Cementing		\$.	\$ 249,260				
3024	Services Stimulation		\$	\$				
3025	Services Downhole Other		S (12)	\$ 12,772				
3026	Formation Testing and Coring		\$ 43	\$				
3029	Camp & Catering		\$ 8,254	\$ 38,034				
3032	Communications & IT		\$ 547	\$ 19,936				
3035	Services Disposal		\$.	\$ 135,267				
3039	Services Fluid Hauling from Site		S 💉	\$				-
4005	Rental Downhole Equipment & Tools		\$	\$ 4,102				
4007	HES & Industrial waste handling		\$ 466	\$ 7,878				
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 104,308				
Consu	Consumables							
5021	Material Surface Other		\$.	\$				-
5023	Welhead & X-mas tree		S 🐑	\$ 69,483				
5027	Materal Subsurface Lift Equipment Other		\$	\$				
5028	Casing and Casing Accessories		\$	\$ 774,825				
5029	Material Tubing and Accs		\$	\$				
5500	Material Consumables		\$ 10,300	\$				
5502	Drilling Fluids Products		\$	\$ 195,236				
5503	Bits, Reamers, Scrapers, HO's		\$	\$ 77,674				
5505	Fuel & Lubricants		\$ 2,125	\$ 77,405				
7004	Utilibes: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742				
	cs, Insurance & Tax		1.	la 1977				
8000	Land Transportation							
8102	Tax & contingency		\$ 11,847	\$ 296,545				
8918	Permits/Settlements/Other		S ·	\$ -				
8921	Waste Handling and Disp		\$	\$ 40,433				-
8945	Loss & Loss Expenses Paid		\$ ·	\$				
9999	Other Costs	1	\$ -	S				1



Subtotal

Occidental Oil and Gas Corporation Heads CC 9-4 #32H

RMT: PRN State & County: NM, Eddy Field: Corral Well Type: 10k WC Date: 7/10/2017

	The second blance	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
1011	Element Name	Prep Phase	Location a Kig move	Drining		Completion			
	on, Mobilization, Rig Move								
3010	Major Mob / Demob								
3011	Location & Roads + Maintenance								
3021	Rig Move								
Labor,	Services & Equipment Rentals								
1000	Employee Wages								
1050	Location Services								
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services								
3001	Services Hot Oiling								
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging								
3013	Services Coiled Tubing								
3014	Directional Drilling & LWD					· · · · · · · · · · · · · · · · · · ·			
3015	Fishing								
3016	Mud Logging								
3018	Services Perforating								
3019	Wire line & Slick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								
3022	Cementing								
3023	Services Stimulation		-						
3025	Services Downhole Other								
3025	Formation Testing and Coring								
3020	Camp & Calering								
3032	Communications & IT								
3032	Services Disposal								
	Services Fluid Hauling from Site								
3039	Rental Downhole Equipment & Tools								
4005	HES & Industrial waste handling		-						
4007									
4013	Rental Surface Equipment & Tools		4	_					
	Consumables						r		
5021	Material Surface Other						-		
5023	Wellhead & X-mas tree								
5027	Materal Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Ublittes: Electricity, Water & Sewers & Trash								
	ics, Insurance & Tax				F			1	1
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
6921	Weste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs								

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			Occid		al Oil and leads CC		-	oration					RM State & Count Fie Well Typ Da	/: NM. d: Ced	Eddy ar Canyon WC
Code	Element Name	Pre	1 ep Phase	Loca	2 tion/Rig Move	3 Drilling		4 P&A		5 Completion		6 Artificial Lift	7 Hookup		8 Facilities
Location	n, Mobilization, Rig Move	-													
3010	Major Mob / Demob	\$		\$	<u>×</u>			\$	4	\$ 8,16	_	\$ -	\$ •		\$ -
3011	Location & Roads + Maintenance	\$		\$	103,000		-	\$		\$ 3,50	_		\$.	\$	
3021	Rig Move	\$	5	\$	75,000	\$	-	\$	35	\$	\$	6	\$ -	\$	15
Labor, S	Services & Equipment Rentals	_					_								
1000	Employee Wages	\$		\$	4,000	\$ 141,0	000	\$		\$ 100,00			\$ -	\$	
1050	Location Services	\$		S		\$		\$		\$	\$		\$ -	\$	
2004	Contractor Maintenance/Roustabouts	\$		\$	*	\$	-	\$		\$ 1,50	_		\$ -	\$	
2017	Contract Supervision	\$	× .	\$				\$		\$ 57,40	_		s -	\$	-
2019	Contractor HES	\$		\$		\$	_	\$		\$ 10,93			\$ -	\$	
2034	Labor services	\$		\$	1,000	\$ 47,0	-	\$		\$ -	\$		\$.	\$	
3001	Services Hot Oiling	\$		\$		-	-	\$	2	\$ 12,50			<u>s</u> -	\$	2
3002	Services Misc Heavy Equipment	\$	*	\$	7,000	\$ \$ 53,0	_	\$ \$	2	\$ 40,50	_		s -	\$	
3003	Fluid Haul	\$		\$	7,000	\$ 53,0		\$ \$	9 5	\$ 4.50	5		\$ -		
3005 3009	Services Inspection Services Wellhead	s S		s		\$ 38,0	_	\$	-	\$ 4,50 \$ 45,10			\$. \$.	\$	
		\$		s		\$ 10,0	-	\$		\$ 45,10				\$	
3012 3013	Cased/Open Hole Logging Services Coiled Tubing	\$		\$		\$	-	\$		\$ 9,50			s - s -	\$	
3013	Directional Drilling & LWD	\$		s		\$ 486,0	_	\$		\$ 170,00	5 5		\$	\$	
3015	Fishing	\$	-	s		\$		\$	4	s -	\$		\$.	\$	
3016	Mud Logging	\$		\$		\$ 30,0	000	\$	-	\$ -	s		\$ -	s	
3018	Services Perforating	\$	•	\$				\$		\$ 172,20			\$ -	s	
3019	Wire line & Slick line	\$	2	\$	2	\$	-	\$	8	\$ 42,00	_			s	
3020	Rig Work	s		s	2	\$ 727.0	_	\$	-	\$ 42,00	5		\$ ·	S	
3022	Drilling & Completion Fluids	\$		\$	6,000	\$ 69,0	-	\$		s -	s		s -	s	
3023	Cementing	\$	*	\$	0,000	\$ 249,0	_	\$	22 19	\$	s		\$ -	\$	
3024	Services Stimulation	\$		\$		\$		\$	14	\$ 3,188,84	_		\$	\$	
3025	Services Downhole Other	S S		\$	2	\$ 13.0	000	\$	12	\$ 53,55	_		\$ -	s	2
3026	Formation Testing and Coring	\$	2	s	1	\$	-	\$	÷.	\$ 224,26	-		\$.	\$	
3029	Camp & Catering	\$		\$	8,000	\$ 38,0	000	\$		\$ -	s		\$ -	s	
3032	Communications & IT	\$	•	\$	1,000	\$ 20,0	_	\$	*	\$ -	\$		s -	s	
3035	Services Disposal	\$	÷	\$	8	\$ 135,0	_	\$		\$ 179,00			\$	\$	560,000
3039	Services Fluid Hauling from Site	\$	÷	\$	2	\$	-	\$	2	\$ -	s		s -	s	
4005	Rental Downhole Equipment & Tools	\$	3	\$	200	\$ 4,0	000	\$	2	\$ -	S	3 -	\$ -	\$	
4007	HES & Industrial waste handling	\$		\$		\$ 8,0	000	\$		\$ -	\$	3 -	\$ -	\$	
4013	Rental Surface Equipment & Tools	\$		S	19,000	\$ 104,0	00	\$		\$ 125,90	8 \$	5 7,177	\$.	\$	<u>.</u>
Consun	Consumables										- X.			(C)	
5021	Malerial Surface Other	\$		\$	<u>*</u> .	\$		\$		\$ -	T		\$ 125,00	o s	
5023	Wellhead & X-mas tree	\$	÷2	\$	<u>*</u>	\$ 69,0	00	\$		\$ 22,50	0 \$	3	\$ •	\$	3
5027	Materal Subsurface Lift Equipment Other	\$	•	\$	÷2	\$		\$	*	\$ -	\$		\$ -	\$	
5028	Casing and Casing Accessories	\$	2	\$	-2	\$ 775,0	000	\$	3	s -	\$		\$.	S	
5029	Material Tubing and Accs	\$	¥	\$	¥	\$		\$	2	\$-	\$	39,967	\$-	\$	
5500	Material Consumables	\$	•	\$	10,000	\$		\$		\$ 260,13	1\$	s	\$.	\$	
5502	Drilling Fluids Products	\$	t:	\$	*	\$ 195.0	00	\$	•	s -	\$	3	\$.	\$	2
5503	Bits, Reamers, Scrapers, HO's	\$	•	\$	÷		00		*	S -	\$; <u>``</u>	\$	\$	
5505	Fuel & Lubricants	\$		\$	2,000		00			s -	\$		\$	\$	
7004	Utilities: Electricity, Water & Sewers & Trasl	\$	1	\$	¥	\$ 12.0	00	\$	<u> </u>	\$ 3,19	6 \$	i 1,440	\$ -	\$	2
Logistics	s, Insurance & Tax														
8000	Land Transportation	\$	÷.	\$	1,000	\$ 47,0	00	\$	8	\$ 10,00	0\$	i	\$ -	\$	<u>54</u>
8102	Tax & contingency	\$		\$	12,000	\$ 297,0	00	\$	÷.	\$ 220,68	6\$	8,180	\$.	\$	
8918	Permits/Settlements/Other	\$		\$	•	\$		\$		\$ -	\$	i ses	\$	\$	
8921	Waste Handling and Disp	\$		\$	÷.	\$ 40,0	00	\$	*	\$ -	\$		\$.	\$	3
8945	Loss & Loss Expenses Paid	\$		\$			_	\$	8	\$ -	_		\$.	\$	
9999	Other Costs	\$	£	\$	¥	\$		\$	э.	\$ -	\$	i	\$ -	\$	
Subtotal		\$		\$	249,000	\$ 3,768,0	00			\$ 4,974,41		\$ 195,000	\$ 125,00		560,000

Company Name:			
BY:		 	
Name:			
Date:			

	Total Drilling (1+2+3+4):	\$ 4,017,000
	Total Completion (5+6+7):	\$ 5,294,415
	Total Facilities (8):	\$ 560,000
	Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,871,415
Assumptions:		



March 6, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Avalanche Royalty Partners LLC 100 St. Paul Street, Suite 305 Denver, Colorado 80206 Attn: Land Manager

RE: Well Proposal – Heads CC 9-4 Fed Com 33H SHL – 1030' FWL and 250' FSL Section 9, Township 24 South, Range 29 East, Eddy County, NM BHL – 20' FNL and 2130' FWL Section 4, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Heads CC 9-4 Fed Com #33H well at the referenced surface location in Section 9-24S-29E to its terminus at the referenced bottom hole location in Section 4-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,070', and to an approximate measured depth of 20,070' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated April 1, 2019, by and between OXY USA Inc., as Operator, and OXY Y-1 Company, et al as Non-Operators, covering Section 4 and 9, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 4 and 9, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Heads 9-4 Fed Com #33H well by executing and returning one copy of this letter within thirty (30) days.

If you have any questions, or would like to discuss this proposal in greater detail, please don't hesitate to call or email me.

Sincerely,

OXY USA Inc.

Peter Van Liew, RPL Senior Land Negotiator Working Interest Party elects to:

____ participate in the drilling of the Heads CC 9-4 Fed Com #33H

____ non-consent the drilling of the Heads CC 9-4 Fed Com #33H

Enclosures

By: _____ Name: _____

Title: ____

Date:



Occidental Oil and Gas Corporation Heads CC 9-4 #33H

RMT:	PRN
Stale & County:	NM, Eddy
Field:	Corral
Well Type:	10k WC
Date:	7/10/2017

ode	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move							
3010	Major Mob / Demob		\$ -	\$:=				
3011	Location & Roads + Maintenance		\$ 103,000	\$				
3021	Rig Move		\$ 74,859	\$				
Labor, S	Services & Equipment Rentals	The second second						
1000	Employee Wages		\$ 3,863	\$ 140,724			·	
1050	Location Services		\$	\$ -				
2004	Contractor Maintanence/Gangs/Roustabouts		s -	\$				
2017	Contract Supervision		s -	\$				
2019	Contractor HES		S -	\$				
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hol Oiling		s -	s -				
3002	Services Misc Heavy Equipment		\$	\$ -				
3002	Fluid Haul		\$ 6,719	\$ 53,382				
3005	Services Inspection		\$ 353	\$ 37,606				
3005	Services Wellhead		\$	\$ 15,553				
			\$	\$ -				
3012	Cased/Open Hole Logging		\$ -	\$				
3013	Services Coiled Tubing		\$ -	\$ 466,420				
3014	Directional Drilling & LWD			\$ 480,420				
3015	Fishing		\$	\$ 30,311				
3016	Mud Logging							
3018	Services Perforating		\$ -	\$				
3019	Wire line & Slick line		\$	\$				
3020	Rig Work		\$ -	\$ 727,075				
3022	Drilling & Completion Fluids		\$ 5,601	\$ 69,437				
3023	Cementing		\$	\$ 249,260				
3024	Services Stimulation		\$	\$ -				-
3025	Services Downhole Other		\$	\$ 12,772				
3026	Formation Testing and Coring		S :	\$				
3029	Camp & Catering		\$ 8,254	\$ 38,034				· · · · · · · · · · · · · · · · · · ·
3032	Communications & IT		\$ 547	\$ 19,936				
3035	Services Disposal		\$	\$ 135,207				
3039	Services Fluid Hauling from Site		s -	\$ -				
4005	Rental Downhole Equipment & Tools		s -	\$ 4,102				
4007	HES & Industrial waste handling		\$ 466	\$ 7,876				
4007	Rental Surface Equipment & Tools	_	\$ 16,849	\$ 104,308				
	Consumables		1.010.10		1 <u>1</u>			-
5021	Material Surface Olher	1	\$ -	\$		1		1
	Wellhead & X-mas tree		\$	\$ 69,483				1
5023 5027			\$ -	\$ 55,455				
_	Materal Subsurface Lift Equipment Other		\$	\$ 774,825				
5028	Casing and Casing Accessories		\$	\$ 114,625				
5029	Material Tubing and Accs		\$ 10,300					
5500	Material Consumables			\$ 195,236				
5502	Drilling Fluids Products			\$ 195,230			<u> </u>	
5503	Bits, Reamers, Scrapers, HO's	_						
5505	Fuel & Lubricants		9 2,120					
7004	Ublities: Electricity, Water & Servers & Trash		\$ 322	\$ 11,742			L	1
_	cs, Insurance & Tax					1	1	T
8000	Land Transportation		\$ 644	\$ 46,922				
8102	Tax & contingency		\$ 11,847					
8918	Permits/Settlements/Other		s -	\$+				
8921	Waste Handling and Disp		\$ -	\$ 40,433				
8945	Loss & Loss Expenses Paid		\$ -	\$ -				
9999	Other Costs	1	\$ -	s -				



Occidental Oil and Gas Corporation Heads CC 9-4 #33H

ode	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
	on, Mobilization, Rig Move								
3010	Major Mob / Demob								
3011	Location & Roads + Maintenance								
3021	Rig Move					_			
Labor,	Services & Equipment Rentals								
1000	Employee Wages								
1050	Location Services								
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services								
3001	Services Hol Oiling								
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging								
3012	Services Coiled Tubing	-							
3013	Directional Drilling & LWD								
3014	Fishing								
3015									
	Mud Logging								
3018	Services Perforating								
3019	Wire line & Slick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								<u> </u>
3023	Cemenling								
3024	Services Stimulation								<u> </u>
3025	Services Downhole Other								<u> </u>
3026	Formation Testing and Coring								
3029	Camp & Catering								
3032	Communications & IT								
3035	Services Disposal								
3039	Services Fluid Hauling from Site								
4005	Rental Downhole Equipment & Tools								
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								<u> </u>
Consu	Consumables								
5021	Material Surface Other								
5023	Welhead & X-mas tree								·
5027	Materel Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								I
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Ublities: Electricity, Water & Sewera & Trash								
Logisti	cs, Insurance & Tax				_				-
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs					-			
Subto		\$ -	\$	\$ -	S -	\$ -	\$.	\$ -	\$

0			Occid	ental Oil a Heads C		-	Oľ	ation				Well Type:		yon
Code	Element Name		1 Phase	2 Location/Rig Mo	ve	3 Drilling		4 P&A	Con	5 apletion	6 Artificial Lift	Date: 7 Hookup	3/6/2019 8 Facilit	ties
Location	n, Mobilization, Rig Move													
3010	Major Mob / Demob	\$		\$	_	\$ -	_	\$ -	\$	8,163	\$ -	\$ -	S	
3011	Location & Roads + Maintenance	\$		\$ 103,0			\$	*	\$ \$		\$ - \$ -	\$ \$	\$	
3021	Rig Move	\$	•:	\$ 75.0	00 8	5 -	\$		Ð		3 -	3	1.	-
	Services & Equipment Rentals	1	_	10 40	00 0	\$ 141,000	\$		e	400.000	s -	\$	s	1
1000	Employee Wages	\$		\$ 4,0 \$	00 \$		5		\$ \$		<u>s</u> -	\$	s	
1050	Location Services Contractor Maintenance/Roustabouts	\$					\$		\$		\$ -	\$.	s	
2004 2017	Contractor Maintenance/Roustabouts	\$		\$			\$		\$		\$ 8,678	s -	s	
2017	Contract Supervision	\$					\$	÷	\$		\$ -	s -	\$	<u></u>
2019	Labor services	s		\$ 1,0			\$		\$		\$ -	\$ -	\$	<u> </u>
3001	Services Hot Oiling	\$	*	\$			\$		\$		\$ 5,710	\$	\$	
3002	Services Misc Heavy Equipment	\$		\$			\$	*	\$	40,500	\$ 1,713	\$	\$	
3003	Fluid Haul	\$	1	\$ 7,0			\$	2	\$		\$	\$ -	\$	
3005	Services Inspection	\$	÷.				\$	4	\$	4,500	\$	\$	\$	- 14
3009	Services Wellhead	\$		\$		\$ 16,000	\$	- 3-	\$	45,100	\$ 5,710	\$	\$	
3012	Cased/Open Hole Logging	\$		\$		\$ *	\$		\$	9,500	\$ -	\$ -	\$	
3013	Services Coiled Tubing	\$	\$ 5	\$		\$	\$		\$	178,535	\$ -	\$.	\$	
3014	Directional Drilling & LWD	\$	÷.	\$		\$ 486,000	\$		\$	\$	\$	\$ •	\$	28
3015	Fishing	\$		\$		\$.	\$		\$		\$ •	\$ -	\$	
3016	Mud Logging	\$		\$	- 1	\$ 30,000	\$		\$		s -	\$ •	S	(¥
3018	Services Perforating	\$	•	\$	6	\$-	\$		\$	172,200	\$	\$ -	\$	10
3019	Wire line & Slick line	\$	- 2	\$	s 1	\$	\$		\$	42,000	\$ 7,422	\$ 840	\$	- 24
3020	Rig Work	\$	•	\$		\$ 727,000	\$		\$		\$ 24,936	\$ -	\$	
3022	Drilling & Completion Fluids	\$	÷.	\$ 6,0		\$ 69,000	\$		\$	•	\$	\$ -	\$	
3023	Cementing	\$		\$	_	\$ 249,000	\$	19	\$	(*);	\$	\$ -	\$	
3024	Services Stimulation	\$		1 · · · · · · · · · · · · · · · · · · ·	_	\$ -	\$		\$	3 188 848	\$	\$ -	\$	(B)
3025	Services Downhole Other	\$	•	\$	_	\$ 13,000	\$		S	53,550	\$ 13,726	\$ -	S	
3026	Formation Testing and Coring	\$			-	\$	\$	24	\$	224,269	\$	\$.	\$	
3029	Camp & Catering	\$	*		_	\$ 38,000	\$		\$		\$.	\$ -	\$	
3032	Communications & IT	\$	*			\$ 20,000	\$	j.	\$	170.000	\$ 4,111	<u>s</u> -	\$	560,00
3035	Services Disposal	\$			_	\$ 135,000	\$ \$	3	\$	179,000	\$ 4,111 \$	5 -	\$	300,00
3039	Services Fluid Hauling from Site	\$	-	\$		\$ <u>-</u> \$4,000	⇒ \$		\$		\$ -	s -	S	
4005	Rental Downhole Equipment & Tools	\$		\$	-	\$ 8,000	\$		\$		\$ - \$ -	\$ -	s	-
4007	HES & Industrial waste handling	s s		\$ 19,0	_		\$		\$		\$ 7,177	s -	\$	
4013	Rental Surface Equipment & Tools	3	~	φ 15,0	100	0 104,000	1.			120,000	•			
_	Consumables	1.0	_	s	. 1	\$ -	\$		\$			\$ 125,000	s	
5021	Material Surface Olher	\$	*	s		\$ 69,000	\$		\$	22,500	\$ -	\$ 125,000	s	
5023	Wellhead & X-mas tree Meterol Subauface Lift Equipment Other	\$			_	\$ <u>99,000</u>	S		\$	22,500	\$ 66,231	s ·	\$	
5027 5028	Motorol Subsurface Lift Equipment Other Casing and Casing Accessories	\$				\$ 775,000	S		5 5		\$ 00,231	\$ +	s	
5028	Material Tubing and Acces	\$		\$	-	\$	\$	525	\$		\$ 39,967	\$ -	\$	
5500	Material Consumables	\$		\$ 10,0	-	\$ -	\$		s	260,131	\$ -	\$ -	\$	
5502	Drilling Fluids Products	\$	*			\$ 195,000	\$		\$	() = :	\$ -	\$ -	\$	
5503	Bits, Reamers, Scrapers, HO's	\$		\$		\$ 78,000	\$		\$	16	\$ -	\$ ·	\$	
5505	Fuel & Lubricants	\$	2		000				\$	161	\$ -	\$ -	\$	
7004	Utilities: Electricity, Water & Sewers & Tras		7			\$ 12,000	\$	7 2 0	\$	3,196	\$ 1,440	\$ -	\$	24
	s, Insurance & Tax													
8000	Land Transportation	\$	<u></u>	\$ 1,0	000	\$ 47,000	\$	S#5.	\$	10,000	s -	\$	\$	
8102	Tax & contingency	\$			000				\$	220,686			5	
8918	Permits/Settlements/Other	\$				\$ -	\$		\$		\$ -	s -	\$	
8921	Waste Handling and Disp	\$			_	\$ 40,000	\$	352	\$		\$	s -	\$	
8945	Loss & Loss Expenses Paid	\$			_	\$	\$		\$	•	\$ -	\$ -	\$	
9999	Other Costs	\$	<u> </u>	\$	2 L.	\$	\$	222	\$	÷:	\$ -	\$ -	\$	(é
	1	\$		\$ 249,0		\$ 3,768,000			\$	4,974,415	\$ 195,000	\$ 125,000	¢	560,0

Company Name:			
company Name:	 	 	
BY:			
Name:			
Date:			

Total Drilling (1+2+3+	4): \$	4,017,000
Total Completion (5+6+	7): \$	5,294,415
Total Facilities	8): \$	560,000
Total Well Cost (1+2+3+4+5+6+7+	8): \$	9,871,415



March 6, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Marathon Oil Permian LLC 5555 San Felipe Street Houston, Texas 77056 Attn: Land Department

RE: Well Proposal – Heads CC 9-4 Fed Com 34H SHL – 100' FSL and 1740' FEL Section 9, Township 24 South, Range 29 East, Eddy County, NM BHL – 20' FNL and 2240' FEL Section 4, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Heads CC 9-4 Fed Com #34H well at the referenced surface location in Section 9-24S-29E to its terminus at the referenced bottom hole location in Section 4-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,070', and to an approximate measured depth of 20,070' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated April 1, 2019, by and between OXY USA Inc., as Operator, and OXY Y-1 Company, et al as Non-Operators, covering Section 4 and 9, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 4 and 9, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership In the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Heads 9-4 Fed Com #34H well by executing and returning one copy of this letter within thirty (30) days.

If you have any questions, or would like to discuss this proposal in greater detail, please don't hesitate to call or email me.

Sincerely,

OXY USA Inc.

Working Interest Party elects to:

Peter Van Liew, RPL Senior Land Negotiator ____ participate in the drilling of the Heads CC 9-4 Fed Com #34H

____ non-consent the drilling of the Heads CC 9-4 Fed Com #34H

Enclosures

By: _____ Name: _____

Title:_____

Date: _____



Occidental Oil and Gas Corporation Heads CC 9-4 #34H

RMT: PRN State & County: NM, Eddy Field: Corral Well Type: 10k WC Date: 7/10/2017

Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Locatio	n, Mobilization, Rig Move			1000				100 C 100 C	
3010	Major Mob / Demob		\$.	\$					
3011	Location & Roads + Maintenance		\$ 103,000	\$					
3021	Rig Move		\$ 74,859	\$					
	Services & Equipment Rentals								
1000	Employee Wages		\$ 3,863	\$ 140,724					
1050	Location Services		\$ +	\$ -					
2004	Contractor Maintanence/Gangs/Roustabouts	1	\$	\$.					
2017	Contract Supervision		\$	\$.					ľ
2019	Contractor HES		\$	\$ -					
2010	Labor services		\$ 1,030	\$ 47,030					
3001	Services Hot Oiling		\$ -	\$ -					
3002	Services Misc Heavy Equipment		s	\$					
3002	Fluid Haut		\$ 6,719	\$ 53,382	1				
3003	Services Inspection		\$ 353	\$ 37,606					1
	Services Wellhead		s -	\$ 15,553					
3009			s a	\$					
3012	Cased/Open Hole Logging		s -	\$ -					
3013	Services Coiled Tubing		s	\$ 486,420					
3014	Directional Drilling & LWD		\$	\$ 400,420 \$					
3015	Fishing		\$	s 30,311					
3016	Mud Logging								
3018	Services Perforating								
3019	Wire line & Slick line		\$	\$					
3020	Rig Work		S -	\$ 727,075					
3022	Drilling & Completion Fluids		\$ 5,601	\$ 69,437					
3023	Cementing		\$	\$ 249,260					
3024	Services Stimulation		\$	\$ -					
3025	Services Downhole Olher		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$	\$					
3029	Camp & Catering		\$ 8,254	\$ 38,034					
3032	Communications & IT		\$ 547	\$ 19,936					
3035	Services Disposal		\$	\$ 135,267					
3039	Services Fluid Hauling from Site		\$	\$ -					
4005	Rental Downhole Equipment & Tools		\$	\$ 4,102					
4007	HES & Industrial waste handling		\$ 466	\$ 7,870	·				
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 104,300					
Consu	Consumables								
5021	Material Surface Other		S	\$ -					
5023	Wellhead & X-mas tree		\$	\$ 69,483					
5027	Materal Subsurface Lift Equipment Other		\$	\$ -					
5028	Casing and Casing Accessories		\$	\$ 774,82	i .				
5029	Material Tubing and Accs		\$	\$ •					
5500	Material Consumables		\$ 10,300	\$					
5502	Drilling Fluids Products		S A	\$ 195,230	5				
5503	Bits, Reamers, Scrapers, HO's		S	\$ 77,67					
5505	Fuel & Lubricants		6 2,126	\$ 77,40	i l				
7004	Ubilities: Electricity, Water & Sewers & Trash		\$ 322	5 11,74	2				
	cs, insurance & Tax	A							
8000	Land Transportation		\$ 644	\$ 46,92	2				
8102	Tax & contingency		\$ 11,847	\$ 296,54					
6918	Permits/Settlements/Other		\$.	s .					
8918	Waste Handling and Disp		\$	\$ 40,43	3				
	Loss & Loss Expenses Paid		s -	\$					
8945 9999	Other Costs		\$	\$ *					
	tal	S	\$ 248,777	\$ 3,769,360	s .	\$ -	s -	5 -	s -



Occidental Oil and Gas Corporation Heads CC 9-4 #34H

RMT:	PRN	
State & County:	NM, Eddy	
Field	Corral	
Well Type:	10k WC	
Dale:	7/10/2017	

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	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
	Element Name	Prep Phase	Location & Rig Move	Drailing		The second second		
	n, Mobilization, Rig Move	Y	(
3010	Major Mob / Demob				 			
3011	Location & Roads + Maintenance				 			
3021	Rig Move		1	_				
	Services & Equipment Rentals						_	
1000	Employee Wages				 			
1050	Location Services				 			
2004	Contractor Maintanence/Gangs/Roustabouts				 			1
2017	Contract Supervision				 			
2019	Contractor HES				 			
2034	Labor services				 			
3001	Services Hot Oiling				 			
3002	Services Misc Heavy Equipment				 			
3003	Fluid Haul				 			
3005	Services Inspection				 			
3009	Services Wellhead				 			
3012	Cased/Open Hole Logging							
3013	Services Coiled Tubing				 			
3014	Directional Drilling & LWD				 			
3015	Fishing				 			
3016	Mud Logging				 			
3018	Services Perforating				 			
3019	Wire line & Slick line							
3020	Rig Work							
3022	Drilling & Completion Fluids							
3023	Cementing							
3024	Services Stimulation							
3025	Services Downhole Olher							
3026	Formation Testing and Coring							
3029	Camp & Catering							
3032	Communications & IT							
3035	Services Disposal							
3039	Services Fluid Hauling from Site							
4005	Rental Downhole Equipment & Tools							
4007	HES & Industrial waste handling							
4013	Rental Surface Equipment & Tools							
	Consumables							
5021	Material Surface Other							
5023	Wellhead & X-mas tree			L				
5027	Materal Subsurface Lift Equipment Olher							
5028	Casing and Casing Accessories							
5029	Material Tubing and Accs							
5500	Material Consumables							
5502	Drilling Fluids Products							
5503	Bits, Reamers, Scrapers, HO's							
5505	Fuel & Lubricants							
7004	Utilities: Electricity, Water & Sewers & Trash							
_	cs. Insurance & Tax							
8000	Land Transportation		1					
8102	Tax & contingency							
8918	Permits/Settlements/Other							
8918	Waste Handling and Disp							
8921	Loss & Loss Expenses Paid							
8945	Other Costs							

•	•		Occid		l Oil and eads CC			or	ation				Sla	Field: Well Type:		dy Canyon ; 9
Code	Element Name	Pre	1 p Phase	Loca	2 tion/Rlg Move		3 Drilling		4 P&A	c	5 Completion	6 Artificial Lift		7 Iookup	Fa	8 cilities
Location	n, Mobilization, Rig Move			ñ.,											_	
3010	Major Mob / Demob	\$	•	\$		\$		_	\$ -	\$		\$	\$		\$	
3011	Location & Roads + Maintenance	\$	*	\$	103,000	\$		\$	3	\$	3,500	\$	\$ \$	5. ¹ .	\$ \$	
3021	Rig Move	\$	*	\$	75,000	\$	۰	\$	9	\$	(B)	\$ •	[Þ		D.	
	Services & Equipment Rentals	\$		\$	4,000	\$	141,000	s		\$	100,000	\$ -	5		s	
1000 1050	Employee Wages Location Services	\$	*	\$	4,000	\$	141.000	\$		\$	100,000	\$ -	\$	1.6	\$	
2004	Contractor Maintenance/Roustabouts	\$	÷	\$	- î î	\$		\$		\$	1,500	\$	S		\$	
2017	Contract Supervision	\$		\$	¥	\$		\$		\$	57,400	\$ 8,678		- 16 E	\$	12
2019	Contractor HES	\$	*	\$		\$		\$		\$	10,931	\$ -	\$		\$	
2034	Labor services	\$	•2	\$	1,000	\$	47,000	\$	2	S		\$.	\$	100	\$	13
3001	Services Hot Oiling	\$	*	\$	×.	\$	×	\$	8	s	12,500	\$ 5,710	_	165	\$	24
3002	Services Misc Heavy Equipment	\$	<u> </u>	\$	¥	\$	÷	\$		\$	40,500	\$ 1,713		140	\$	3
3003	Fluid Haul	\$	ě.	\$	7,000	\$	53,000	\$		\$		\$ -	\$		\$	G.
3005	Services Inspection	\$	*:	\$		\$	38,000	\$		S	4,500	\$ -	\$	7.5.5	\$	
3009	Services Wellhead	\$	*	\$	*	\$	16,000	\$ \$	2	S S	45,100 9,500	\$ 5,710 \$	\$		\$	
3012 3013	Cased/Open Hole Logging Services Coiled Tubing	5		\$		\$		\$		5	9,500	s -	\$	-	\$	2
3013	Directional Drilling & LWD	\$	5	\$		\$	486,000	\$		s	170,000	\$	\$	12	S	1
3015	Fishing	\$	•	\$		\$		s		s		s -	\$		\$	
3016	Mud Logging	\$		\$	+	\$	30,000	s		s		\$ -	\$		\$	
3018	Services Perforating	\$		\$	÷:	\$	*	\$		\$	172,200	\$	\$	140	\$	
3019	Wire line & Slick line	\$		\$		\$	<u>с</u>	\$	32 T	s	42,000	\$ 7,422	\$		\$	
3020	Rig Work	\$	•)	\$		\$	727,000	\$		s		\$ 24,936	_		\$	
3022	Drilling & Completion Fluids	\$		\$	6,000	\$	69,000	\$		\$	(6)	\$ -	\$	18	\$	(e
3023	Cementing	\$	•	\$	÷.	\$	249,000	\$		S		\$	\$	14	\$	
3024	Services Stimulation	\$		\$	£	\$	¥	\$		\$	3,188,848	\$ -	\$	14	\$	-
3025	Services Downhole Other	\$		\$		\$	13,000	\$		\$	53,550	\$ 13,726		-	\$	
3026	Formation Testing and Coring	\$	*	\$		\$		\$		\$	224,269	\$ -	\$		\$	3
3029	Camp & Catering	\$	•	\$	8,000	\$	38,000	\$:•	\$		\$ -	\$	(E)	\$	
3032	Communications & IT	\$	•	\$	1,000	\$	20,000	\$		\$	470.000	\$	\$	(4) 241	\$	560,00
3035	Services Disposal	\$ \$		\$		\$	135,000	\$ \$		\$ \$	179,000	\$ 4,111 \$ -	\$ \$		\$ \$	
3039 4005	Services Fluid Hauling from Site Rental Downhole Equipment &Tools	\$	•	\$		\$	4,000	\$ \$		5 5		\$ - \$ -	\$		s	
4005	HES & Industrial waste handling	\$		s		\$	8,000	\$		s		\$ -	\$		\$	
4013	Rental Surface Equipment & Tools	\$		s	19,000	\$		\$	*	\$	125,908	\$ 7,177	_		\$	
	Consumables			1												
5021	Material Surface Olher	\$	•	\$	*:	\$		\$		\$			\$	125,000	s	
5023	Wellhead & X-mas tree	\$	-	\$		\$	69,000	\$		\$	22,500	\$	\$		\$	
5027	Materal Subsurface Lift Equipment Other	\$	2	\$		\$	- ÷	\$	12	5	121	\$ 66,231	\$	161	\$	
5028	Casing and Casing Accessories	\$		S		\$	775,000	\$		\$		\$ -	\$		\$	
5029	Material Tubing and Accs	\$	5	\$	2	\$		\$		\$		\$ 39,967	\$		\$	
5500	Material Consumables	\$	*	\$	10,000	\$		\$	*	\$	260,131	\$ -	\$		\$	(*
5502	Drilling Fluids Products	\$	*	\$	•5	\$		\$	- 24	\$		\$ -	\$	16	\$	
5503	Bits, Reamers, Scrapers, HO's	\$		\$	•	\$	78,000			\$		5 -	S	10 A	\$	
5505	Fuel & Lubricants	S		\$	2,000	\$	77,000 12,000		· · ·	S S	3,196	\$ \$ 1,440	\$		\$ \$	- :
7004	Utilities: Electricity, Water & Sewers & Trast	\$	2	\$		4	12,000	3		0	2,190	u 1,440	10	-	L	
	s, Insurance & Tax		-	1 @	1,000	0	47,000	0			10,000	*	10		\$	
8000	Land Transportation	\$	•	\$	1,000		297,000			S S	220,686		\$		\$	
8102 8918	Tax & contingency Permits/Settlements/Other	\$		\$	12,000	⊅ \$	297,000	ф \$		5	220,000	\$ 5,100	\$		\$	
8921	Waste Handling and Disp	\$		\$		\$	40,000			s		\$	\$		\$	
8921	Loss & Loss Expenses Paid	\$	2	\$		\$		\$		s		\$	\$	10. 10.	s	-
9999	Other Costs	\$		\$		\$		\$	S2	\$		\$ -	\$	527	\$	54

Company Name:			
BY:			
Name:	 		
Date:			

Total	Drilling (1+2+3+4):	S	4,017,000
Total C	completion (5+6+7):	\$	5,294,415
	Total Facilities (8):	\$	560,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$	9,871,415
Assumptions:			_
Assumptions:			
Assumptions:			
Assumptions:			



March 6, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Avalanche Royalty Partners LLC 100 St. Paul Street, Suite 305 Denver, Colorado 80206 Attn: Land Manager

RE: Well Proposal – Heads CC 9-4 Fed Com 35H SHL – 100' FSL and 1705' FEL Section 9, Township 24 South, Range 29 East, Eddy County, NM BHL – 20' FNL and 1340' FEL Section 4, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Heads CC 9-4 Fed Com #35H well at the referenced surface location in Section 9-24S-29E to its terminus at the referenced bottom hole location in Section 4-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,070', and to an approximate measured depth of 20,070' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated April 1, 2019, by and between OXY USA Inc., as Operator, and OXY Y-1 Company, et al as Non-Operators, covering Section 4 and 9, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 4 and 9, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Heads 9-4 Fed Com #35H well by executing and returning one copy of this letter within thirty (30) days.

If you have any questions, or would like to discuss this proposal in greater detail, please don't hesitate to call or email me.

Sincerely,

OXY USA Inc.

Peter Van Liew, RPL Senior Land Negotiator Working Interest Party elects to:

____ participate in the drilling of the Heads CC 9-4 Fed Com #35H

non-consent the drilling of the Heads CC 9-4 Fed Com #35H

Enclosures

By: _____

Name:

Title:

Date: _____



Occidental Oil and Gas Corporation Heads CC 9-4 #35H

RMT: PRN State & County: NM, Eddy Field: Corral Well Type: 10k WC Date: 7/10/2017

Code	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move	-						
3010	Major Mob / Demob		\$.	S .		1		
3011	Location & Roads + Maintenance		\$ 103,000	\$.				
3021	Rig Move		\$ 74,859	\$				
	Services & Equipment Rentals							
1000	Employee Wages	1	\$ 3,863	\$ 140,724		1	1	
1050	Location Services		S ·	s				
2004	Contractor Maintanence/Gangs/Roustabouts		\$	s				
2017	Contract Supervision		\$ -	s -				
2019	Contractor HES	-	S >	s -				-
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hot Oiling		\$	\$				
3002	Services Misc Heavy Equipment		\$	s				
3003	Fluid Haul		\$ 6,719	\$ 53,382				
3005	Services Inspection		\$ 353	\$ 37,606				
3009	Services Wellhead		\$	\$ 15,553				
3012	Cased/Open Hole Logging		\$ *	\$		1		
3012	Services Coiled Tubing		S	\$				
3013	Directional Drilling & LWD		s	\$ 486,420				
3014	Fishing		\$	\$ 400,420				140
3016	Mud Logging		\$	\$ 30,311				
			\$	\$				
3018	Services Perforating			-				
3019	Wire line & Slick line							
3020	Rig Work		\$ -					-
3022	Drilling & Completion Fluids		\$ 5,601	\$ 69,437				
3023	Cementing		\$	\$ 249,260				
3024	Services Stimulation		\$ •	\$ -				
3025	Services Downhole Other		\$ -	\$ 12,772				
3026	Formation Testing and Coring		\$ -	\$				
3029	Camp & Calering		\$ 8,254	\$ 36,034				
3032	Communications & IT		\$ 547	\$ 19,936				
3035	Services Disposal		\$	\$ 135,267				
3039	Services Fluid Hauling from Site		\$ -	\$ -				
4005	Rental Downhole Equipment & Tools		\$ -	\$ 4,102			<u> </u>	
4007	HES & Industrial waste handling		\$ 466	\$ 7,878				
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 104,308		1		
Consul	Consumables							
5021	Material Surface Other		\$	\$				
5023	Welhead & X-mas tree		\$	\$ 69,483				
5027	Materal Subsurface Lift Equipment Other		\$ -	\$ -				
5028	Casing and Casing Accessories		\$ -	\$ 774,825				
5029	Material Tubing and Accs		\$ -	\$ -				
5500	Material Consumables		\$ 10,300	\$ <u>*</u>				
5502	Drilling Fluids Products		\$	\$ 195,236				
5503	Bits, Reamers, Scrapers, HO's		\$ *	\$ 77,674				
6608	Fuel & Lubricante		\$ 2,125	\$ 77,405				
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742				
	cs, Insurance & Tax							_
8000	Land Transportation		\$ 644	\$ 46,922				
8102	Tax & contingency		\$ 11,847	\$ 296,545				
8918	Permits/Settlements/Other		\$ +	\$ •				
8921	Waste Handling and Disp		S +	\$ 40,433				
8945	Loss & Loss Expenses Paid		\$ +	\$				
9999	Other Costs		\$	\$				
Subtot	tal	\$	\$ 248,777	\$ 3,769,360	\$ - \$ -	\$.	\$.	\$



Occidental Oil and Gas Corporation Heads CC 9-4 #35H

 RMT:
 PRN

 State & County:
 NM, Eddy

 Field:
 Correl

 Well Type:
 10k WC

 Date:
 7/10/2017

ode	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move							
3010	Major Mob / Demob							
3011	Location & Roads + Maintenance							
3021	Rig Move							
	Services & Equipment Rentals							
1000	Employee Wages							
1050	Location Services							
2004	Contractor Maintanence/Gangs/Roustabouts							
2017	Contract Supervision							
2019	Contractor HES							
2034	Labor services							
3001	Services Hol Oiling							
3002	Services Misc Heavy Equipment							
3003	Fluid Haul							
3005	Services Inspection				 			
3009	Services Wellhead							
3012 3013	Cased/Open Hole Logging Services Coiled Tubing				 			
3013 3014	Directional Drilling & LWD							
3014 3015		-						
_	Fishing				 			
3016	Mud Logging				 			
3018	Services Perforating				 			
3019	Wire line & Slick line		_		 			
3020	Rig Work				 			
3022	Drilling & Completion Fluids				 			
3023	Cementing				 			
3024	Services Stimulation				 			
3025	Services Downhole Other				 			
3026	Formation Testing and Coring				 			
3029	Camp & Catering							
3032	Communications & IT							
3035	Services Disposal				I			
3039	Services Fluid Hauling from Sile				 [
4005	Rental Downhole Equipment & Tools				 			
4007	HES & Industrial waste handling				 			
4013	Rental Surface Equipment & Tools				 			
Consu	II Consumables				 			
5021	Material Surface Other							
5023	Welhead & X-mas tree							
5027	Materal Subsurface Lift Equipment Other							
5028	Casing and Casing Accessories							
5029	Material Tubing and Accs							
5500	Material Consumables							
5502	Drilling Fluids Products							
5503	Bits, Reamers, Scrapers, HO's							
5505	Fuel & Lubricanto							
7004	Utilities: Electricity, Water & Sewens & Trash				I II			
_	lics, Insurance & Tax		-4					
8000	Land Transportation							
8102	Tax & contingency							
8918	Permits/Settlements/Other					· · · · · · · · · · · · · · · · · · ·		
8918	Waste Handling and Disp	-	-					
8945	Loss & Loss Expenses Paid		-					
9999	Other Costs							\$

•	y		Occid				-	or	Occidental Oil and Gas Corporation Heads CC 9-4 #35H												
Code	Element Name	Prep	1 Phase	Locat	2 on/Rig Move		3 Drilling		4 P&A	Co	5 ompletion	6 Artificial Lit	ft	7 Hookup	F	8 acilities					
Location	, Mobilization, Rig Move									_											
3010	Major Mob / Demob	\$	*:	\$	•		\$ -		\$ +	\$	8,163		•	\$ -	\$						
3011	Location & Roads + Maintenance	\$	*	\$	103,000	S		\$	1	\$	3,500	-	-	\$ - \$ -	\$ \$						
3021	Rig Move	\$	*)	\$	75,000	\$	•	\$		\$		\$		5	20						
	ervices & Equipment Rentals	\$	-	I S	4,000	\$	141,000	\$		\$	100,000	\$		\$ -	\$	-					
1000	Employee Wages Location Services	\$	*	\$	4,000	\$	141,000	\$		\$	100,000			\$	\$						
2004	Contractor Maintenance/Roustabouts	\$		\$	2	\$		\$		\$				s -	\$						
2017	Contract Supervision	s		\$	÷	\$	÷	\$	<u>.</u>	\$	57,400		678	\$ -	\$						
2019	Contractor HES	\$		\$	•:	\$	· ·	\$		\$	10,931	\$		\$ -	\$						
2034	Labor services	\$	*	\$	1,000	\$	47,000	\$	8	\$		\$	<u>.</u>	\$	\$	2					
3001	Services Hot Oiling	\$	*	\$	×.	\$		\$		\$	12,500		710	\$ -	\$	3					
3002	Services Misc Heavy Equipment	\$	- ¥	S	2	\$	*	\$	14	\$	40,500		713	\$ -	\$						
3003	Fluid Haul	\$		\$	7,000	\$	53,000	\$		\$				S	\$						
3005	Services Inspection	\$	2	\$		\$	38,000	\$ \$		\$		-	-	\$ -	\$ \$						
3009	Services Wellhead	\$	*	\$		\$	16,000	\$ \$	2	\$ \$	45,100 9,500		710	s - s -	э \$						
3012	Cased/Open Hole Logging	\$	*	\$		\$		⊅ \$		\$	9,500		•	s -	\$						
3013 3014	Services Coiled Tubing Directional Drilling & LWD	\$		\$	2	\$	486,000	\$		\$	176,555	11111	-	s -	\$	-					
3014	Fishing	\$		\$		\$	-	\$	<u>s</u>	s		-		s -	s	-					
3016	Mud Logging	\$		\$		\$	30,000	\$		s			*:	s -	\$						
3018	Services Perforating	\$	¥.	\$	*	\$		\$	24	\$	172,200	\$	•:	S -	s	- 1					
3019	Wire line & Slick line	\$		s	2	\$	2	\$	<u>a</u>	s	42,000	\$ 7.	422	\$	\$	2					
3020	Rig Work	\$		\$	5	\$	727,000	\$		\$			936	\$ -	S						
3022	Drilling & Completion Fluids	\$	×	\$	6,000	\$	69,000	\$	Se.	\$	•	\$	•	s -	\$	30					
3023	Cementing	\$	2	\$		\$	249,000	\$		\$	SPE .	\$	¥.	\$ -	\$	341					
3024	Services Stimulation	\$	2	\$		\$	÷	\$		\$	3,188,848	\$		\$	\$	5 a ti					
3025	Services Downhole Other	\$		S		\$	13,000	\$		\$	53,550		726	\$.	\$						
3026	Formation Testing and Coring	\$		\$	5	\$		\$		\$	224,269		•	\$ +	\$	•					
3029	Camp & Catering	\$	8	\$	8,000	\$		\$	<u>.</u>	\$		*	•	<u>s</u> -	\$	5.50					
3032	Communications & IT	\$		\$	1,000	\$	20,000	\$		\$	170.000	-	-	s - \$ -	\$ \$	560,000					
3035	Services Disposal	\$		\$		\$	135,000	\$		\$ \$	179,000		111	\$ -	\$	550,000					
3039	Services Fluid Hauling from Site	\$		3 \$		\$	4,000	\$ \$		\$				s -	\$						
4005 4007	Rental Downhole Equipment & Tools HES & Industrial waste handling	\$	÷	\$		\$	8,000	\$		\$				s -	\$						
4007	Rental Surface Equipment & Tools	\$		\$	19,000	\$	104,000	\$		\$	125,908		177	s -	\$						
	Consumables			1		-															
5021	Material Surface Other	s	×	\$		\$	-	\$		s			-	\$ 125,000	s						
5023	Wellhead & X-mas tree	\$	÷.	\$		\$	69,000	\$		S	22,500	\$	÷:	\$ -	\$						
5027	Materal Gubsurface Lift Equipmont Othor	\$		\$		\$		\$		s	14	\$ 66,	231	s -	\$	Sec					
5028	Casing and Casing Accessories	\$	•	\$		\$	775,000	\$		\$		\$		\$ -	\$	24					
5029	Material Tubing and Accs	S	*	\$		\$		\$		\$		\$ 39	967	\$ -	\$						
5500	Material Consumables	\$	× .	\$	10,000	\$		S	5.	\$	260,131		•	\$ -	\$						
5502	Drilling Fluids Products	\$	•	\$	×	\$		\$	20	\$	100		÷	\$ +	\$						
5503	Bits, Reamers, Scrapers, HO's	\$		\$		\$	78,000			\$			•	S -	\$	582 535					
5505	Fuel & Lubricants	\$	•	\$	2,000		77,000			\$	3 106	\$ ¢ 1	-	\$ - \$ -	\$ \$						
7004	Utilities: Electricity, Water & Sewers & Trash	\$		\$		S	12,000	5		\$	3,196	ະອີ້ 1.	440	0 .	1.2						
	s, Insurance & Tax	-	_		1.000	Lc.	17 000	6			40.000		3.1		6	550					
8000	Land Transportation	\$		\$	1,000		47,000 297,000			5	10,000		190	\$ - \$ -	\$ \$						
8102	Tax & contingency	\$		\$	12,000	\$		\$ \$		\$ \$	220,686		180	s -	5						
8918	Permits/Settlements/Other	\$	*	\$		\$ \$	40,000	_		5			•	s -	5						
8921 8945	Waste Handling and Disp Loss & Loss Expenses Paid	\$		\$		s		\$		s	020	\$	1	s -	\$	245					
0940				\$		\$		\$		\$	62	\$	1	\$ +	s						
9999	Other Costs	S																			

Company Name:			
BY:	 	 	_
Name:			
Name.			
Date:			

Total Drilling (1+2+3+4):	\$	4,017,000
Total Completion (5+6+7):	\$	5,294,415
Total Facilities (8):	\$	560,000
Total Well Cost (1+2+3+4+5+6+7+8):	5	9,871,415


5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521 P.O. Box 27570, Houston, Texas 77227-7570 Direct: 713.985.6972 Fax: 713.985.1278 Peter_Vanliew@oxy.com

March 6, 2019

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Avalanche Royalty Partners LLC 100 St. Paul Street, Suite 305 Denver, Colorado 80206 Attn: Land Manager

RE: Well Proposal – Heads CC 9-4 Fed Com 36H SHL – 100' FSL and 1670' FEL Section 9, Township 24 South, Range 29 East, Eddy County, NM BHL – 20' FNL and 440' FEL Section 4, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Heads CC 9-4 Fed Com #36H well at the referenced surface location in Section 9-24S-29E to its terminus at the referenced bottom hole location in Section 4-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,070', and to an approximate measured depth of 20,070' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated April 1, 2019, by and between OXY USA Inc., as Operator, and OXY Y-1 Company, et al as Non-Operators, covering Section 4 and 9, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 4 and 9, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Heads 9-4 Fed Com #36H well by executing and returning one copy of this letter within thirty (30) days.

If you have any questions, or would like to discuss this proposal in greater detail, please don't hesitate to call or email me.

Sincerely,

OXY USA Inc.

Peter Van Liew, RPL Senior Land Negotiator Working Interest Party elects to:

____ participate in the drilling of the Heads CC 9-4 Fed Com #36H

____ non-consent the drilling of the Heads CC 9-4 Fed Com #36H

Enclosures

By: _____

Name: _____

Title:

Date: _____



Occidental Oil and Gas Corporation Heads CC 9-4 #36H

RMT: PRN State & County: NM, Eddy Field: Corral Well Type: 10k WC Date: 7/10/2017

ode	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locatio	n, Mobilization, Rig Move							
3010	Major Mob / Demob		\$ -	\$		1		
3011	Location & Roads + Maintenance		\$ 103,000	\$ -				
3021	Rig Move		\$ 74,859	\$ -				
	Services & Equipment Rentais							
1000	Employee Wages		\$ 3,863	\$ 140,724		1		1
1050	Location Services		\$	\$				
2004	Contractor Maintanence/Gangs/Rouslabouts		5	\$				
2017	Contract Supervision		\$.	\$ -				
2019	Contractor HES		\$	\$				+
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hot Oiling		\$	\$				
3002	Services Misc Heavy Equipment		s ·	\$ -				-
3002	Fluid Haul		\$ 6,719	\$ 53,382				
3005	Services Inspection		\$ 353	\$ 37,606				
3009	Services Wellhead		\$ 555	\$ 15,553				-
3009			s ·	\$ 15,553				-
	Cased/Open Hole Logging		\$	\$ \$				
3013	Services Coiled Tubing		\$ \$	\$ 486,420				+
3014	Directional Drilling & LWD			\$ 486,420 \$				
3015	Fishing		\$ - \$ -	\$ 30,311				
3016	Mud Logging							
3018	Services Perforating		\$	\$				
3019	Wire line & Sick line		\$	\$ +				
3020	Rig Work		\$ -	\$ 727,075				
3022	Drilling & Completion Fluids		\$ 5,601	\$ 69,437				
3023	Cementing		\$	\$ 249,260				
3024	Services Stimulation		\$ -	\$				
3025	Services Downhole Other		\$ -	\$ 12,772				
3026	Formation Testing and Coring		s -	\$ -				
3029	Camp & Catering		\$ 8,254	\$ 38,034				
3032	Communications & IT		\$ 547	\$ 19,936				
3035	Services Disposal		\$	\$ 135,267				
3039	Services Fluid Hauling from Site		\$ +	\$				
4005	Rental Downhole Equipment & Tools		\$	\$ 4,102				
4007	HES & Industrial waste handling		\$ 466	\$ 7,878				
4013	Rentel Surface Equipment & Tools		\$ 16,849	\$ 104,308				
Consu	Consumables							
5021	Material Surface Other		\$ +	\$ -				
5023	Wellhead & X-mas tree		S -	\$ 69,483				
5027	Materal Subsurface Lift Equipment Other		\$ -	S -				
5028	Casing and Casing Accessories		\$	\$ 774,825				
5029	Material Tubing and Accs		\$ -	\$ 4				
5500	Material Consumables		\$ 10,300	\$				
5502	Drilling Fluids Products	· · · · · · · · · · · · · · · · · · ·	s -	\$ 195,236		_		
5503	Bits, Reamens, Scrapers, HO's		s -	\$ 77,674				
5505	Fuel & Lubricants		\$ 2,125	\$ 77,405		1		
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742				
	cs. Insurance & Tax							
8000	Land Transportation		\$ 644	\$ 46,922		1		T
8102	Tax & contingency	-	\$ 11.847	\$ 296,545				1
8918	Permits/Settlements/Other		\$ 11,047	\$ 230,545				1
8921	Waste Handling and Disp		\$	\$ 40,433				
8921	Loss & Loss Expenses Paid		\$	\$ 40,433				
8945 9999	Other Costs		\$	\$				
	tal	5	\$ 248,777	\$ 3,769,360	s . s .	s .	s -	\$



Occidental Oil and Gas Corporation Heads CC 9-4 #36H

									1110/2011
Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move				4				
3010	Major Mob / Demob								<u> </u>
3011	Location & Roads + Maintenance								
3021	Rig Move								
Labor,	Services & Equipment Rentals								
1000	Employee Wages		1		/			1	· · · · · · · · · · · · · · · · · · ·
1050	Location Services						36		
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services				-				
3001	Services Hot Olling								
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection				1				
3009	Services Wellhead								
3012	Cased/Open Hole Logging								
3013	Services Coiled Tubing				·				
3014	Directional Drilling & LWD								
3015	Fishing								
3016	Mud Logging								
3018	Services Perforating								
3019	Wire line & Slick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								
3023	Cementing								
3024	Services Stimulation								
3025	Services Downhole Other								
3026	Formation Testing and Coring								
3029	Camp & Catering								
3032	Communications & IT								
3035	Services Disposal								
3039	Services Fluid Hauling from Site								
4005	Rental Downhole Equipment & Tools								
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								
Consu	Consumables								
5021	Malerial Surface Other								
5023	Welhead & X-mas tree								
5027	Materal Subsurface Lift Equipment Other		· · · · · · · · · · · · · · · · · · ·						
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants				_				
7004	Utilities: Electricity, Water & Sewers & Trash								
Logistic	s, Insurance & Tax								
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs								
Subtot	al	\$.	\$	\$.	\$.	\$	\$ -	\$ -	\$ -

			Occid		l Oil and eads CC			orati	ion					State	& County: Field: Well Type:		idy Canyon C
Code	Element Name	Prep	1 Phase	Locat	2 ion/Rig Move	3 Drillin	g		4 P&A	c	5 Completion	Artif	6 icial Lift	Ho	7 ookup	F	8 acilities
Locatio	n, Mobilization, Rig Move									_							
3010	Major Mob / Demob	\$		\$		\$		\$	(@)	\$		\$		\$	¥	\$	F
3011	Location & Roads + Maintenance	\$		\$	103,000	\$		\$		\$	3,500	\$	•	\$	•	\$	
3021	Rig Move	\$		\$	75,000	\$		\$	383	\$		\$		\$		\$	
	Services & Equipment Rentals								_	-							
1000	Employee Wages	\$		\$	4,000			\$		\$	100,000	\$		\$		\$	
1050	Location Services	\$	*	\$		S		\$		\$	1. C	\$	¥(\$	8	\$	1.00
2004	Contractor Maintenance/Roustabouts	\$		\$		\$		\$		\$	1,500	\$	*	\$	¥ _	\$	(#:
2017	Contract Supervision	\$		\$	¥	\$		\$		\$	57,400	\$	8,678	\$	<u> </u>	S	18
2019	Contractor HES	\$		\$	1,000	\$		\$ \$		\$	10,931	\$		\$		\$	
2034	Labor services	\$		s S		\$		3 \$		S		\$	F 740	\$		\$	· *
3001 3002	Services Hot Oiling	\$		\$	*	ծ Տ		ъ \$		S S	12,500	\$	5,710	\$	*	\$ \$	(*)
3002	Services Misc Heavy Equipment	\$	-	\$	7,000	-		э \$		S	40,500	\$	1,713	\$ \$		5	16
3005	Services Inspection	\$	2	\$	7,000			\$		\$	4,500	\$		\$		э \$	
3009	Services Wellhead	\$		\$				\$		\$	4,300	\$	5,710	\$		\$	
3012	Cased/Open Hole Logging	\$		\$		\$		\$		s	9,500	\$	-	\$		\$	
3013	Services Coiled Tubing	\$	*	\$		\$		\$	1.41	\$	178,535	\$	-	\$		\$	165
3014	Directional Drilling & LWD	\$	*	\$		-		\$		\$	110,000	\$		\$	2	\$	1.
3015	Fishing	\$	1	\$	-	\$		\$		s	S.	\$		s	Ç.	S	12
3016	Mud Logging	\$		\$	-	-		\$	1	\$		\$		\$		\$	
3018	Services Perforating	\$		\$		\$		\$		\$	172,200	s		s		\$	
3019	Wire line & Slick line	\$		\$		\$		\$	245	s	42,000	s	7,422	\$	2	\$	
3020	Rig Work	\$ \$		s				\$		S	42,000	\$		\$		5 \$	
3020		\$		\$	6,000			\$		\$		\$	24,936	\$		3 \$	
3022	Drilling & Completion Fluids Cementing	\$		\$	6,000	·		\$ \$		\$		\$		\$		5 5	
3023	Services Stimulation	\$		\$		\$		\$		\$	3,188,848	\$		\$	*	\$	
3025	Services Downhole Other	\$	-	\$	÷			\$		\$	53,550	S	13,726	s	- 21	\$	12
3026	Formation Testing and Coring	s		\$		\$		\$		\$	224,269	\$	10,720	\$	2	\$	12
3029	Camp & Catering	s		\$	8,000			\$		s		s		s		\$	
3032	Communications & IT	s		\$	1,000			\$		\$	1.4	s		\$	~	\$	
3035	Services Disposal	\$		\$	*			\$		\$	179,000	s	4,111	S	*	\$	560,00
3039	Services Fluid Hauling from Site	ŝ		\$	2	\$		\$		\$	No. 1	S		s	¥ I	\$	1 F
4005	Rental Downhole Equipment & Tools	\$		\$		\$		\$	524	\$		s		s	21	\$	
4007	HES & Industrial waste handling	\$		\$		\$		\$		\$		s		s		\$	
4013	Rental Surface Equipment & Tools	S		\$	19,000		04,000	\$	245	\$	125,908	\$	7,177	\$		\$	
Consun	Consumables																
5021	Material Surface Other	\$		\$		\$		\$		\$		_		S	125,000	\$	
5023	Wellhead & X-mas tree	\$		\$				\$	(4)	\$	22,500	\$		s		\$	18.
5027	Materal Subsurface Lift Equipment Other	\$		\$	*	s		s	141	\$		\$	66,231	\$		\$	
5028	Casing and Casing Accessories	\$	÷	s		-		\$	540	S	1420	S		s	<u></u>	\$	121
5029	Material Tubing and Accs	\$	÷	\$		\$	-	\$		\$		\$	39,967	\$		S	
5500	Material Consumables	\$		\$	10,000	\$		\$	5.97	S	260,131	\$	*	\$		\$	
5502	Drilling Fluids Products	\$		\$		\$ 1	95,000	\$	3.5	\$		\$		S		\$	(e:
5503	Bits, Reamers, Scrapers, HO's	\$	+	\$		\$	78,000	\$		s	(¥)	\$	÷.	s	¥	\$	2.4
5505	Fuel & Lubricants	\$	÷	\$	2,000		77,000		545	S		\$	1	\$	¥	\$	i i i i i
7004	Utilities: Electricity, Water & Sewers & Trasl	\$	<u> </u>	\$	5	\$	12,000	\$	20	S	3,196	\$	1,440	\$	2	\$	12
Logistic	s, Insurance & Tax										-						
8000	Land Transportation	\$	÷	\$	1,000	\$	47,000	\$	540	s	10,000	\$	2	s	2	\$	72
8102	Tax & contingency	\$		\$	12,000		97,000		<u></u>	s	220,686		8,180			\$	
8918	Permits/Settlements/Other	\$		\$		\$		\$		s		\$	*	\$		\$	
8921	Waste Handling and Disp	\$	*	\$			40,000		242	s		\$		\$		\$	(e.
8945	Loss & Loss Expenses Paid	S		\$		\$		\$	(e);	\$	26°	\$	¥.	s	×.	\$	
9999	Olher Costs	s	÷	\$	÷	\$	- 34 - J.	\$	340	\$	342	\$		\$	- 2	\$	14
		\$		\$	249,000		68,000			\$	4,974,415		195,000		125,000		560,00

Company Name:			
BY:	 		
Name:	 		
Date:			

Total Completion (5+6+7): \$ 5,294,415 Total Facilities (8): \$ 560,000 Total Well Cost (1+2+3+4+5+6+7+8): \$ 9,871,415
Total Well Cost (1+2+3+4+5+6+7+8): \$ 9,871,415
sumptions:

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

APPLICATION OF OXY USA INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20788 & 20789

AFFIDAVIT OF TYLER EVANS IN SUPPORT OF CASE NOS. 20788 & 20789

Tyler Evans, of lawful age and being first duly sworn, declares as follows:

1. My name is Tyler Evans. I work for Oxy USA Inc. ("Oxy") as a Geologist.

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

3. I am familiar with the applications filed by Oxy in these consolidated cases, and I

have conducted a geologic study of the lands in the subject areas.

4. In Case Nos. 20788 and 20789, Oxy is targeting the Wolfcamp formation.

5. Oxy Exhibit B-1 is a location map outlining the sections comprising the proposed spacing units in Case Nos. 20788 and 20789.

6. Oxy Exhibit B-2 is a subsea structure map that I prepared off the top of the Wolfcamp XY Structure. Within Sections 4 and 9, there are black lines on the map that reflect the paths of the proposed wellbores for the Heads CC 9-4 Fed Com #31H Well, the Heads CC 9-4 Fed Com #32H Well, the Heads CC 9-4 Fed Com #33H Well, the Heads CC 9-4 Fed Com #34H Well, the Heads CC 9-4 Fed Com #35H Well, and the Heads CC 9-4 Fed Com #36H Well. The contour interval is 50 feet. The structure map shows that the Wolfcamp is dipping

gently to the east. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or other geologic hazards to developing a horizontal well.

7. Oxy Exhibit No. B-2 also shows the location of the six wells that were used to construct a cross-section from B to B'. I consider these wells to be representative of the geology of the area.

8. Oxy Exhibit No. B-3 is a stratigraphic cross section prepared by me for the six representative wells from B to B'. The exhibit shows logs for gamma ray and resistivity for the wells. The proposed target interval for each well is labeled and depicted with a dashed line. The logs in the cross-section demonstrate that the target interval within the Wolfcamp XY Structure is consistent in thickness, across the entire spacing unit.

9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. In my opinion, each tract comprising the proposed spacing unit will be productive and contribute more-or-less equally to production from the wellbore.

11. In my opinion, the granting of Oxy's applications in these consolidated cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. Oxy Exhibits B-1 through B-3 were either prepared by me or compiled under my direction and supervision.

2

hraz

TYLER EVANS

STATE OF TEXAS) COUNTY OF Harris

SUBSCRIBED and SWORN to before me this ______ day of October 2019 by Tyler Evans.

My Commission Expires:

4/7/23



Heads Locator Map – T24SR29E Sec 9-4

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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. BJ Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789

Wolfcamp XY Structure





BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B2 Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789



Wolfcamp XY Cross Section B-B'

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B3 Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789

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

APPLICATION OF OXY USA INC. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20788 & 20789

AFFIDAVIT

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

Kaitlyn A. Luck, attorney in fact and authorized representative of OXY USA Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

iitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 2nd day of October, 2019 by Kaitlyn A.

Luck.

Notary Public

My Commission Expires:

Hunsay 28, 2023



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. C Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20788 & 20789



Michael H. Feldewert Recognized Specialist in the Area of Natural Resources – Oil and Gas Law – New Mexico Board of Legal Specification mfeldewert@hollandhart.com

September 11, 2019

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Heads CC 9-4 Fed Com #31H, #32H, #33H Wells

Ladies & Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on October 3, 2019, and the status of the hearing can be monitored through the Division's website at <u>http://www.emnrd.state.nm.us/ocd/</u>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Peter Van Liew, at (713) 985-6972, or Peter_Vanliew@oxy.com.

Sincerely.

Michael H. Feldewert ATTORNEY FOR OXY USA INC.

Alaska Colorado Idaho Montana Nevada New Mexico

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Michael H. Feldewert **Recognized Specialist in the** Area of Natural Resources – Oil and Gas Law - New Mexico Board of Legal Specification mfeldewert@hollandhart.com

September 11, 2019

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Heads CC 9-4 Fed Com #34H, #35H, #36H Wells

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Sincerely eldewert

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Status

Postal Delivery Report

OXY - Heads Wells

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9214890194038389679370 Chevron USA Inc 6301 Deauville Midland TX 79706

\$5.75×10= Shipment Confirmation



Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

OXY - Heads Wells

Case Nos. 20786, 20788, 20789, 20813 CM#44506.0005

Shipment Date: 09/11/2019

Shipped From:

Name: HOLLAND & HART LLP

Acceptance Notice

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	10
Total	10

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

- Home screen > Mailing/Shipping > More
 Select Shipment Confirm
 Scan or enter the barcode/label number from PS Form 5630
 Confirm the volume count message by selecting Yes or No
 Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail. Leave form with customer or in customer's mail receptacle.







110 N GUADALUPE ST # 1 Address:

City: SANTA FE

State: NM ZIP+4® 87501

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CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001296611

HOLLAND & HART PO BOX 2208

SANTA FE NM 87504

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

<u>09/17/19</u>

Legal Clerk

Subscribed and sworn before me this 17th of September 2019.

State of WI, County of Brown NOTARY PUBLIC



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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **October 3**, **2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **September 23**, **2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

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

To: All overriding royalty interest owners and pooled parties, including: Collins & Ware, LP; Curtis A. Anderson and Edna I. Anderson, their heirs and devisees; Mobil Producing Texas & New Mexico Inc.; Avalanche Royalty Partners LLC; Rutter and Wilbanks Corporation; BK Exploration Corporation; Chevron USA Inc.; Lawrence W. & Sally H. Robinette, their heirs and devisees; EOG Resources Inc.; XTO Holdings LLC.

CASE 20788: Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a standard 640-acre, more or less, horizontal well spacing unit comprised of the W/2 of Sections 4 and 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following initial wells: (1) the Heads CC 9-4 Fed Com #31H Well, (2) the Heads CC 9-4 Fed Com #32H Well, both of which will be horizontally drilled from a common surface location in the SW/4 SW/4 (Unit M) of Section 9 to bottom-hole locations in the NW/4 NW/4 (Lot 4) of Section 4, and the (3) Heads CC 9-4 Fed

Com #33H Well to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 9 to a bottom-hole location in the NE/4 NW/4 (Lot 3) of Section 4. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and the 200% charge for risk involved in drilling and completing each well. Said area is located approximately 4 miles east of Malaga, New Mexico. September 17, 2019

LARLSBAD IRRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No. 0001296613

HOLLAND & HART PO BOX 2208

SANTA FE NM 87504

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

09/17/19

Legal Clerk

Subscribed and sworn before me this 17th of September 2019.

State of WI, County of Brown NOTARY PUBLIC

MELIS NC STATE

My Commission Expires

Ad#:0001296613 P O : Heads #34H # of Affidavits :0.00

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#36H Well to be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 16 to bottom-hole locations in the NE/4 NE/4 (Lot 1) of Section 4. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, the designation of applicant as operator of the wells, and the 200% charge for risk involved in drilling and completing each well. Said area is located approximate-ly 4 miles east of Malaga, New Mexico. September 17, 2019