

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING OCTOBER 03, 2019**

**CASE NOS. 20786 & 20813**

*HEADS CC 9-4 FED COM #21H WELL  
HEADS CC 9-4 FED COM #22H WELL  
HEADS CC 9-4 FED COM #23H WELL  
HEADS CC 9-4 FED COM #24H WELL  
HEADS CC 9-4 FED COM #25H WELL  
HEADS CC 9-4 FED COM #26H 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. 20786 & 20813**

**AFFIDAVIT OF PETER R. VAN LIEW  
IN SUPPORT OF CASE NOS. 20786 & 20813**

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. 20786 and 20813**. This proposed spacing unit includes both fee and federal lands.
6. In **Case No. 20786**, Oxy is seeking an order pooling all uncommitted interests in the Bone Spring 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 #21H Well**, and the **Heads CC 9-4 Fed Com #22H Well**, both of which will be horizontally drilled from a common surface location in the NW/4 SW/4 (Unit L) 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 #23H Well** to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) 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. The completed interval for the **Heads CC 9-4 Fed Com #22H Well** will remain within 330 feet of the E/2 W/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard 639.61-acre horizontal well spacing comprised of W/2 of Sections 4 and 9. Incorporating the proximity tracts, the completed interval for the proposed **Heads CC 9-4 Fed Com #22H Well** will comply with the Division's setback requirements.

10. Oxy has been advised by the Division's District Office that these wells have been placed in the Pierce Crossing; Bone Spring, East. The Pool Code for these proposed wells is 96473.

11. There are no depth severances in the Bone Spring formation.

12. **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 #21H Well**,

the **Heads CC 9-4 Fed Com #22H Well**, and the **Heads CC 9-4 Fed Com #23H 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**.

13. **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.

14. In **Case No. 20813**, Oxy is seeking an order pooling all uncommitted interests in the Bone Spring 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.

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

- The **Heads CC 9-4 Fed Com #24H Well** and the **Heads CC 9-4 Fed Com #25H 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 #26H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 9 to a bottom-hole location in the NE/4 NE/4 (Lot 1) of Section 4.

16. 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**.

17. The completed interval for the **Heads CC 9-4 Fed Com #25H Well** will be within 330 feet of the E/2 E/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard

639.33-acre horizontal well spacing comprised of E/2 of Sections 4 and 9. Incorporating the proximity tracts, the completed interval for the proposed **Heads CC 9-4 Fed Com #25H Well** will comply with the Division's setback requirements.

18. Oxy has been advised by the Division's District Office that these wells have been placed in the Pierce Crossing; Bone Spring, East. The Pool Code for these proposed wells is 96473.

19. There are no depth severances in the Bone Spring formation.

20. **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 #24H Well**, the **Heads CC 9-4 Fed Com #25H Well**, and the **Heads CC 9-4 Fed Com #26H 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**.

21. **Oxy Exhibit A-9** 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.

22. Oxy sent well proposal letters, together with corresponding AFEs, to the working interest owners in **Case Nos. 20786** and **20813**. 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**.

23. 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.

24. 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.

25. 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.


26. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on 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.

27. **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 Harri S )


SUBSCRIBED and SWORN to before me this 30<sup>th</sup> day of September 2019 by  
Peter R. Van Liew.

  
NOTARY PUBLIC

My Commission Expires:

4/7/23






**HEAD 9-4**  
Permian Resources  
New Mexico Delaware BU

**Legend:**

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

**HEADS CC 9-4 COM**

- NMNM 119754
- HARROUN FEE LEASE
- NMNM 99034

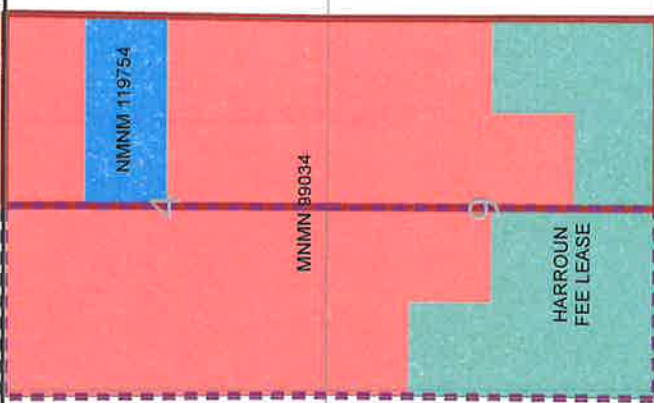


0 750 1,500 3,000 Feet

Projection: NAD27  
Date: 9/25/2019  
Author: M.V.  
File: Head9-4

**T23S  
R29E**

**T24S  
R29E**



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A1  
Submitted by: OXY USA INC  
Hearing Date: October 3, 2019  
Case Nos 20786 & 20813



## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-9720

## 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) 476-3462State 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	21H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	2940.2'

## Surface Location

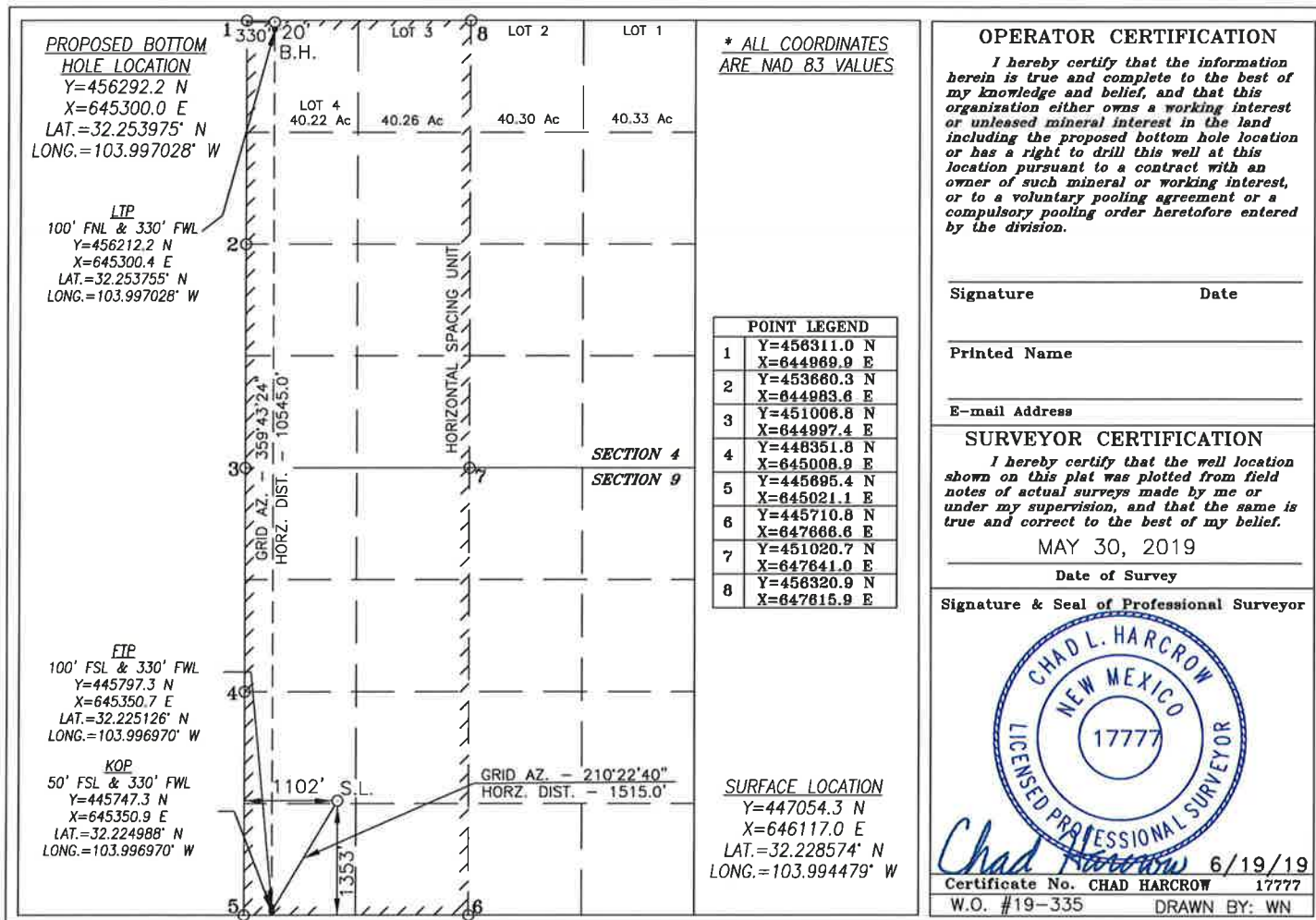
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	24-S	29-E		1353	SOUTH	1102	WEST	EDDY

## 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



Santa Fe, New Mexico

Exhibit No. A3

Submitted by: OXY USA INC

Hearing Date: October 3, 2019

Case Nos 20786 &amp; 20813

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

DISTRICT I  
1825 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) 478-3480 Fax: (505) 478-3482

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	22H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	2939.4'

**Surface Location**

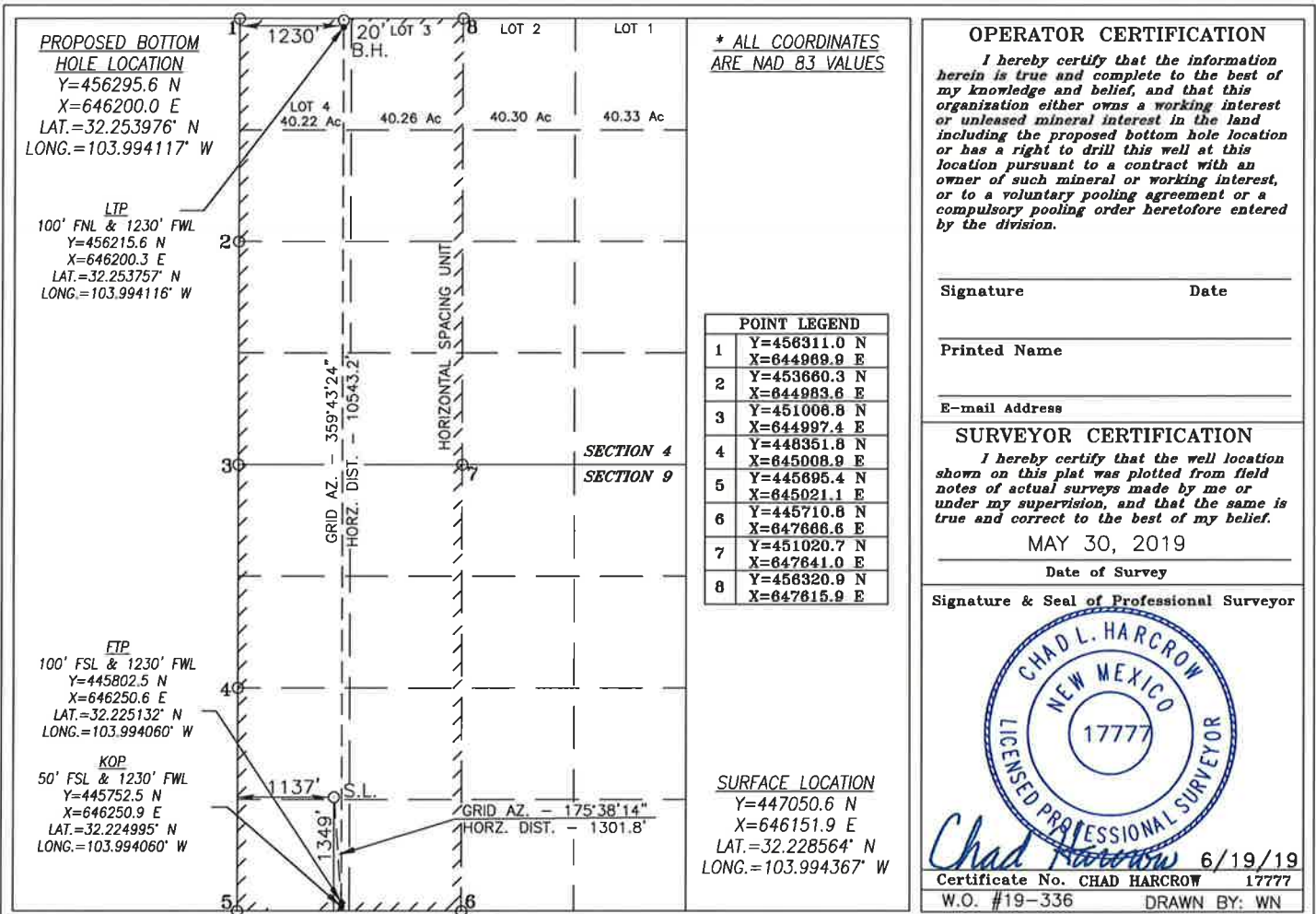
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	24-S	29-E		1349	SOUTH	1137	WEST	EDDY

**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.

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Santa Fe, New Mexico

Exhibit No. A4

Submitted by: OXY USA INC

Hearing Date: October 3, 2019

Case Nos 20786 &amp; 20813

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (505) 393-0161 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) 476-3462

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 <b>HEADS CC 9_4 FEDERAL COM</b>	Well Number 23H
OGRID No.	Operator Name <b>OXY USA INC.</b>	Elevation 2940.0'

**Surface Location**

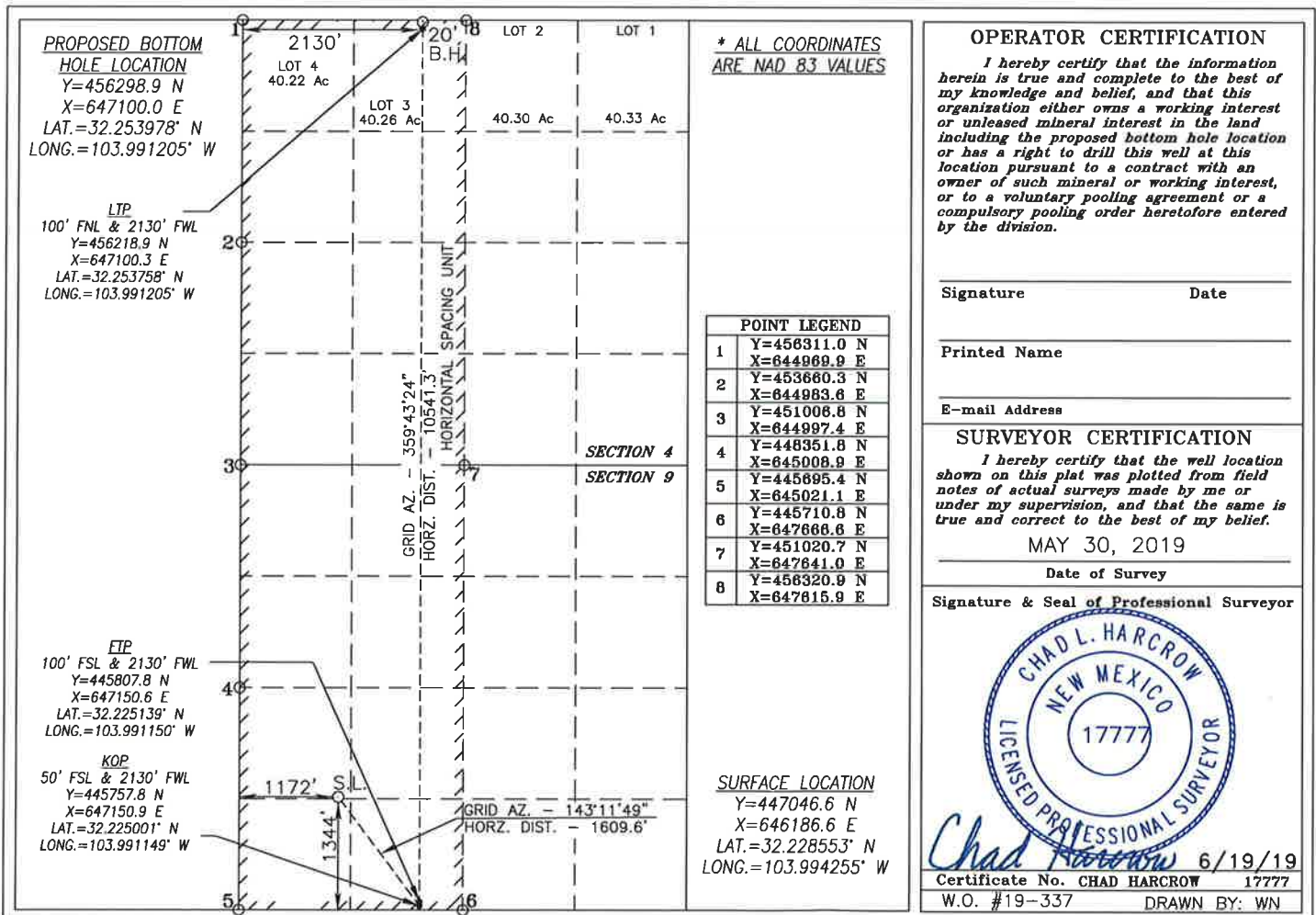
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	9	24-S	29-E		1344	SOUTH	1172	WEST	EDDY

**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.

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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		
	34.400000% OXY Y-1 Company	Acres contributed to proposed spacing unit:	439.61
	85.800000% OXY USA Inc		
	100.000000%		
	Total Committed Interest		100.00%
	Total Uncommitted Interest		0.00%
Tract 2	SW/4, SW/4NW/4 Sec. 9		
	0.581390% Avalanche Royalty Partners LLC	Acres contributed to proposed spacing unit:	200
	99.418610% OXY USA Inc.		
	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.	76.17475962%
OXY Y-1 Company	23.64344522%
Avalanche Royalty Partners LLC	0.18179516%
EOG Resources Inc. (Record Title Only in Tr. 1)	0.00000000%
Rutter and Wilbanks Corporation (ORRI)	0.00000000%
OXY USA WTP LP (ORRI)	0.00000000%
XTO Holdings LLC (ORRI)	0.00000000%
Collins & Ware, LP (ORRI)	0.00000000%
Curtis A. Anderson (ORRI)	0.00000000%
	100.000000%

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A5

Submitted by: OXY USA INC

Hearing Date: October 3, 2019

Case Nos 20786 & 20813



## DISTRICT I

1625 N. FRENCH DR., HOBBES, NM 86240  
Phone: (505) 393-6161 Fax: (505) 393-0720

## DISTRICT II

811 S. FIRST ST., ARTESIA, NM 86210  
Phone: (505) 748-1283 Fax: (505) 748-9780

## 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 24H
OGRID No.	Operator Name OXY USA INC.	Elevation 2932.0'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	29-E		487	SOUTH	1667	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=456302.3 N X=648022.8 E LAT.=32.253979' N LONG.=103.988220' 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><u>LIP</u> 100' FNL &amp; 2240' FEL Y=456222.3 N X=648023.2 E LAT.=32.253759' N LONG.=103.988220' W</p> <p>* ALL COORDINATES ARE NAD 83 VALUES</p>	<p><u>OPERATOR CERTIFICATION</u></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><u>100' FSL &amp; 2240' FEL</u> Y=445813.1 N X=648071.6 E LAT.=32.225145' N LONG.=103.988171' W</p> <p><u>50' FSL &amp; 2240' FEL</u> Y=445763.1 N X=648071.8 E LAT.=32.225008' N LONG.=103.988171' W</p> <p><u>SURFACE LOCATION</u> Y=446202.9 N X=648642.8 E LAT.=32.226212' N LONG.=103.986320' W</p>	<p><u>POINT LEGEND</u></p> <table border="1"> <tr><td>1</td><td>Y=456330.3 N</td></tr> <tr><td></td><td>X=650282.8 E</td></tr> <tr><td>2</td><td>Y=453688.3 N</td></tr> <tr><td></td><td>X=650273.5 E</td></tr> <tr><td>3</td><td>Y=451034.0 N</td></tr> <tr><td></td><td>X=650284.7 E</td></tr> <tr><td>4</td><td>Y=448382.0 N</td></tr> <tr><td></td><td>X=650298.1 E</td></tr> <tr><td>5</td><td>Y=445728.2 N</td></tr> <tr><td></td><td>X=650312.0 E</td></tr> <tr><td>6</td><td>Y=445710.8 N</td></tr> <tr><td></td><td>X=647868.6 E</td></tr> <tr><td>7</td><td>Y=451020.7 N</td></tr> <tr><td></td><td>X=647841.0 E</td></tr> <tr><td>8</td><td>Y=456320.9 N</td></tr> <tr><td></td><td>X=647815.9 E</td></tr> </table>		1	Y=456330.3 N		X=650282.8 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=650298.1 E	5	Y=445728.2 N		X=650312.0 E	6	Y=445710.8 N		X=647868.6 E	7	Y=451020.7 N		X=647841.0 E	8	Y=456320.9 N		X=647815.9 E	<p><u>SURVEYOR CERTIFICATION</u></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>MAY 30, 2019</p> <p>Date of Survey _____</p> <p>Signature &amp; Seal of Professional Surveyor</p>
1	Y=456330.3 N																																		
	X=650282.8 E																																		
2	Y=453688.3 N																																		
	X=650273.5 E																																		
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7	Y=451020.7 N																																		
	X=647841.0 E																																		
8	Y=456320.9 N																																		
	X=647815.9 E																																		



Chad Hargrow 6/25/19  
Certificate No. CHAD HARGROW 17777  
W.O. #19-338 DRAWN BY: AM

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) 748-1263 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	25H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	2932.0'

**Surface Location**

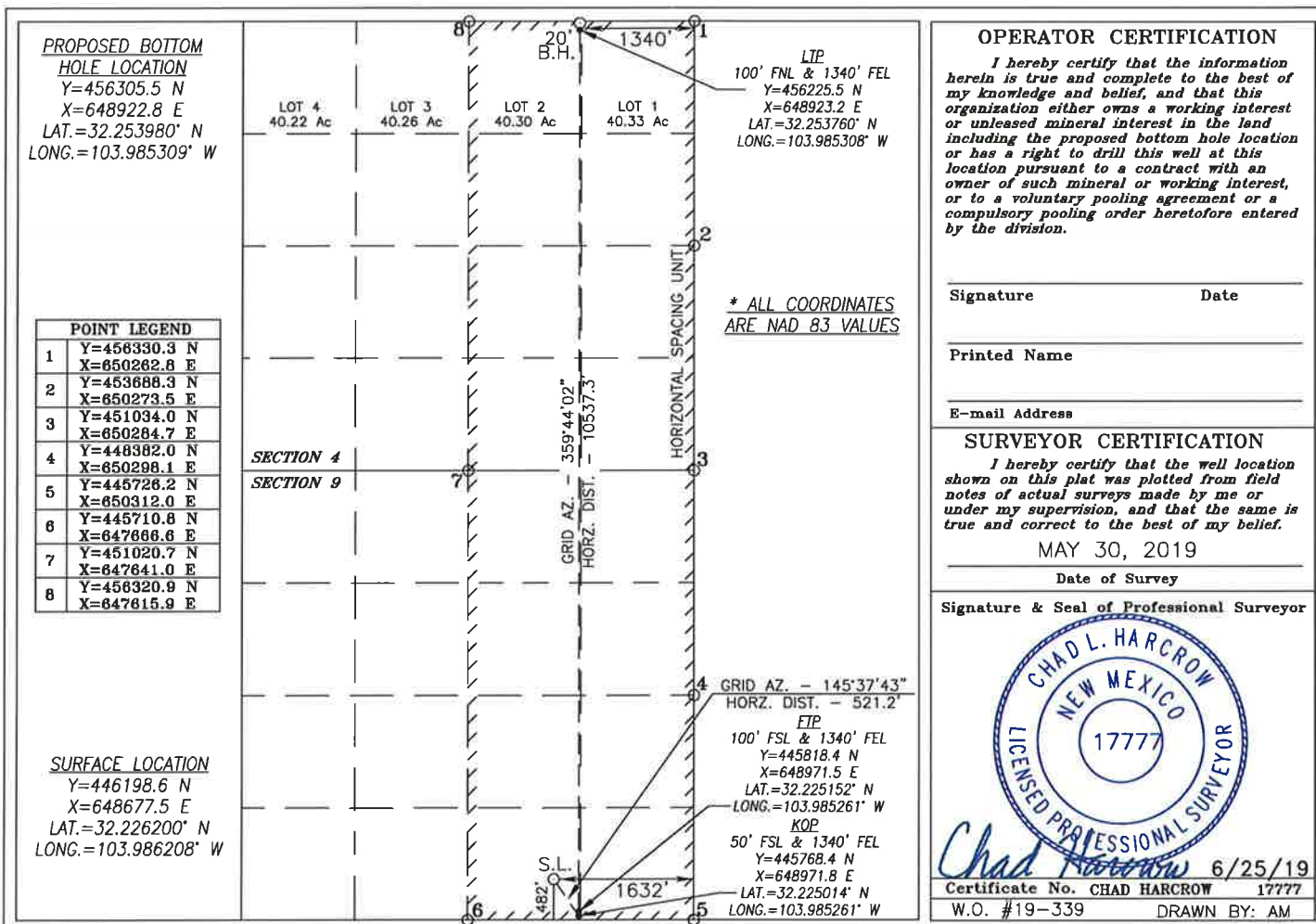
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	9	24-S	29-E		482	SOUTH	1632	EAST	EDDY

**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



## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (505) 393-8161 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) 476-3480 Fax: (505) 476-3482State of New Mexico  
Energy, Minerals & Natural Resources Department  
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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	26H
OGRID No.	Operator Name	Elevation
	OXY USA INC.	2932.1'

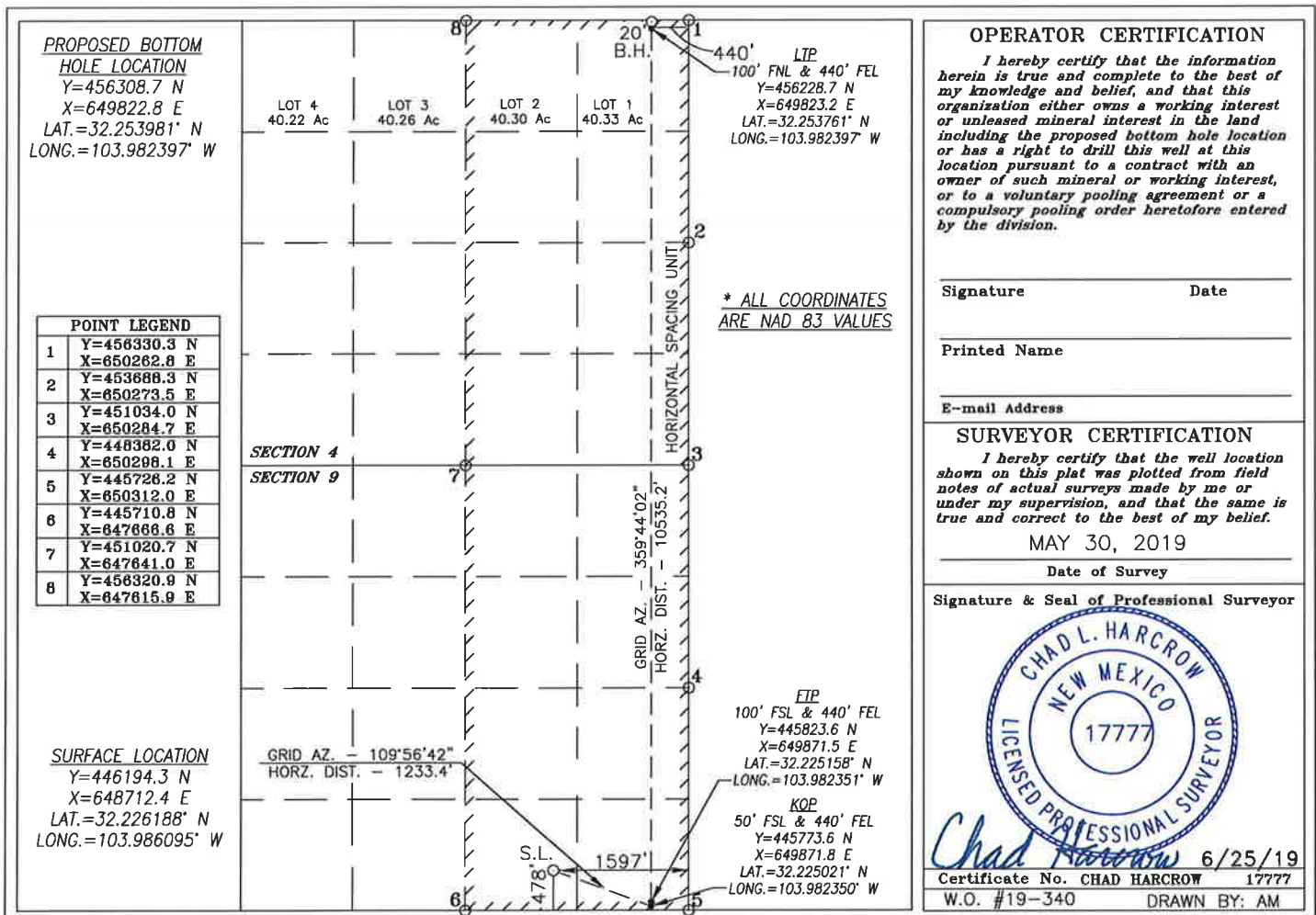
## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	9	24-S	29-E		478	SOUTH	1597	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



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

		Total Acres in proposed spacing unit:	639.33
Tract 1	N/2 NE/4, SE/4 Sec. 4 & NE/4 Sec. 9		
	34.400000% OXY Y-1 Company	Acres contributed to proposed spacing unit:	399.33
	65.600000% OXY USA Inc.		
	100.000000%		
	Total Committed Interest		100.00%
	Total Uncommitted Interest		0.00%
Tract 2	NW/4SE/4 Sec. 9		
	20.000000% OXY Y-1 Company	Acres contributed to proposed spacing unit:	40
	80.000000% OXY USA Inc.		
	100.000000%		
	Total Committed Interest		100.00%
	Total Uncommitted Interest		0.00%
Tract 3	S/2NE/4 Sec. 4		
	100.000000% Chevron U.S.A. Inc.	Acres contributed to proposed spacing unit:	80
	100.000000%		
	Total Committed Interest		0.00%
	Total Uncommitted Interest		100.00%
Tract 4	SE/4SE/4 Sec. 9		
	99.418610% OXY USA Inc.	Acres contributed to proposed spacing unit:	40
	0.581390% Avalanche Royalty Partners LLC		
	100.000000%		
	Total Committed Interest		100.00%
	Total Uncommitted Interest		0.00%
Tract 5	SW/4SE/4 & NE/4SE/4 Sec. 9		
	99.418610% OXY USA Inc.	Acres contributed to proposed spacing unit:	80
	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.		64.639984%
	OXY Y-1 Company		22.737791%
	Chevron U.S.A. Inc. (Also Record Title in Tr. 3)		12.513100%
	Avalanche Royalty Partners LLC		0.109125%
	EOG Resources Inc. (Record Title Only in Tr. 1 & 2)		0.000000%
	Rutter and Wilbanks Corporation (ORRI)		0.000000%
	XTO Holdings LLC (ORRI)		0.000000%
	Curtis A. Anderson (ORRI)		0.000000%
	OXY USA WTP LP (ORRI)		0.000000%
	Collins & Ware, LP (ORRI)		0.000000%
			100.000000%





**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

May 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Working Interest Owners  
(see attached list)

RE: **Well Proposal – Heads CC 9-4 Fed Com 21H**  
SHL – Unit Letter L  
Section 9, Township 24 South, Range 29 East, Eddy County, NM  
BHL – Unit Letter D  
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 #21H 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 8,790', and to an approximate measured depth of 18,857' to evaluate the Bone Spring 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 was previously mailed to you with a prior set of well proposals.

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 #21H 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.

Peter Van Liew, RPL  
Senior Land Negotiator

Enclosures

Working Interest Party elects to:

\_\_\_\_ participate in the drilling of the Heads CC 9-4 Fed Com #21H

\_\_\_\_ non-consent the drilling of the Heads CC 9-4 Fed Com #21H

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

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

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

Company: \_\_\_\_\_

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 20786 & 20813

Working Interest Owners

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	Avalanche Royalty Partners LLC 100 St. Paul Street, Ste. 305 Denver, Colorado 80206 Attn: Land Manager
--	---	---



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #21H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/16/2019

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	\$ 133,903					
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	\$ 46,139					
3005	Services Inspection		\$ 353	\$ 36,642					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 485,161					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 28,833					
3018	Services Perforating		\$ -	\$ -					
3019	Wire line & Slick line		\$ -	\$ -					
3020	Rig Work		\$ -	\$ 691,833					
3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953					
3023	Cementing		\$ -	\$ 249,260					
3024	Services Stimulation		\$ -	\$ -					
3025	Services Downhole Other		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$ -	\$ -					
3029	Camp & Catering		\$ 6,254	\$ 36,191					
3032	Communications & IT		\$ 547	\$ 18,970					
3035	Services Disposal		\$ -	\$ 124,447					
3039	Services Fluid Hauling from Site		\$ -	\$ -					
4005	Rental Downhole Equipment & Tools		\$ -	\$ 3,758					
4007	HES & Industrial waste handling		\$ 466	\$ 7,508					
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material Subsurface Lift Equipment Other		\$ -	\$ -					
5028	Casing and Casing Accessories		\$ -	\$ 722,013					
5029	Material Tubing and Accs		\$ -	\$ -					
5500	Material Consumables		\$ 10,300	\$ -					
5502	Drilling Fluids Products		\$ -	\$ 195,009					
5503	Bits, Reamers, Scrapers, HO's		\$ -	\$ 77,674					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,653					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 43,865					
8102	Tax & contingency		\$ 11,847	\$ 286,757					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,621,701	\$ -	\$ -	\$ -	\$ -	\$ -



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #21H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/16/2019

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 & Stick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								
3023	Cementing								
3024	Services Stimulation								
3025	Services Downhole Other								
3026	Formation Testing and Coring								
3029	Camp & Catering								
3032	Communications & IT								
3035	Services Disposal								
3039	Services Fluid Hauling from Site								
4005	Rental Downhole Equipment & Tools								
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								
Consu Consumables									
5021	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		\$	-	\$	-	\$	-	\$	-

	<b>Occidental Oil and Gas Corporation</b> <b>Heads CC 9-4 Fed Com #21H</b>	RMT: PRN State & County: NM, Eddy Field: Corral Well Type: 10k 2BS Date: 5/16/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,463	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 134,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,160	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 11,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 37,000	\$ -	\$ 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	\$ -	\$ -	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 205,800	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 47,250	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 692,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,748,512	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 63,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 228,319	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 124,000	\$ -	\$ 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	\$ 101,000	\$ -	\$ 131,743	\$ 7,177	\$ -	\$ -
<b>Consumables</b>									
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	\$ -	\$ -	\$ 722,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 239,225	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ 11,000	\$ -	\$ 3,276	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 44,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 287,000	\$ -	\$ 201,143	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 249,000	\$ 3,624,000	\$ -	\$ 4,564,005	\$ 195,000	\$ 125,000	\$ 560,000

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval      % WI
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.	

<b>Total Drilling (1+2+3+4):</b>	<b>\$ 3,873,000</b>
<b>Total Completion (5+6+7):</b>	<b>\$ 4,884,005</b>
<b>Total Facilities (8):</b>	<b>\$ 560,000</b>
<b>Total Well Cost (1+2+3+4+5+6+7+8):</b>	<b>\$ 9,317,005</b>
Diego Tellez - Drilling Engr Supervisor Robert Rodriguez - Completion Engr Supervisor John Willis - Drilling & Completions Manager Peter Van Liew - Advisor Land Negotiator, Sr.	





**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

May 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Working Interest Owners  
(see attached list)

RE: **Well Proposal – Heads CC 9-4 Fed Com 22H**  
SHL – Unit Letter L  
Section 9, Township 24 South, Range 29 East, Eddy County, NM  
BHL – Unit Letter D  
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 #22H 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 8,790', and to an approximate measured depth of 18,855' to evaluate the Bone Spring 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 was previously mailed to you with a prior set of well proposals.

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 #22H 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.

Peter Van Liew, RPL  
Senior Land Negotiator

Working Interest Party elects to:

\_\_\_\_ participate in the drilling of the Heads CC 9-4 Fed Com #22H

\_\_\_\_ non-consent the drilling of the Heads CC 9-4 Fed Com #22H

Enclosures

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

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

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

Company: \_\_\_\_\_

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

Working Interest Owners

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	Avalanche Royalty Partners LLC 100 St. Paul Street, Ste. 305 Denver, Colorado 80206 Attn: Land Manager
--	---	---



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #22H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/17/2019

Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Location, Mobilization, Rig Move									
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3011	Location & Roads + Maintenance		\$ 103,000	\$ -					
3021	Rig Move		\$ 74,859	\$ -					
Labor, Services & Equipment Rentals									
1000	Employee Wages		\$ 3,863	\$ 133,903					
1050	Location Services		\$ -	\$ -					
2004	Contractor Maintenance/Gangs/Roustabouts		\$ -	\$ -					
2017	Contract Supervision		\$ -	\$ -					
2019	Contractor HES		\$ -	\$ -					
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3002	Services Misc Heavy Equipment		\$ -	\$ -					
3003	Fluid Haul		\$ 6,719	\$ 46,139					
3005	Services Inspection		\$ 353	\$ 36,642					
3009	Services Wellhead		\$ -	\$ 15,553					
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3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 485,161					
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3016	Mud Logging		\$ -	\$ 28,833					
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3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953					
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4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608					
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5029	Material Tubing and Accs		\$ -	\$ -					
5500	Material Consumables		\$ 10,300	\$ -					
5502	Drilling Fluids Products		\$ -	\$ 195,009					
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5505	Fuel & Lubricants		\$ 2,125	\$ 73,653					
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Logistics, Insurance & Tax									
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8102	Tax & contingency		\$ 11,847	\$ 286,757					
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8921	Waste Handling and Disp		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,621,701	\$ -	\$ -	\$ -	\$ -	\$ -





Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #22H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/17/2019

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 & Stick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								
3023	Cementing								
3024	Services Stimulation								
3025	Services Downhole Other								
3026	Formation Testing and Coring								
3029	Camp & Catering								
3032	Communications & IT								
3035	Services Disposal								
3039	Services Fluid Hauling from Site								
4005	Rental Downhole Equipment & Tools								
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								
Consu: Consumables									
5021	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								
9999	Other Costs								
Subtotal		\$	-	\$	-	\$	-	\$	-



# Occidental Oil and Gas Corporation Heads CC 9-4 Fed Com #22H

RMT:	PRN
State & County:	NM, Eddy
Field:	Corral
Well Type:	10k 2BS
Date:	5/17/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,463	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 134,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,160	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 11,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 37,000	\$ -	\$ 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	\$ -	\$ -	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 205,600	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 47,250	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 692,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,748,512	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 63,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 228,319	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 124,000	\$ -	\$ 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	\$ 101,000	\$ -	\$ 131,743	\$ 7,177	\$ -	\$ -
<b>Consun Consumables</b>									
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	\$ -	\$ -	\$ 722,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 239,225	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ 11,000	\$ -	\$ 3,276	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 44,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 287,000	\$ -	\$ 201,143	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,624,000	\$ -	\$ 4,564,005	\$ 195,000	\$ 125,000	\$ 560,000

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval % WI
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.	

Total Drilling (1+2+3+4):	\$ 3,873,000
Total Completion (5+6+7):	\$ 4,884,005
Total Facilities (8):	\$ 560,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,317,005
Diego Tellez - Drilling Engr Supervisor	
Robert Rodriguez - Completion Engr Supervisor	
John Willis - Drilling & Completions Manager	
Peter Van Liew - Advisor Land Negotiator, Sr.	



**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

May 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Working Interest Owners  
(see attached list)

RE: **Well Proposal – Heads CC 9-4 Fed Com 23H**  
SHL – Unit Letter L  
Section 9, Township 24 South, Range 29 East, Eddy County, NM  
BHL – Unit Letter C  
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 #23H 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 8,790', and to an approximate measured depth of 18,853' to evaluate the Bone Spring 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 was previously mailed to you with a prior set of well proposals.

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 #23H 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.

Peter Van Liew, RPL  
Senior Land Negotiator

Working Interest Party elects to:

\_\_\_\_ participate in the drilling of the Heads CC 9-4 Fed Com #23H

\_\_\_\_ non-consent the drilling of the Heads CC 9-4 Fed Com #23H

Enclosures

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

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

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

Company: \_\_\_\_\_

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

Working Interest Owners

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	Avalanche Royalty Partners LLC 100 St. Paul Street, Ste. 305 Denver, Colorado 80206 Attn: Land Manager
--	---	---



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #23H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/17/2019

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	\$ 133,903					
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	\$ 46,139					
3005	Services Inspection		\$ 353	\$ 36,642					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 485,161					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 28,833					
3018	Services Perforating		\$ -	\$ -					
3019	Wire line & Slick line		\$ -	\$ -					
3020	Rig Work		\$ -	\$ 691,833					
3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953					
3023	Cementing		\$ -	\$ 249,260					
3024	Services Stimulation		\$ -	\$ -					
3025	Services Downhole Other		\$ -	\$ 12,772					
3028	Formation Testing and Coring		\$ -	\$ -					
3029	Camp & Catering		\$ 6,254	\$ 36,191					
3032	Communications & IT		\$ 547	\$ 18,970					
3035	Services Disposal		\$ -	\$ 124,447					
3039	Services Fluid Hauling from Site		\$ -	\$ -					
4005	Rental Downhole Equipment & Tools		\$ -	\$ 3,758					
4007	HES & Industrial waste handling		\$ 466	\$ 7,508					
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material Subsurface Lift Equipment Other		\$ -	\$ -					
5028	Casing and Casing Accessories		\$ -	\$ 722,013					
5029	Material Tubing and Accs		\$ -	\$ -					
5500	Material Consumables		\$ 10,300	\$ -					
5502	Drilling Fluids Products		\$ -	\$ 195,009					
5503	Bits, Reamers, Scrapers, HO's		\$ -	\$ 77,674					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,653					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 43,865					
8102	Tax & contingency		\$ 11,847	\$ 286,757					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disposal		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,621,701	\$ -	\$ -	\$ -	\$ -	\$ -





Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #23H

RMT: PRN

State & County: NM, Eddy

Field: Corral

Well Type: 10k 2BS

Date: 5/17/2019

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								
Consu: 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								
9999	Other Costs								
Subtotal		\$	-	\$	-	\$	-	\$	-



# Occidental Oil and Gas Corporation Heads CC 9-4 Fed Com #23H

RMT:	PRN
State & County:	NM, Eddy
Field:	Corral
Well Type:	10k 2BS
Date:	5/17/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,463	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 134,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,180	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 11,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 37,000	\$ -	\$ 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	\$ -	\$ -	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 205,800	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 47,250	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 692,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,748,512	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 63,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 228,319	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 124,000	\$ -	\$ 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	\$ 101,000	\$ -	\$ 131,743	\$ 7,177	\$ -	\$ -
<b>Consun Consumables</b>									
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	\$ -	\$ -	\$ 722,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 239,225	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ 11,000	\$ -	\$ 3,276	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 44,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 287,000	\$ -	\$ 201,143	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,624,000	\$ -	\$ 4,564,005	\$ 195,000	\$ 125,000	\$ 560,000

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval % WI
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.	

Total Drilling (1+2+3+4):	\$ 3,873,000
Total Completion (5+6+7):	\$ 4,884,005
Total Facilities (8):	\$ 560,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,317,005
Diego Tellez - Drilling Engr Supervisor	
Robert Rodriguez - Completion Engr Supervisor	
John Willis - Drilling & Completions Manager	
Peter Van Liew - Advisor Land Negotiator, Sr.	



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P.O. Box 27570, Houston, Texas 77227-7570

Direct: 713.985.6972 Fax: 713.985.1278

Peter\_Vanliew@oxy.com

May 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Working Interest Owners  
(see attached list)

RE: **Well Proposal – Heads CC 9-4 Fed Com 24H**  
SHL – Unit Letter O  
Section 9, Township 24 South, Range 29 East, Eddy County, NM  
BHL – Unit Letter B  
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 #24H 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 8,790', and to an approximate measured depth of 18,851' to evaluate the Bone Spring 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 was previously mailed to you with a prior set of well proposals.

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 #24H 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.

Peter Van Liew, RPL  
Senior Land Negotiator

Working Interest Party elects to:

\_\_\_ participate in the drilling of the Heads CC 9-4 Fed Com #24H

\_\_\_ non-consent the drilling of the Heads CC 9-4 Fed Com #24H

Enclosures

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

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

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

Company: \_\_\_\_\_

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



Working Interest Owners

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit
Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 Attn: Land Manager – Permian	Avalanche Royalty Partners LLC 100 St. Paul Street, Ste. 305 Denver, Colorado 80206 Attn: Land Manager



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #24H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/16/2019

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	\$ 133,903					
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	\$ 46,139					
3005	Services Inspection		\$ 353	\$ 36,642					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 485,161					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 28,833					
3018	Services Perforating		\$ -	\$ -					
3019	Wire line & Slick line		\$ -	\$ -					
3020	Rig Work		\$ -	\$ 691,833					
3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953					
3023	Cementing		\$ -	\$ 249,260					
3024	Services Stimulation		\$ -	\$ -					
3025	Services Downhole Other		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$ -	\$ -					
3029	Camp & Catering		\$ 8,254	\$ 36,191					
3032	Communications & IT		\$ 547	\$ 18,970					
3035	Services Disposal		\$ -	\$ 124,447					
3039	Services Fluid Hauling from Site		\$ -	\$ -					
4005	Rental Downhole Equipment & Tools		\$ -	\$ 3,758					
4007	HES & Industrial waste handling		\$ 466	\$ 7,508					
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material Subsurface Lift Equipment Other		\$ -	\$ -					
5028	Casing and Casing Accessories		\$ -	\$ 722,013					
5029	Material Tubing and Accs		\$ -	\$ -					
5500	Material Consumables		\$ 10,300	\$ -					
5502	Drilling Fluids Products		\$ -	\$ 195,009					
5503	Bits, Reamers, Scrapers, HO's		\$ -	\$ 77,674					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,653					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 43,865					
8102	Tax & contingency		\$ 11,847	\$ 286,757					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal		\$ -	\$ 248,777	\$ 3,621,701	\$ -	\$ -	\$ -	\$ -	\$ -



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #24H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/16/2019

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 & Stick 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 Fed Com #24H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/16/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,463	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 134,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,160	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 11,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 37,000	\$ -	\$ 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	\$ -	\$ -	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 205,800	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 47,250	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 692,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,748,512	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 63,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 228,319	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 124,000	\$ -	\$ 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	\$ 101,000	\$ -	\$ 131,743	\$ 7,177	\$ -	\$ -
<b>Consun Consumables</b>									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 722,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 239,225	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 11,000	\$ -	\$ 3,278	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 44,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 287,000	\$ -	\$ 201,143	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,624,000	\$ -	\$ 4,564,005	\$ 195,000	\$ 125,000	\$ 560,000

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval % WI
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.	

Total Drilling (1+2+3+4):	\$ 3,873,000
Total Completion (5+6+7):	\$ 4,884,005
Total Facilities (8):	\$ 560,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,317,005
Diego Tellez - Drilling Engr Supervisor	
Robert Rodriguez - Completion Engr Supervisor	
John Willis - Drilling & Completions Manager	
Peter Van Liew - Advisor Land Negotiator, Sr.	



**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

May 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Working Interest Owners  
(see attached list)

RE: **Well Proposal – Heads CC 9-4 Fed Com 25H**  
SHL – Unit Letter O  
Section 9, Township 24 South, Range 29 East, Eddy County, NM  
BHL – Unit Letter A  
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 #25H 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 8,790', and to an approximate measured depth of 18,849' to evaluate the Bone Spring 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 was previously mailed to you with a prior set of well proposals.

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 #25H 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.

Peter Van Liew, RPL  
Senior Land Negotiator

Working Interest Party elects to:

\_\_\_\_ participate in the drilling of the Heads CC 9-4 Fed Com #25H

\_\_\_\_ non-consent the drilling of the Heads CC 9-4 Fed Com #25H

Enclosures

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

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

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

Company: \_\_\_\_\_

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

Working Interest Owners

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit
Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 Attn: Land Manager – Permian	Avalanche Royalty Partners LLC 100 St. Paul Street, Ste. 305 Denver, Colorado 80206 Attn: Land Manager





Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #25H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/17/2019

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	\$ 133,903					
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	\$ 46,139					
3005	Services Inspection		\$ 353	\$ 36,642					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 485,161					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 28,833					
3018	Services Perforating		\$ -	\$ -					
3019	Wire line & Slick line		\$ -	\$ -					
3020	Rig Work		\$ -	\$ 691,833					
3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953					
3023	Cementing		\$ -	\$ 249,260					
3024	Services Stimulation		\$ -	\$ -					
3025	Services Downhole Other		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$ -	\$ -					
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3035	Services Disposal		\$ -	\$ 124,447					
3039	Services Fluid Hauling from Site		\$ -	\$ -					
4005	Rental Downhole Equipment & Tools		\$ -	\$ 3,758					
4007	HES & Industrial waste handling		\$ 466	\$ 7,508					
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material Subsurface Lift Equipment Other		\$ -	\$ -					
5028	Casing and Casing Accessories		\$ -	\$ 722,013					
5029	Material Tubing and Accs		\$ -	\$ -					
5500	Material Consumables		\$ 10,300	\$ -					
5502	Drilling Fluids Products		\$ -	\$ 195,009					
5503	Bits, Reamers, Scrapers, HO's		\$ -	\$ 77,674					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,653					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 43,865					
8102	Tax & contingency		\$ 11,847	\$ 286,757					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
9999	Other Costs		\$ -	\$ -					
Subtotal			\$ 248,777	\$ 3,621,701	\$ -	\$ -	\$ -	\$ -	\$ -



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #25H

RMT:	PRN
State & County:	NM, Eddy
Field:	Corral
Well Type:	10k 2BS
Date:	5/17/2019

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								
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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 Fed Com #25H

RMT:	PRN
State & County:	NM, Eddy
Field:	Corral
Well Type:	10k 2BS
Date:	5/17/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,483	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 134,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,160	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 11,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 37,000	\$ -	\$ 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	\$ -	\$ -	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 205,800	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 47,250	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 692,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,748,512	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 63,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 228,319	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 124,000	\$ -	\$ 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	\$ 101,000	\$ -	\$ 131,743	\$ 7,177	\$ -	\$ -
<b>Consun Consumables</b>									
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	\$ -	\$ -	\$ 722,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 239,225	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 11,000	\$ -	\$ 3,276	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 44,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 287,000	\$ -	\$ 201,143	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,624,000	\$ -	\$ 4,564,005	\$ 195,000	\$ 125,000	\$ 560,000

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval % WI
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.	

Total Drilling (1+2+3+4):	\$ 3,873,000
Total Completion (5+6+7):	\$ 4,884,005
Total Facilities (8):	\$ 560,000
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,317,005
Diego Tellez - Drilling Engr Supervisor	
Robert Rodriguez - Completion Engr Supervisor	
John Willis - Drilling & Completions Manager	
Peter Van Liew - Advisor Land Negotiator, Sr.	



**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

May 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Working Interest Owners  
(see attached list)

RE: **Well Proposal – Heads CC 9-4 Fed Com 26H**  
SHL – Unit Letter O  
Section 9, Township 24 South, Range 29 East, Eddy County, NM  
BHL – Unit Letter A  
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 #26H 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 8,790', and to an approximate measured depth of 18,847' to evaluate the Bone Spring 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 was previously mailed to you with a prior set of well proposals.

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 #26H 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.

Peter Van Liew, RPL  
Senior Land Negotiator

Working Interest Party elects to:

\_\_\_ participate in the drilling of the Heads CC 9-4 Fed Com #26H

\_\_\_ non-consent the drilling of the Heads CC 9-4 Fed Com #26H

Enclosures

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

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

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

Company: \_\_\_\_\_

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

Working Interest Owners

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit	OXY Y-1 Company 5 Greenway Plaza, Suite 110 Houston, Texas 77046 Attn: Land Manager – Permian Business Unit
Chevron U.S.A. Inc. 1400 Smith Street Houston, Texas 77002 Attn: Land Manager – Permian	Avalanche Royalty Partners LLC 100 St. Paul Street, Ste. 305 Denver, Colorado 80206 Attn: Land Manager



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #26H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/17/2019

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	\$ 133,903					
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	\$ 46,139					
3005	Services Inspection		\$ 353	\$ 36,642					
3009	Services Wellhead		\$ -	\$ 15,553					
3012	Cased/Open Hole Logging		\$ -	\$ -					
3013	Services Coiled Tubing		\$ -	\$ -					
3014	Directional Drilling & LWD		\$ -	\$ 485,161					
3015	Fishing		\$ -	\$ -					
3016	Mud Logging		\$ -	\$ 28,833					
3018	Services Perforating		\$ -	\$ -					
3019	Wire line & Slick line		\$ -	\$ -					
3020	Rig Work		\$ -	\$ 691,833					
3022	Drilling & Completion Fluids		\$ 5,801	\$ 65,953					
3023	Cementing		\$ -	\$ 249,260					
3024	Services Stimulation		\$ -	\$ -					
3025	Services Downhole Other		\$ -	\$ 12,772					
3026	Formation Testing and Coring		\$ -	\$ -					
3029	Camp & Catering		\$ 8,254	\$ 36,191					
3032	Communications & IT		\$ 547	\$ 18,970					
3035	Services Disposal		\$ -	\$ 124,447					
3039	Services Fluid Hauling from Site		\$ -	\$ -					
4005	Rental Downhole Equipment & Tools		\$ -	\$ 3,758					
4007	HES & Industrial waste handling		\$ 466	\$ 7,508					
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608					
Consumables									
5021	Material Surface Other		\$ -	\$ -					
5023	Wellhead & X-mas tree		\$ -	\$ 69,483					
5027	Material Subsurface Lift Equipment Other		\$ -	\$ -					
5028	Casing and Casing Accessories		\$ -	\$ 722,013					
5029	Material Tubing and Accs		\$ -	\$ -					
5500	Material Consumables		\$ 10,300	\$ -					
5502	Drilling Fluids Products		\$ -	\$ 195,009					
5503	Bits, Reamers, Scrapers, HO's		\$ -	\$ 77,674					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,653					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173					
Logistics, Insurance & Tax									
8000	Land Transportation		\$ 644	\$ 43,865					
8102	Tax & contingency		\$ 11,847	\$ 286,757					
8918	Permits/Settlements/Other		\$ -	\$ -					
8921	Waste Handling and Disp		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$ -					
8998	Other Costs		\$ -	\$ -					
Subtotal			\$ 248,777	\$ 3,621,701	\$ -	\$ -	\$ -	\$ -	\$ -



Occidental Oil and Gas Corporation  
Heads CC 9-4 Fed Com #26H

RMT: PRN  
State & County: NM, Eddy  
Field: Corral  
Well Type: 10k 2BS  
Date: 5/17/2019

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								
3008	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 & Stick 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	RMT: PRN
	Heads CC 9-4 Fed Com #26H	State & County: NM, Eddy
		Field: Corral
		Well Type: 10k 2BS
		Date: 5/17/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,463	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 134,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,180	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 11,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 46,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 37,000	\$ -	\$ 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	\$ -	\$ -	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 205,800	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 47,250	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 692,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 66,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,748,512	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 63,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 228,319	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 36,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 19,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 124,000	\$ -	\$ 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	\$ 101,000	\$ -	\$ 131,743	\$ 7,177	\$ -	\$ -
<b>Consun Consumables</b>									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 722,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 239,225	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 11,000	\$ -	\$ 3,276	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 44,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 287,000	\$ -	\$ 201,143	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		<b>\$ -</b>	<b>\$ 249,000</b>	<b>\$ 3,624,000</b>	<b>\$ -</b>	<b>\$ 4,564,005</b>	<b>\$ 195,000</b>	<b>\$ 125,000</b>	<b>\$ 560,000</b>

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval      % WI
This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.	

<b>Total Drilling (1+2+3+4):</b>	<b>\$ 3,873,000</b>
<b>Total Completion (5+6+7):</b>	<b>\$ 4,884,005</b>
<b>Total Facilities (8):</b>	<b>\$ 560,000</b>
<b>Total Well Cost (1+2+3+4+5+6+7+8):</b>	<b>\$ 9,317,005</b>
<b>Diego Tellez - Drilling Engr Supervisor</b> Robert Rodriguez - Completion Engr Supervisor John Willis - Drilling & Completions Manager Peter Van Liew - Advisor Land Negotiator, Sr.	



**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. 20786 & 20813**

**AFFIDAVIT OF TYLER EVANS  
IN SUPPORT OF CASE NOS. 20786 & 20813**

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. **20786** and **20813**, Oxy is targeting the Bone Spring formation.
5. **Oxy Exhibit B-1** is a location map outlining the sections comprising the proposed spacing units in **Case Nos. 20786 and 20813**.
6. **Oxy Exhibit B-2** is a subsea structure map that I prepared off the top of the Second Bone Spring Sand 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 #21H Well, the Heads CC 9-4 Fed Com #22H Well, the Heads CC 9-4 Fed Com #23H Well, the Heads CC 9-4 Fed Com #24H Well, the Heads CC 9-4 Fed Com #25H Well, and the Heads CC 9-4 Fed Com #26H Well**. The contour interval is 50 feet. The structure map shows that the Bone Spring 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 five wells that were used to construct a cross-section from A to A'. 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 five representative wells from A to A'. 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 Second Bone Spring Sand 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 )

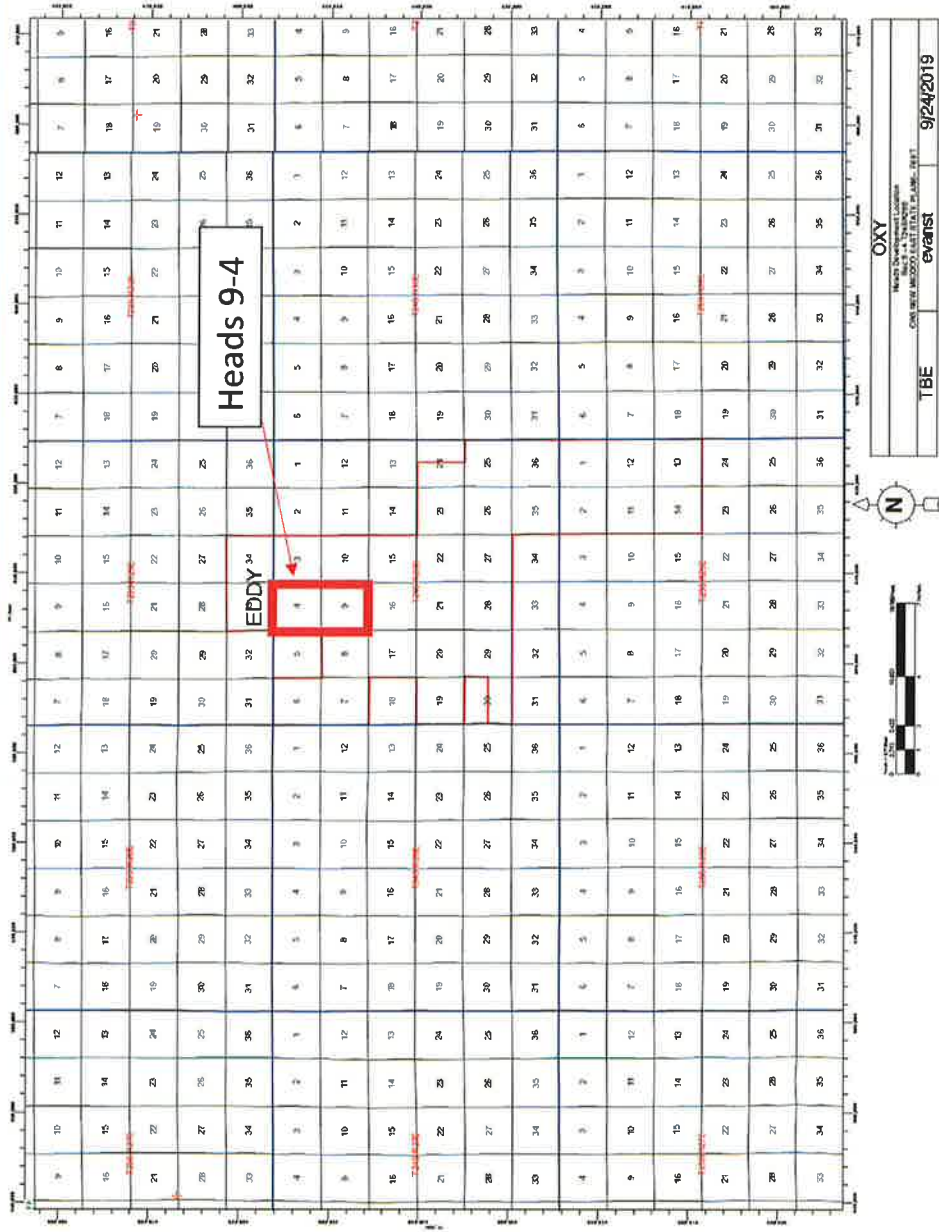
SUBSCRIBED and SWORN to before me this 2nd day of October 2019 by  
Tyler Evans.

Ginger Bailey Garcia  
NOTARY PUBLIC

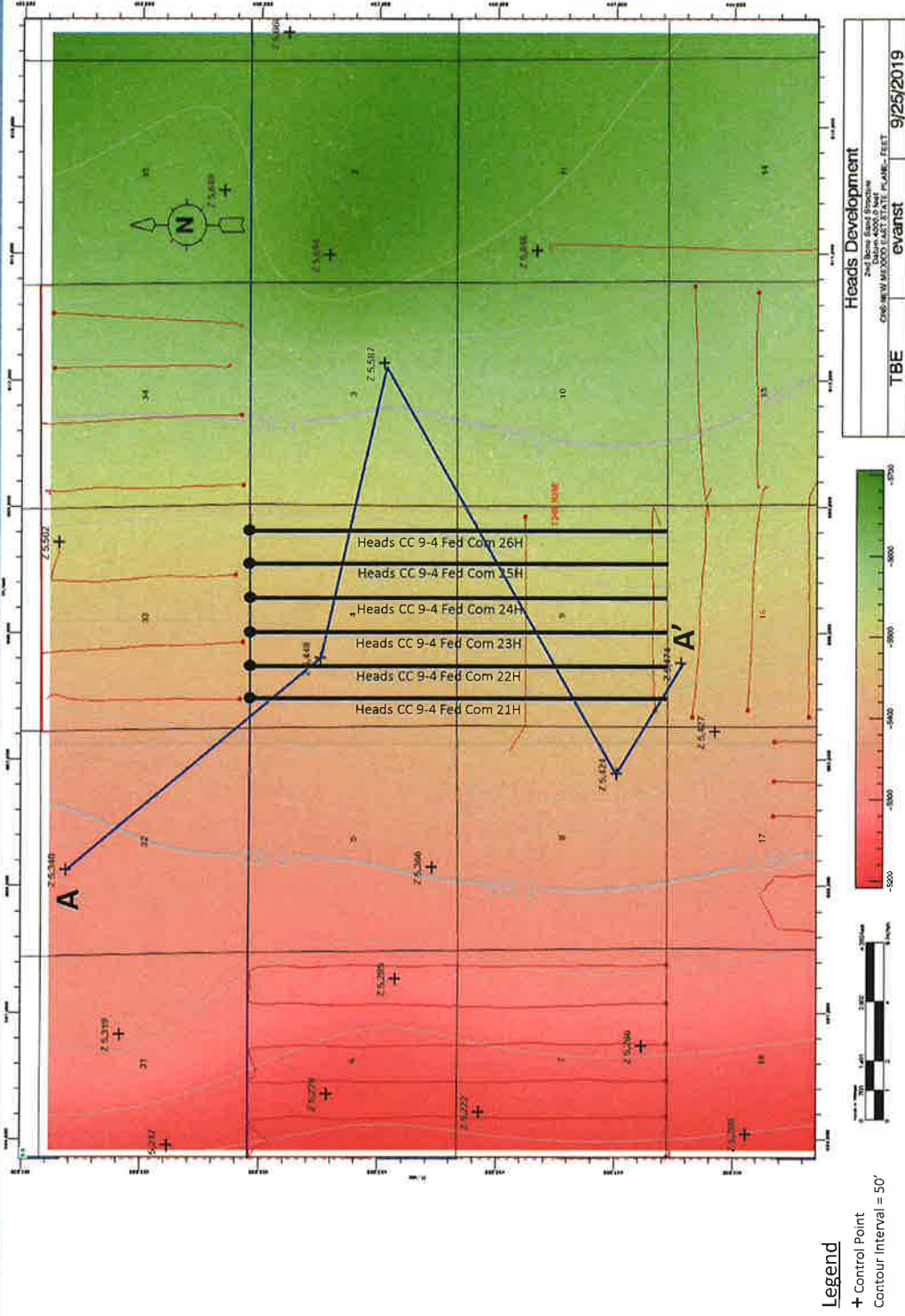
My Commission Expires:  
4/7/23



# Heads Locator Map – T24SR29E Sec 9-4

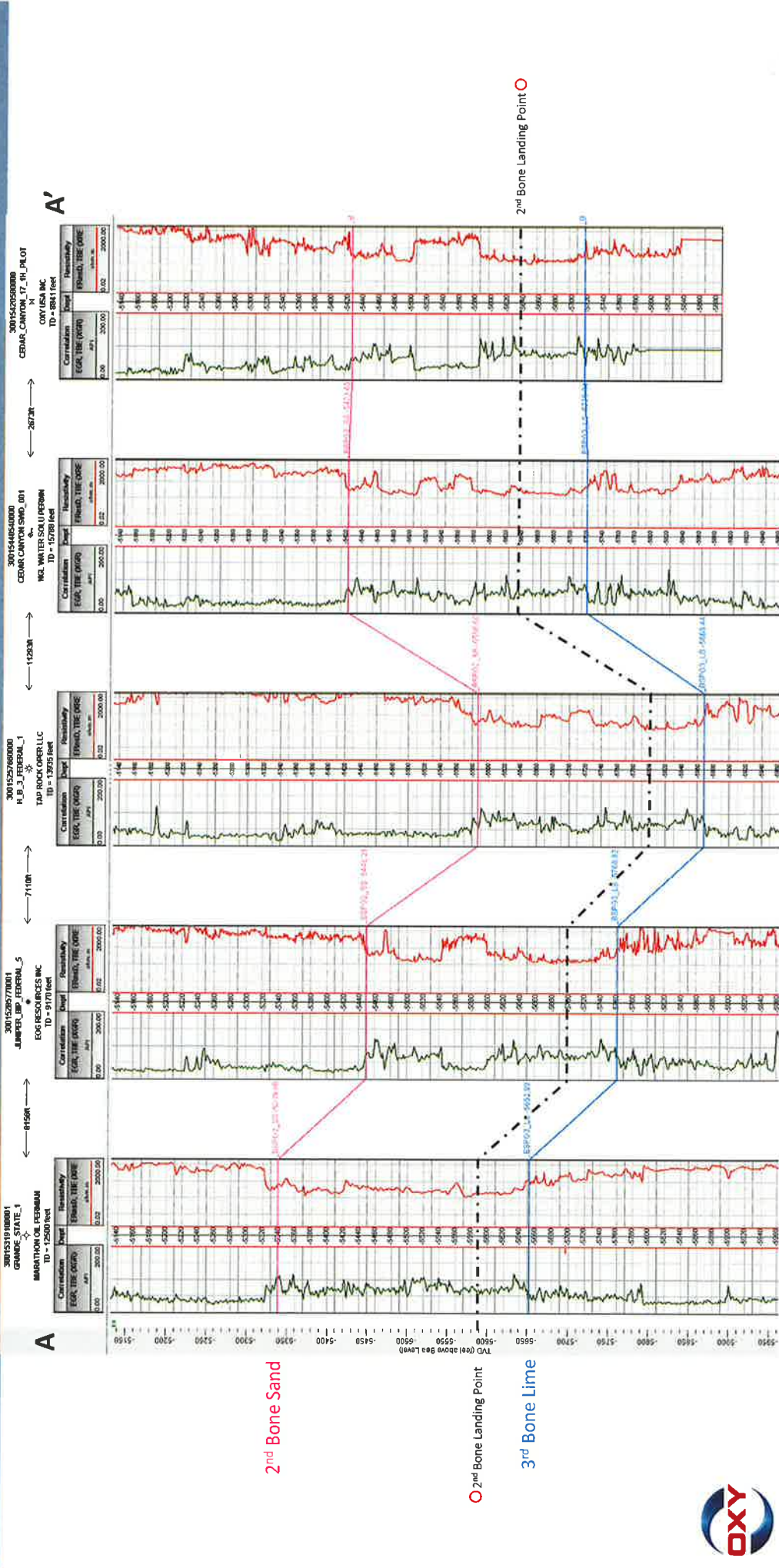


# 2nd Bone Spring Sand Structure





## 2nd Bone Spring Sand Cross Section A - A'





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

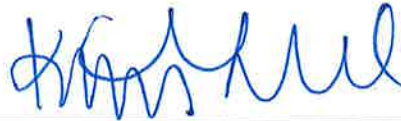
**APPLICATION OF OXY USA INC.  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 20786 & 20813**

**AFFIDAVIT**

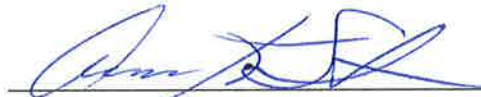
STATE OF NEW MEXICO    )  
  ) ss.  
COUNTY OF SANTA FE    )

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

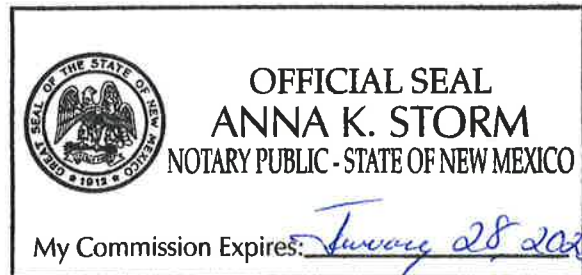
SUBSCRIBED AND SWORN to before me this 2nd day of October, 2019 by Kaitlyn A. Luck.



Notary Public

My Commission Expires:

January 28, 2023



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: OXY USA INC  
Hearing Date: October 3, 2019  
Case Nos 20786 & 20813



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 #21H, #22H, #23H 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](mailto: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 #24H, #25H, #26H 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.

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If you have any questions about this matter, please contact Peter Van Liew, at (713) 985-6972, or [Peter\\_Vanliew@oxy.com](mailto: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

**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 \$50,000 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	Avalanche 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	Rutter & Wilbanks Corporation PO BOX 3186 Midland TX 79701		0.65	3.50								1.60				
6.	9214 8901 9403 8389 6793 63	BKC Exploration Corporation PO BOX 52098 Tulsa OK 74152-0098		0.65	3.50								1.60				
7.	9214 8901 9403 8389 6793 70	Chevron USA Inc 6301 Deauville Midland TX 79706		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)													





PS Form 3877, April 2015 (Page 2 of 2) Complete in Ink Privacy Notice: For more information on USPS privacy policies, visit [usps.com/privacypolicy](https://usps.com/privacypolicy).  
PSN 7530-02-000-9098

CARLSBAD  
**CURRENT-ARGUS**

**AFFIDAVIT OF PUBLICATION**

Ad No.  
0001296603

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#:0001296603  
P O : Heads #21  
# 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 20786: 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 Bone Spring 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 #21H Well**, (2) the **Heads CC 9-4 Fed Com #22H Well**, both of which will be horizontally drilled from a common surface location in the NW/4 SW/4 (Unit L) of Section 9 to bottom-hole locations in the NW/4 NW/4 (Lot 4) of Section 4, and (3) the



**Heads CC 9-4 Fed Com #23H Well** to be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 9 to a bottom-hole location in the NE/4 NW/4 (Lot 3) of Section 4. The completed interval for the **Heads CC 9-4 Fed Com #22H Well** will remain within 330 feet of the E/2 W/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of W/2 of Sections 4 and 9. 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.  
0001296610

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#:0001296610  
P O : Heads #24  
# of Affidavits :0.00

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

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### 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 20813: 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 Bone Spring 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 #24H Well** and (2) the **Heads CC 9-4 Fed Com #25H 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 #26H Well** to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 9 to a bottom-hole location in the NE/4 NE/4 (Lot 1) of Section 4. The completed interval for the **Heads CC 9-4 Fed Com #25H Well** will be within 330' of the E/2 E/2 of Sections 4 and 9 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of E/2 of Sections 4 and 9. 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

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