

**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 **Case No. 20788**, 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

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 Case No. 20789, 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

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:

4/7/23





HEAD 9-4

Permitas Recursos
New Mexico Delaware BU

Legend:

- Townships
- Sections
- East Spacing Unit
- West Spacing Unit

HEADS CC 9-4 COM

- NMNM 119754
- HARROUN FEE LEASE
- MNMM 99034



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A1
 Submitted by: OXY USA INC
 Hearing Date: October 3, 2019
 Case Nos 20788 & 20789

Santa Fe, New Mexico

Exhibit No. A2

Submitted by: OXY USA INC

Hearing Date: October 3, 2019

Case Nos 20788 & 20789

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-0101 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name HEADS CC 9_4 FEDERAL COM	Well Number 31H
OGRID No.	Operator Name OXY USA INC.	Elevation 2926.8'

Surface Location

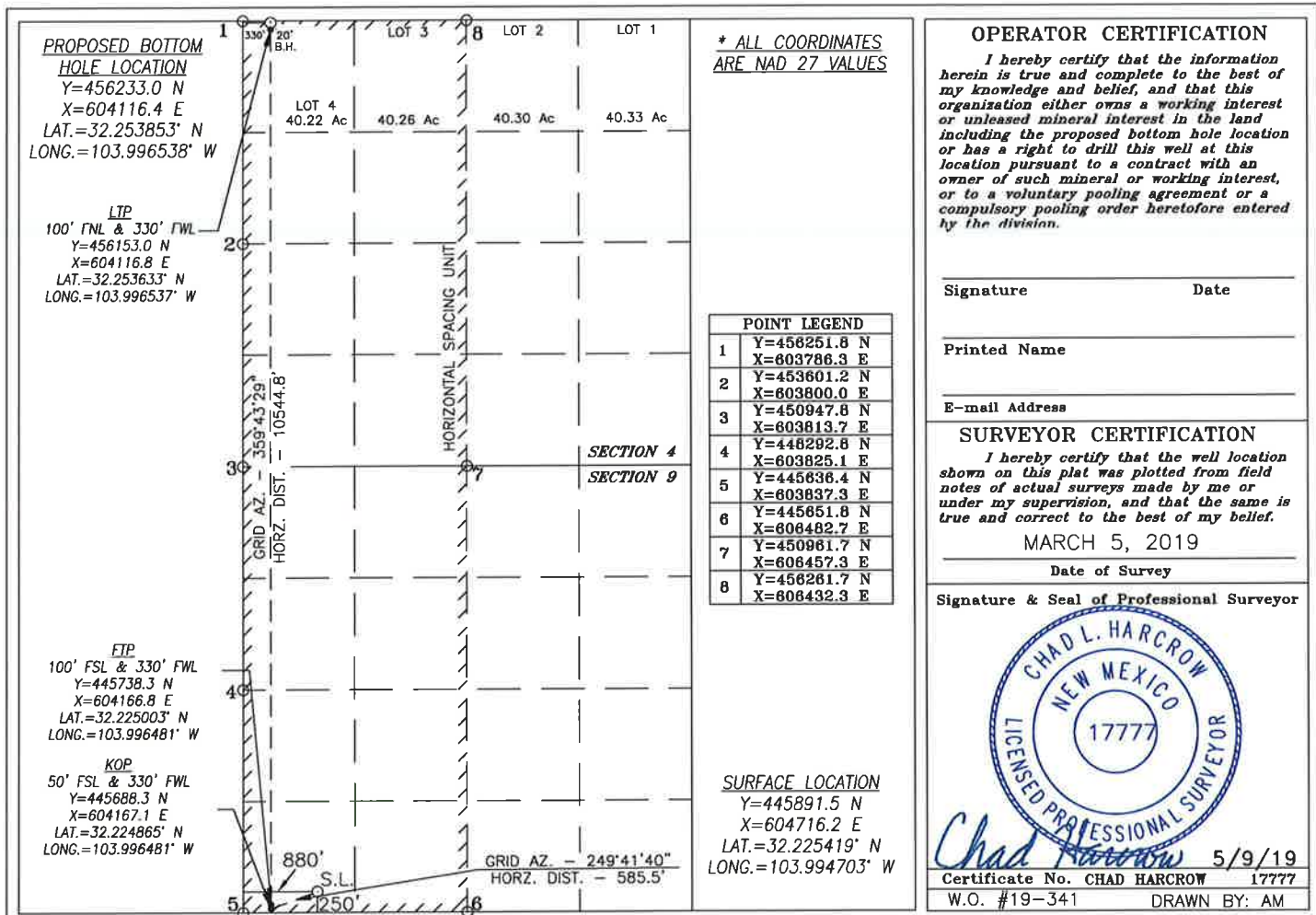
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	24-S	29-E		250	SOUTH	880	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	4	24-S	29-E		20	NORTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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



DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

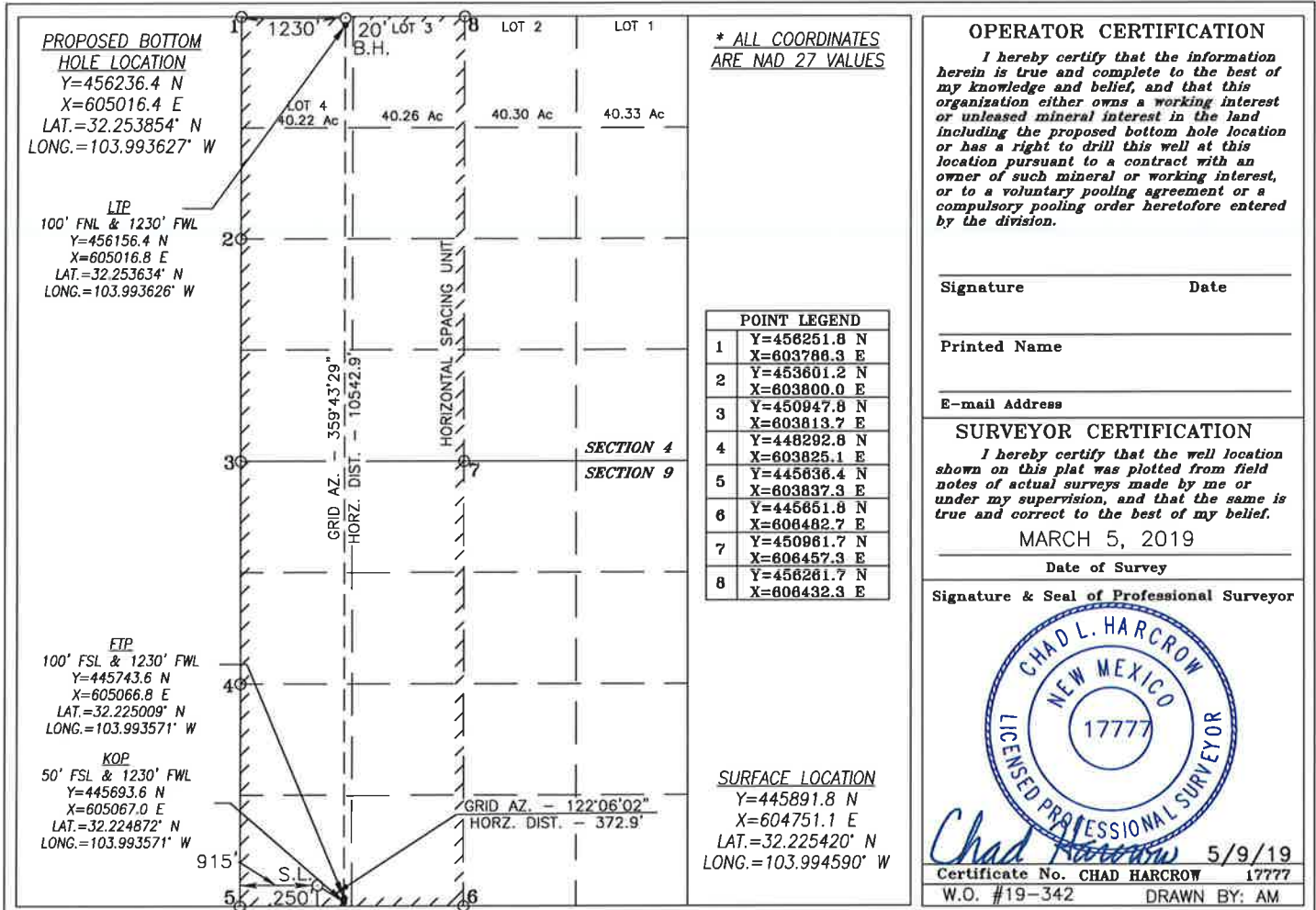
API Number	Pool Code	Pool Name
Property Code	Property Name HEADS CC 9_4 FEDERAL COM	Well Number 32H
OGRID No.	Operator Name OXY USA INC.	Elevation 2926.8'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	24-S	29-E		250	SOUTH	915	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	4	24-S	29-E		20	NORTH	1230	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	HEADS CC 9_4 FEDERAL COM	33H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	2926.9'

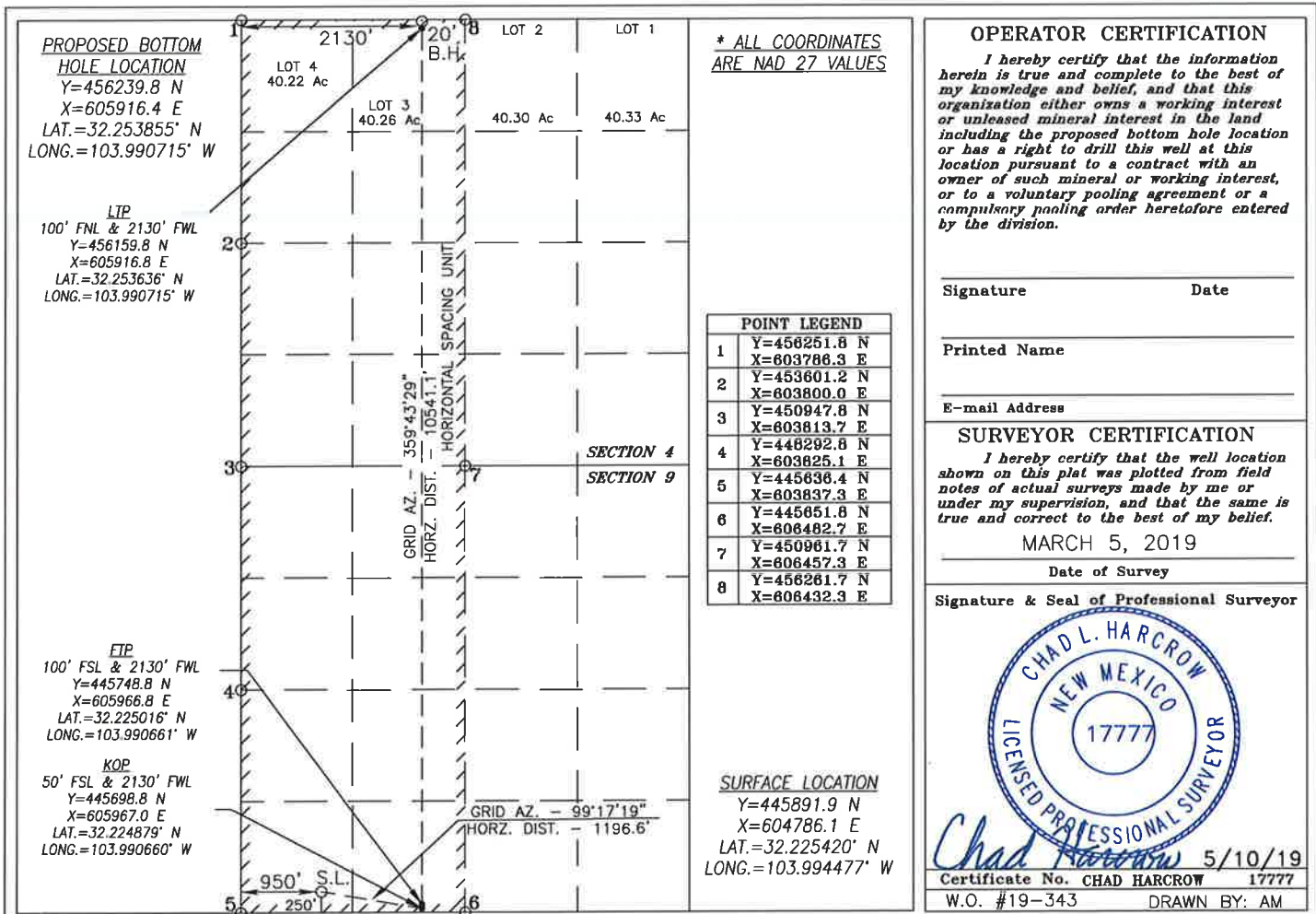
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	24-S	29-E		250	SOUTH	950	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	4	24-S	29-E		20	NORTH	2130	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



W/2 of Sections 4 and 9, Township 24 South, Range 29 East, Eddy County, NM

Total Acres in proposed spacing unit: 639.61

Tract 1 W/2 Sec. 4 & N/2NW/4, SE/4NW/4 Sec. 9

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%

Total Uncommitted Interest

0.00%

Tract 2 SW/4NW/4 & SW/4 Sec. 9

Acres contributed to proposed spacing unit: 200

20.058140% OXY USA Inc.

79.360470% Occidental Permian Limited Partnership

0.581390% Avalanche Royalty Partners LLC

100.000000%

Total Committed Interest

100.00%

Total Uncommitted Interest

0.00%

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

OXY USA Inc.

51.35949%

OXY Y-1 Company

23.64345%

Occidental Permian Limited Partnership

24.81527%

Avalanche Royalty Partners LLC

0.18180%

EOG Resources Inc. (Record Title Only in Tr. 1)

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%

Rutler and Wilbanks Corporation (ORRI)

0.00000%

100.00000%

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

Santa Fe, New Mexico

Exhibit No. A6

Submitted by: OXY USA INC

Hearing Date: October 3, 2019

Case Nos 20788 & 20789

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II

811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III

1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name HEADS CC 9_4 FEDERAL COM	Well Number 34H
OGRID No.	Operator Name OXY USA INC.	Elevation 2928.1'

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	29-E		100	SOUTH	2163	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	4	24-S	29-E		20	NORTH	2240	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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

<p><u>PROPOSED BOTTOM HOLE LOCATION</u> Y=456243.1 N X=606839.3 E LAT.=32.253857° N LONG.=103.987730° W</p>	<p>LOT 4 40.22 Ac</p> <p>LOT 3 40.26 Ac</p> <p>LOT 2 40.30 Ac</p> <p>LOT 1 40.33 Ac</p> <p>SECTION 4</p> <p>SECTION 9</p> <p>KOP 50' FSL & 2240' FEL Y=445704.2 N X=606887.9 E LAT.=32.224885° N LONG.=103.987682° W</p> <p>FTP 100' FSL & 2240' FEL Y=445754.2 N X=606887.7 E LAT.=32.225023° N LONG.=103.987682° W</p> <p>SURFACE LOCATION Y=445754.6 N X=606964.7 E LAT.=32.225023° N LONG.=103.987434° W</p>	<p>LIP 100' FNL & 2240' FWL Y=456163.1 N X=606839.6 E LAT.=32.253637° N LONG.=103.987730° W</p> <p>* ALL COORDINATES ARE NAD 27 VALUES</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 5, 2019</p> <p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor</p> <p></p> <p>Chad Hargrow 5/9/19</p> <p>Certificate No. CHAD HARGROW 17777</p> <p>W.O. #19-344 DRAWN BY: AM</p>
---	--	--	--

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 398-6161 Fax: (505) 398-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name HEADS CC 9_4 FEDERAL COM	Well Number 35H
OGRID No.	Operator Name OXY USA INC.	Elevation 2928.2'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	29-E		100	SOUTH	2128	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	4	24-S	29-E		20	NORTH	1340	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

<p><u>PROPOSED BOTTOM HOLE LOCATION</u> Y=456246.3 N X=607739.3 E LAT.=32.253857° N LONG.=103.984819° W</p> <table border="1"> <thead> <tr> <th colspan="2">POINT LEGEND</th> </tr> </thead> <tbody> <tr><td>1</td><td>Y=456271.1 N X=609079.2 E</td></tr> <tr><td>2</td><td>Y=453629.2 N X=609089.8 E</td></tr> <tr><td>3</td><td>Y=450974.9 N X=609101.0 E</td></tr> <tr><td>4</td><td>Y=448323.0 N X=609114.4 E</td></tr> <tr><td>5</td><td>Y=445867.2 N X=609128.2 E</td></tr> <tr><td>6</td><td>Y=445651.8 N X=608482.7 E</td></tr> <tr><td>7</td><td>Y=450961.7 N X=606457.3 E</td></tr> <tr><td>8</td><td>Y=456261.7 N X=606432.3 E</td></tr> </tbody> </table> <p><u>SURFACE LOCATION</u> Y=445754.8 N X=606999.7 E LAT.=32.225023° N LONG.=103.987320° W</p>	POINT LEGEND		1	Y=456271.1 N X=609079.2 E	2	Y=453629.2 N X=609089.8 E	3	Y=450974.9 N X=609101.0 E	4	Y=448323.0 N X=609114.4 E	5	Y=445867.2 N X=609128.2 E	6	Y=445651.8 N X=608482.7 E	7	Y=450961.7 N X=606457.3 E	8	Y=456261.7 N X=606432.3 E	<p>LOT 4 40.22 Ac</p> <p>LOT 3 40.26 Ac</p> <p>LOT 2 40.30 Ac</p> <p>LOT 1 40.33 Ac</p> <p>SECTION 4</p> <p>SECTION 9</p> <p>GRID AZ. - 93°17'54" HORZ. DIST. - 789.6'</p> <p>GRID AZ. - 359°44'07" HORZ. DIST. - 10537.0'</p> <p>HORIZONTAL SPACING UNIT</p> <p>20' B.H.</p> <p>1340'</p> <p>100' FSL & 1340' FWL Y=456166.3 N X=607739.6 E LAT.=32.253637° N LONG.=103.984818° W</p> <p>* ALL COORDINATES ARE NAD 27 VALUES</p> <p>50' FSL & 1340' FEL Y=445709.4 N X=607787.9 E LAT.=32.224892° N LONG.=103.984772° W</p> <p>S.L.</p> <p>2128'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 5, 2019</p> <p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <p>Chad L. Harcrow 5/9/19</p> <p>Certificate No. CHAD HARCROW 17777</p> <p>W.O. #19-345 DRAWN BY: AM</p>
POINT LEGEND																				
1	Y=456271.1 N X=609079.2 E																			
2	Y=453629.2 N X=609089.8 E																			
3	Y=450974.9 N X=609101.0 E																			
4	Y=448323.0 N X=609114.4 E																			
5	Y=445867.2 N X=609128.2 E																			
6	Y=445651.8 N X=608482.7 E																			
7	Y=450961.7 N X=606457.3 E																			
8	Y=456261.7 N X=606432.3 E																			

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	HEADS CC 9_4 FEDERAL COM	36H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	2927.0'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	24-S	29-E		963	NORTH	1646	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	4	24-S	29-E		20	NORTH	440	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

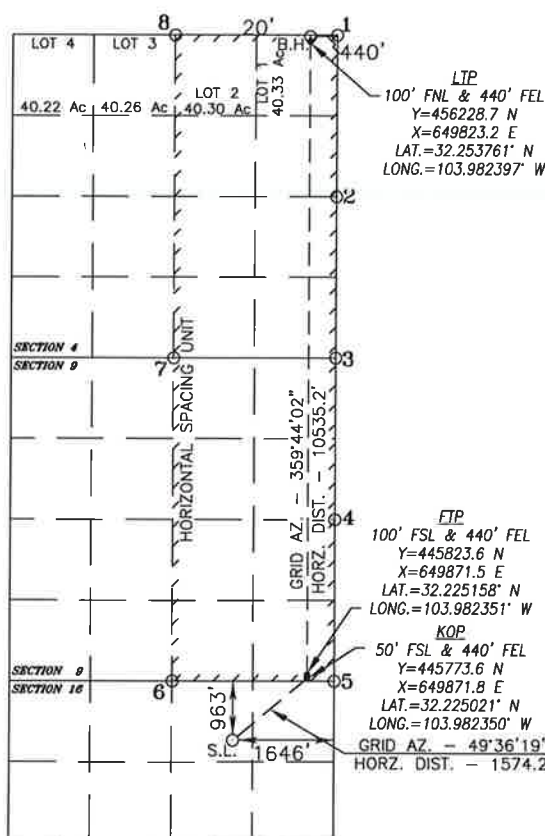
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

* ALL COORDINATES ARE NAD 83 VALUES

PROPOSED BOTTOM
HOLE LOCATION
Y=456308.7 N
X=649822.8 E
LAT.=32.253981° N
LONG.=103.982397° W

POINT LEGEND	
1	Y=456330.3 N X=650262.8 E
2	Y=453688.3 N X=650273.5 E
3	Y=451034.0 N X=650284.7 E
4	Y=448382.0 N X=650296.1 E
5	Y=445726.2 N X=650312.0 E
6	Y=445710.8 N X=647866.8 E
7	Y=451020.7 N X=647641.0 E
8	Y=456320.9 N X=647615.9 E

SURFACE LOCATION
Y=444753.5 N
X=648672.9 E
LAT.=32.222227° N
LONG.=103.986238° W



OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

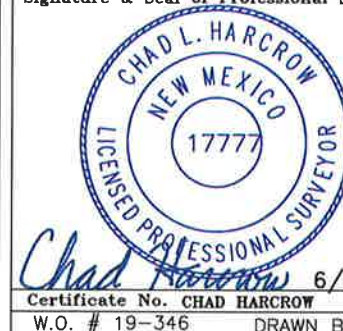
SURVEYOR CERTIFICATION

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

MAY 30, 2019

Date of Survey

Signature & Seal of Professional Surveyor



6/25/19

Certificate No. CHAD HARCROW 17777

W.O. # 19-346 DRAWN BY: AM

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

34.400000% OXY Y-1 Company

65.600000% OXY USA Inc.

100.000000%

Total Committed Interest

100.00%

Total Uncommitted Interest

0.00%

Tract 2 NW/4SE/4 Sec. 9

Acres contributed to proposed spacing unit: 40

20.000000% OXY Y-1 Company

80.000000% OXY USA Inc.

100.000000%

Total Committed Interest

100.00%

Total Uncommitted Interest

0.00%

Tract 3 S/2NE/4 Sec. 4

Acres contributed to proposed spacing unit: 80

100.000000% Chevron U.S.A. Inc.

100.000000%

Total Committed Interest

0.00%

Total Uncommitted Interest

100.00%

Tract 4 S/2SE/4, NE/4SE/4 Sec. 9

Acres contributed to proposed spacing unit: 120

20.058140% OXY USA Inc.

79.360470% Occidental Permian Limited Partnership

0.581390% Avalanche Royalty Partners LLC

100.000000%

Total Committed Interest

100.00%

Total Uncommitted Interest

0.00%

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

OXY USA Inc.	49.74430%
OXY 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%

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A9

Submitted by: OXY USA INC

Hearing Date: October 3, 2019

Case Nos 20788 & 20789



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

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

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 e-mail 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 #31H

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

Enclosures

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

Slate & 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
Location, 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		\$ -	\$ -					
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -					
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		\$ 353	\$ 37,606					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 486,420					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 30,311					
3016	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		\$ -	\$ -					
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					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material 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					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 46,922					
8102	Tax & contingency		\$ 11,847	\$ 296,545					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 40,433					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
8998	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,769,360	\$ -	\$ -	\$ -	\$ -	\$ -



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
Location, 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 Maintenance/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								
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								
Consumables									
5021	Material Surface Other								
5023	Wellhead & X-mas tree								
5027	Material 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								
Logistics, 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								
Subtotal		\$	-	\$	-	\$	-	\$	-



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

RMT:	SWNM
State & County:	NM, Eddy
Field:	Cedar Canyon
Well Type:	10k WC
Date:	3/6/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ 560,000
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ 125,000	\$ 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:	



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

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 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 e-mail 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 #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		Completion	Artificial Lift	Hookup	Facility
Location, 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		\$ -	\$ -					
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -					
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		\$ 353	\$ 37,606					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 486,420					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 30,311					
3016	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		\$ -	\$ -					
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					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material 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					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 46,922					
8102	Tax & contingency		\$ 11,847	\$ 296,545					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 40,433					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal			\$ 248,777	\$ 3,769,360	\$ -	\$ -	\$ -	\$ -	\$ -



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		Completion	Artificial Lift	Hookup	Facility
Location, 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 Maintenance/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								
3023	Cementing								
3024	Services Stimulation								
3025	Services Downhole Other								
3026	Formation Testing and Coring								
3028	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								
5027	Material 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								
Logistics, 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								
Subtotal		\$	-	\$	-	\$	-	\$	-



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

RMT:	SWNM
State & County:	NM, Eddy
Field:	Cedar Canyon
Well Type:	10k WC
Date:	3/6/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ 560,000
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consun Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ 125,000	\$ 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:	



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

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 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 e-mail 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 #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
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
Location, 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		\$ -	\$ -					
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -					
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		\$ 353	\$ 37,606					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
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		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$ -	\$ -					
3029	Camp & Catering		\$ 8,254	\$ 38,034					
3032	Communications & IT		\$ 547	\$ 19,936					
3035	Services Disposal		\$ -	\$ 135,207					
3039	Services Fluid Hauling from Site		\$ -	\$ -					
4005	Rental Downhole Equipment & Tools		\$ -	\$ 4,102					
4007	HES & Industrial waste handling		\$ 466	\$ 7,876					
4013	Rental Surface Equipment & Tools		\$ 16,849	\$ 104,308					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material 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	\$ 77,406					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 46,922					
8102	Tax & contingency		\$ 11,847	\$ 296,545					
8916	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 40,433					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,769,360	\$ -	\$ -	\$ -	\$ -	\$ -



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

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
Location, 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 Maintenance/Gangs/Roustabouts								
2017	Contract Supervision								
2018	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 Other								
3028	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								
5027	Material Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Acces								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Utilities: Electricity, Water & Sewers & Trash								
Logistics, 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								
Subtotal		\$	-	\$	-	\$	-	\$	-



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

RMT:	SWNM
State & County:	NM, Eddy
Field:	Cedar Canyon
Well Type:	10k WC
Date:	3/6/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ 560,000
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ 125,000	\$ 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:	



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

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

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 e-mail 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
Location, 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		\$ -	\$ -					
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -					
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		\$ 353	\$ 37,606					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
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		\$ -	\$ 249,280					
3024	Services Stimulation		\$ -	\$ -					
3025	Services Downhole Other		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$ -	\$ -					
3028	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		\$ 18,649	\$ 104,308					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material 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		\$ 2,126	\$ 77,405					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 46,922					
8102	Tax & contingency		\$ 11,847	\$ 296,545					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 40,433					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,769,360	\$ -	\$ -	\$ -	\$ -	\$ -

	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	
Location, 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 Maintenance/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								
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								
Consumables									
5021	Material Surface Other								
5023	Wellhead & X-mas tree								
5027	Material 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								
Logistics, Insurance & Tax									
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
8999	Other Costs								
Subtotal		\$	-	\$	-	\$	-	\$	-



Occidental Oil and Gas Corporation

Heads CC 9-4 #34H

RMT:	SWNM
State & County:	NM, Eddy
Field:	Cedar Canyon
Well Type:	10k WC
Date:	3/6/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ 560,000
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consun Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ 125,000	\$ 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:	



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

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 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 e-mail 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 #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
Location, 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		\$ -	\$ -				
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -				
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		\$ 353	\$ 37,606				
3009	Services Wellhead		\$ -	\$ 15,553				
3012	Cased/Open Hole Logging		\$ -	\$ -				
3013	Services Coiled Tubing		\$ -	\$ -				
3014	Directional Drilling & LWD		\$ -	\$ 486,420				
3015	Fishing		\$ -	\$ -				
3018	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		\$ -	\$ 12,772				
3026	Formation Testing and Coring		\$ -	\$ -				
3029	Camp & Catering		\$ 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				
4007	HES & Industrial waste handling		\$ 466	\$ 7,878				
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 104,308				
Consu: Consumables								
5021	Material Surface Other		\$ -	\$ -				
5023	Wellhead & X-mas tree		\$ -	\$ 69,483				
5027	Material 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				
6006	Fuel & Lubricants		\$ 2,125	\$ 77,405				
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,742				
Logistics, Insurance & Tax								
8000	Land Transportation		\$ 644	\$ 46,922				
8102	Tax & contingency		\$ 11,847	\$ 296,545				
8918	Permits/Settlements/Other		\$ -	\$ -				
8921	Waste Handling and Disp		\$ -	\$ 40,433				
8945	Loss & Loss Expenses Paid		\$ -	\$ -				
9999	Other Costs		\$ -	\$ -				
Subtotal		\$ -	\$ 248,777	\$ 3,769,360	\$ -	\$ -	\$ -	\$ -



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
Location, 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 Maintenance/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								
3018	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								
3028	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								
5027	Material 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								
Logistics, 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								
Subtotal		\$	-	\$	-	\$	-	\$	-



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

RMT:	SWNM
State & County:	NM, Eddy
Field:	Cedar Canyon
Well Type:	10k WC
Date:	3/6/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ 560,000
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consun Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Csubsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ 125,000	\$ 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:	



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

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 e-mail 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 #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


Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Location, 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		\$ -	\$ -					
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -					
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		\$ 353	\$ 37,608					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
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		\$ -	\$ 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	\$ 7,878					
4013	Rental Surface Equipment & Tools		\$ 16,849	\$ 104,308					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material 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					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 46,922					
8102	Tax & contingency		\$ 11,847	\$ 296,545					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 40,433					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,769,360	\$ -	\$ -	\$ -	\$ -	\$ -



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

Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Location, 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 Maintenance/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								
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								
Consumables									
5021	Material Surface Other								
5023	Wellhead & X-mas tree								
5027	Material 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								
Logistics, Insurance & Tax									
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disposal								
8945	Loss & Loss Expenses Paid								
9989	Other Costs								
Subtotal		\$	-	\$	-	\$	-	\$	-

	<h2 style="text-align: center;">Occidental Oil and Gas Corporation</h2> <h3 style="text-align: center;">Heads CC 9-4 #36H</h3>							RMT: SWNM		
								State & County: NM, Eddy		
								Field: Cedar Canyon		
								Well Type: 10k WC		
									Date: 3/6/2019	

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ 560,000
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trans	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ 125,000	\$ 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:	

**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.

Tyler Evans
TYLER EVANS

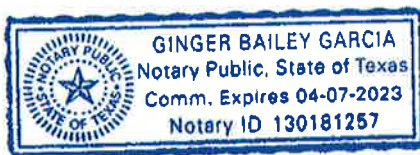
STATE OF TEXAS)
COUNTY OF Harris)

SUBSCRIBED and SWORN to before me this 2nd day of October 2019 by
Tyler Evans.

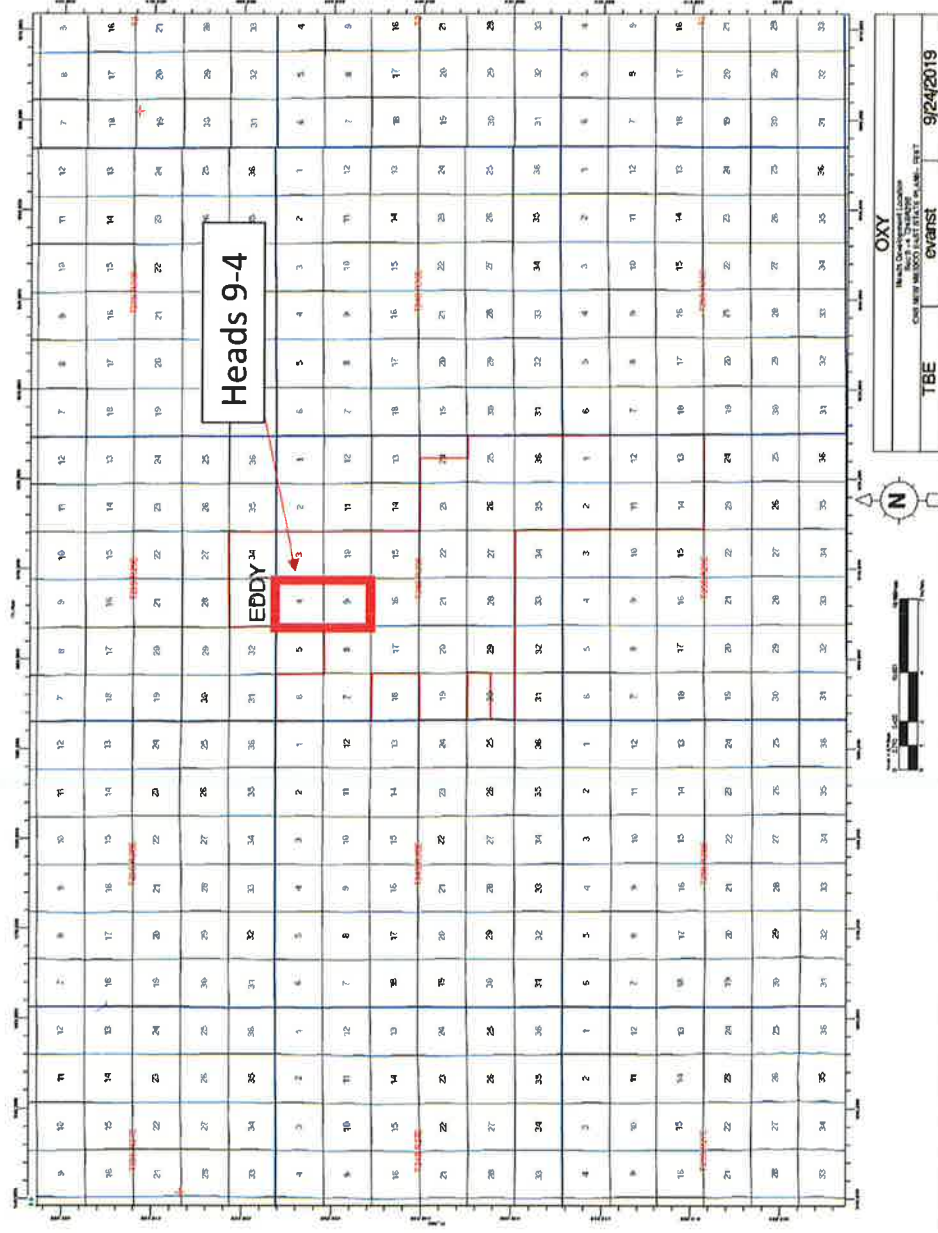
Ginger Bailey Garcia
NOTARY PUBLIC

My Commission Expires:

4/7/23

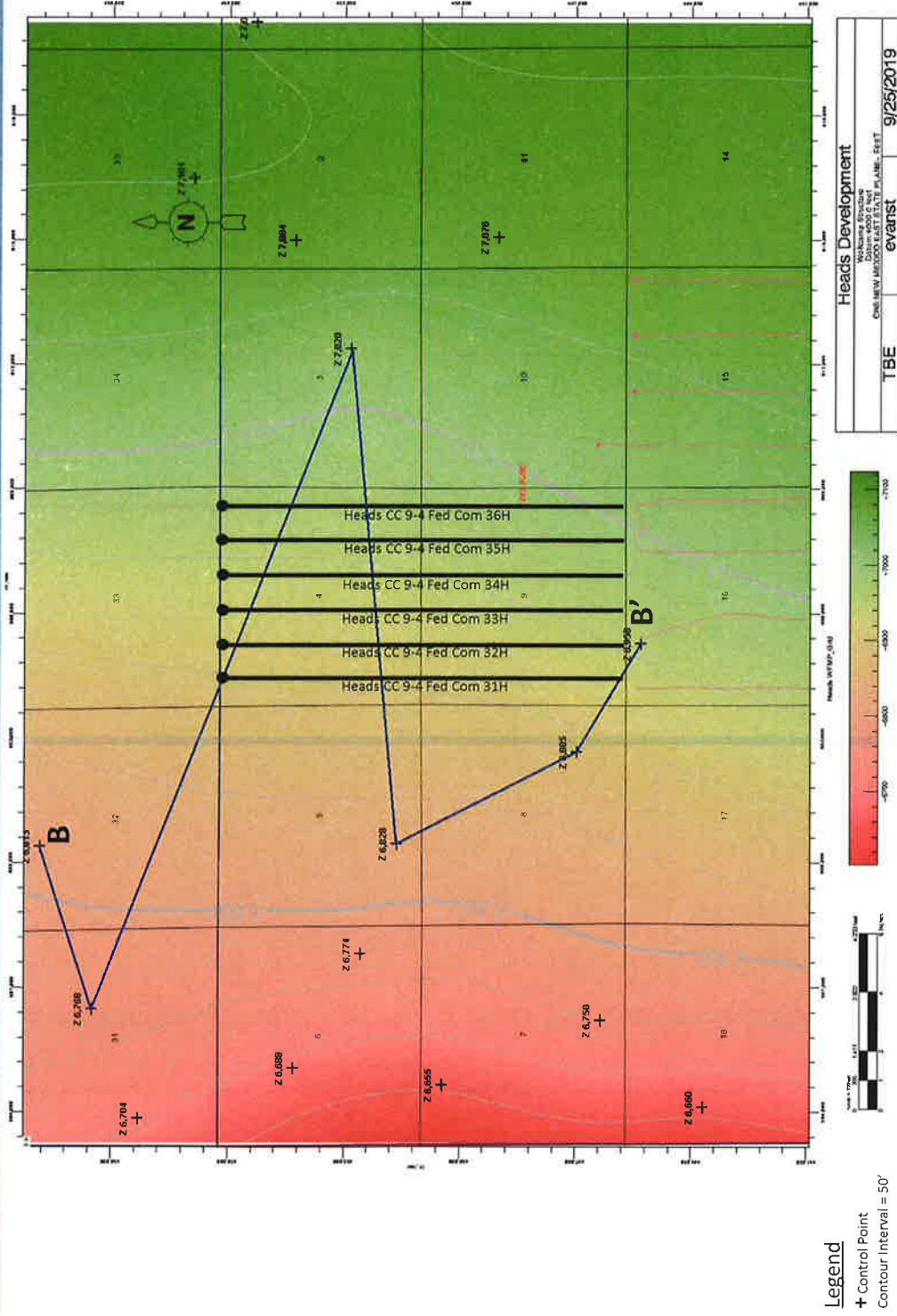


Heads Locator Map – T24SR29E Sec 9-4

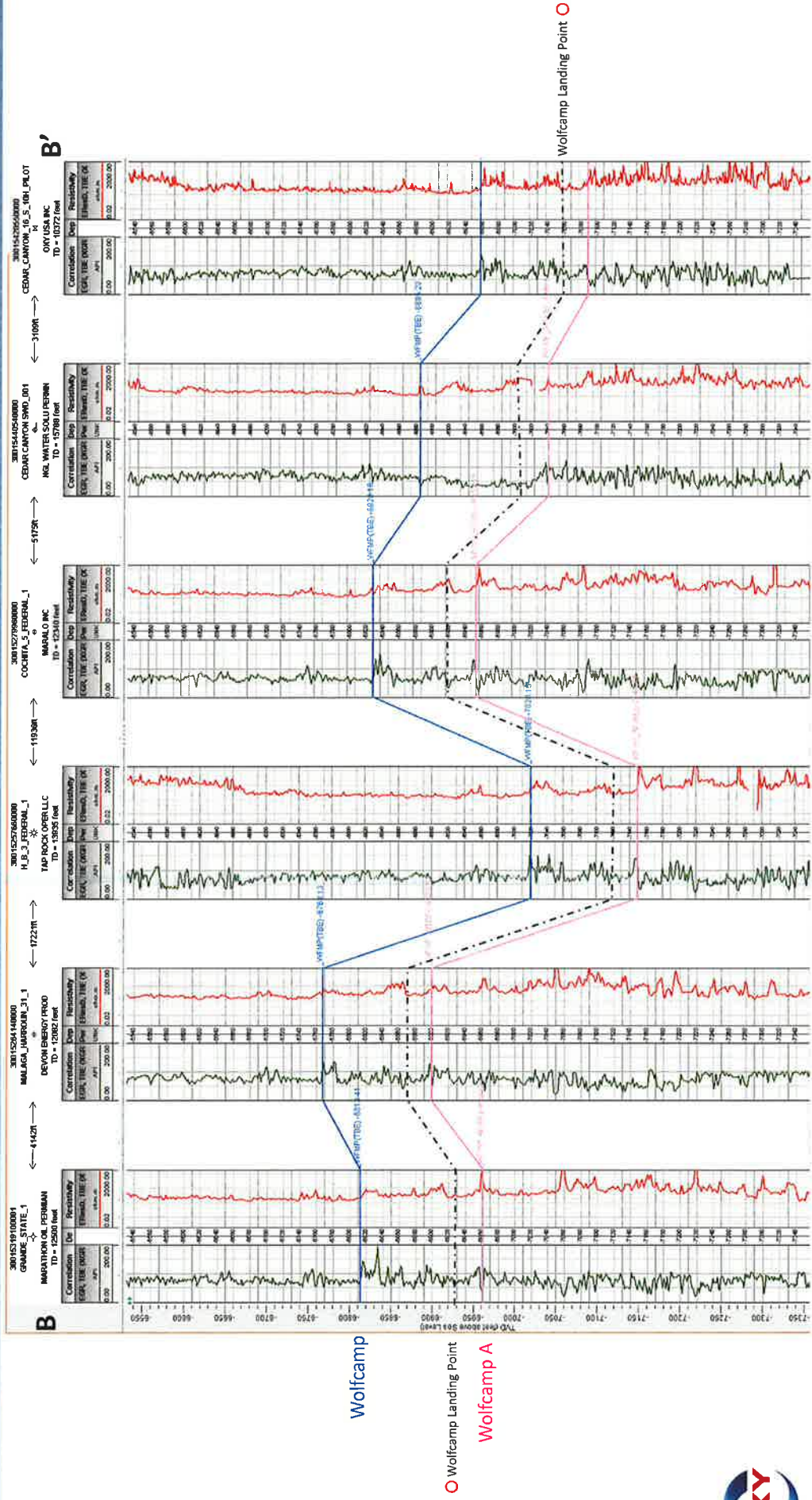


BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. B1
 Submitted by: OXY USA INC
 Hearing Date: October 3, 2019
 Case Nos 20788 & 20789

Wolfcamp XY Structure



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**

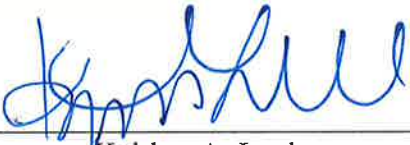
**APPLICATION OF OXY USA INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

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.



Kaitlyn A. Luck

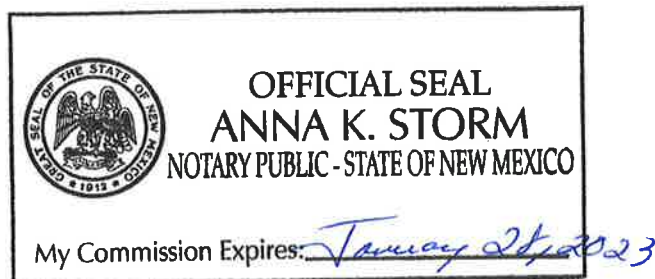
SUBSCRIBED AND SWORN to before me this 2nd day of October, 2019 by Kaitlyn A. Luck.



Notary Public

My Commission Expires:

January 28, 2023





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 <http://www.emnrd.state.nm.us/ocd/>. 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.



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

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 <http://www.emnrd.state.nm.us/ocd/>. 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.

Tracking Number	Recipient	Status
9214890194038389679318	Collins & Ware LP 508 W Wall Street Suite 1200 Midland TX 79701	Delivered Signature Received
9214890194038389679325	Curtis A Anderson & Edna I Anderson 9314 Cherry Brooke Lane Frisco TX 75033	Delivered Signature Received
9214890194038389679332	Mobil Production Texas & New Mexico Inc 22777 Springwoods Village Pkwy Spring TX 77389-1425	Delivered Signature Received
9214890194038389679349	Avalance Royalty Partners LLC Attn: William G Mills 100 St Paul Street Suite 305 Denver CO 80206	In-Transit
9214890194038389679356	Rutter & Willbanks Corporation PO BOX 3186 Midland TX 79701	Delivered Signature Received
9214890194038389679363	BK Exploration Corporation PO BOX 52098 Tulsa OK 74152-0098	Delivered Signature Received
9214890194038389679370	Chevron USA Inc 6301 Deauville Midland TX 79706	Delivered Signature Received
9214890194038389679387	Lawrence W & Sally H Robinette 8023 S 88th E Avenue Tulsa OK 74133	Delivered Signature Received
9214890194038389679394	EOG Resources Inc PO BOX 2267 Midland TX 79702	Delivered Signature Received
9214890194038389679400	XTO Holdings LLC PO BOX 840780 Midland TX 75284	Delivered Signature Received

\$5.75 X 10 = \$57.50



Shipment Confirmation Acceptance Notice

A. Mailer Action

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

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

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.

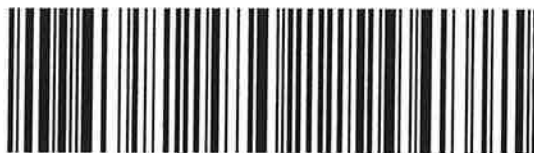
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. 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.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0016 9592 61





Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
1.	9214 8901 9403 8389 6793 18	Collins & Ware LP 508 W Wall Street Suite 1200 Midland TX 79701		0.65	3.50	Handling Charge - if Registered and over \$50.00 in value							1.60				
2.	9214 8901 9403 8389 6793 25	Curtis A Anderson & Edna I Anderson 9314 Cherry Brooke Lane Frisco TX 75033		0.65	3.50									1.60			
3.	9214 8901 9403 8389 6793 32	Mobil Production Texas & New Mexico Inc 22777 Springwoods Village Pkwy Spring TX 77389-1425		0.65	3.50									1.60			
4.	9214 8901 9403 8389 6793 49	Avalance Royalty Partners LLC Attn: William G Mills 100 St Paul Street Suite 305 Denver CO 80206		0.65	3.50									1.60			
5.	9214 8901 9403 8389 6793 56	Ruiter & Wilbanks Corporation PO BOX 3188 Midland TX 79701		0.65	3.50									1.60			
6.	9214 8901 9403 8389 6793 63	OK Exploration Corporation PO BOX 52088 Tulsa OK 74152-0088		0.65	3.50									1.60			
7.	9214 8901 9403 8389 6793 70	Chevron USA Inc 6301 Desoville Midland TX 79708		0.65	3.50									1.60			
8.	9214 8901 9403 8389 6793 87	Lawrence W & Sally H Robinette 8023 S 88th E Avenue Tulsa OK 74133		0.65	3.50									1.60			
Total Number of Pieces Listed by Sender 10		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													



Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
9.	9214 8901 9403 8389 6793 94	EOG Resources Inc PO BOX 2287 Midland TX 79702		0.65	3.50	Handling Charge - if Registered and over \$50,000 in value							1.60				
10.	9214 8901 9403 8389 6794 00	XTO Holdings LLC PO BOX 846780 Midland TX 75284		0.65	3.50									1.60			
Total Number of Pieces Listed by Sender 10		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													

CARLSBAD
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:

09/17/19


Legal Clerk

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


State of WI, County of Brown
NOTARY PUBLIC

1-12-2021
My Commission Expires



Ad#:0001296611
P O : Heads #31H
of Affidavits :0.00

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES 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

CARLSBAD
CURRENT-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

1-12-2021
My Commission Expires

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

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
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 20789: 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 E/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 #34H Well**, (2) 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, and (3) 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 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 approximately 4 miles east of Malaga, New Mexico.
September 17, 2019