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 <u>Case No. 20786</u>, 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

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

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

NOTARY PUBLIC

My Commission Expires:





							BE	FORE THE OIL CONS Santa Fe, Ne Exhibit N Submitted by: (w Mexico Io. A2
					State of 1	New Mexico		Hearing Date: O	ctober 3, 2019
DISTRICT I 1625 N. FRENCH DR.,	HOBBS, NM 88	240 Ener	gy, Min			l Resources De	partment	Case Nos 207	
Phone: (575) 393-6161 DISTRICT II		1120				ION DIVIS			orm C-102 agust 1, 2011
DISTRICT II 811 S. FIRST ST., Phone: (675) 748-128	ARTESIA, NM 3 Fax: (575) 74	88210 8-9720				FRANCIS DR.		Submit one copy t	
DISTRICT III 1000 RIO BRAZOS						Mexico 87505		Distri	ct Office
Phone: (505) 334-61 DISTRICT IV 1220 S. ST. FRANCIS Phone: (505) 476-34	70 PEE: (000)	224-0110						AMEND	ED REPORT
					AND ACR	EAGE DEDICATI			1
API	Number			Pool Code			Pool Name		
Property	Code				Property 1			Well Num	
				HEADS	0.223	FEDERAL COM		21	-
OGRID N	0.				^{Operator D} OXY USA			Elevatio 2940	
					Surface L	ocation		ji	
UL or lot No.	Section	Township	Range	Lot Idn	Feet from th		Feet from the	East/West line	County
	9	24-S	29-E		1353	SOUTH	1102	WEST	EDDY
L.	9	24-3	Z9-L		1000	300111	1102	WLST	
			Bottom	Hole Loo	cation If Di	fferent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Feet from the	East/West line	County
4	4	24-S	29-E		20	NORTH	330	WEST	EDDY
Dedicated Acre	s Joint o	r Infill Con	nsolidation	Code Or	der No.	1			
NO ALLO	оттом ¹ 33	ORAN				I UNTIL ALL INTER EN APPROVED BY 1 <u>* ALL COORDINATES</u> ARE NAD 83 VALUES	THE DIVISION	EEN CONSOLIDA	TION
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X=645300.4 LAT.=32.25375 LONG.=103.9970	5' N		ING UNIT				Signature	Da	te
			L SPACING			POINT LEGEND 1 Y=456311.0 N X=644969.9 E	Printed Nan	le	
	t	0545.0	ORIZONTAL	ĺ		2 Y=453660.3 N X=644983.6 E			
	ł	10543	ORIZ			3 Y=451006.8 N X=644997.4 E	E-mail Addre		
	30	DIST 350	¥,	7	SECTION 4 SECTION 9	4 Y=448351.8 N X=645008.9 E 5 Y=445695.4 N X=645021.1 E	I hereby shown on this notes of actual	OR CERTIFICAT certify that the well plat was plotted fro il surveys made by n	l location m field ne or
		GRID AZ HORZ. D				6 Y=445710.8 N X=647666.6 E	true and corre	ervision, and that the ect to the best of my AY 30, 2019	
		<u> </u>			<u> </u>	⁶ X=647641.0 E	3	Date of Survey	
	t l	i I	1			8 X=647615.9 E	Signature &	Seal of Professional	Surveyor
100' FSL & 33			1				CH	DL. HARCROM	
Y=445797.3 X=645350.7 LAT.=32.22512 LONG.=103.9965	26' N	-i +						* 000	
<u>KOP</u> 50' FSL & 330 Y=445747.3 X=645350.9	NK	1102' S.L		GRID AZ HORZ, DIST	<u>- 210'22'40"</u> [. – <u>1515</u> .0'	<u>SURFACE LOCATION</u> Y=447054.3 N	ICENSED	- Aller	
LAT.=32.22498 LONG.=103.9969	в.N Қ	A			i Î	X=646117.0 E LAT.=32.228574 N LONG.=103.994479 W	Inaa	ESSIONAL COLORISIO 6	/19/19
	56	VIII	ind	6			W.O. #19-3	DRAWN	BY: WN

							BE	FORE THE OIL CONS Santa Fe, N Exhibit Submitted by:	ew Mexico No. A3
DISTRICT I 1825 N. FRENCE DR., Phone: (576) 589-6161 DISTRICT II 811 S. FIRST ST., Phone: (576) 748-128 DISTRICT III 1000 RIO BRAZOS J	ARTESIA, NM 3 Fax: (675) 74	88210 8-9720	DIL C	erals & ONSI 1220 SC	ERVATI	ew Mexico Resources De ON DIVIS FRANCIS DR. exico 87505	SION	Hearing Date: C Case Nos 20 I Revised A Submit one copy t	October 3, 2019 786 & 20813 Form C-102 ugust 1, 2011
Phone: (505) 334-61 DISTRICT IV 1220 S. ST. FRANCIS 1 Phone: (505) 476-34	76 Fax: (505)	NM 87505 476-3462	WELL TO	CATION		EAGE DEDICATI		🗆 AMEND	ED REPORT
API	Number			Pool Code	AND ACK	LAGE DEDICATI	Pool Name		
Property Code HEADS					Property N CC 9_4 F	EDERAL COM		Well Nur 22	
OGRID N	0.				Operator N OXY USA			Elevation 293	
					Surface Lo	cation		1.0	
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 Lo	cation If Dif	ferent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	4	24-S	29-E		20	NORTH	1230	WEST	EDDY
Dedicated Acre		ILL BE AS		TO THIS		UNTIL ALL INTER		EEN CONSOLID	ATED
OR A NON-STANDARD UN PROPOSED BOTTOM HOLE LOCATION Y=456295.6 N X=646200.0 E LAT.=32.253976' N LONG.=103.994117' W 100' FNL & 1230' FWL Y=456215.6 N 20' LOT '3 'B LOT 2 H.H. 40.26 Ac 40.30 Ac LIP 100' FNL & 1230' FWL Y=456215.6 N 20' LOT '3 'B LOT 2 H.H. 40.26 Ac 40.30 Ac				LOT 1 40.33 Ac	<u>* ALL COORDINATES</u> <u>ARE NAD 83 VALUES</u>	I hereby herein is true my knowledge organization ei or unleased mi including the p or has a right location pursus owner of such or to a volunts	OR CERTIFICA certify that the int and complete to the hard belief, and the ther owns a working ineral interest in the proposed bottom ho. to drill this well a and to a contract w mineral or working ary pooling agreeme oling order heretofo.	formation to best of t this interest le location t this ith an interest, nt or a	
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	30	GRID AZ 359'43'		1 	SECTION 4 SECTION 9	$\begin{array}{c} 3 \\ 3 \\ \hline X = 644997.4 \\ \hline E \\ 4 \\ \hline Y = 448351.8 \\ \hline N \\ 4 \\ \hline X = 645008.9 \\ \hline E \\ 5 \\ \hline Y = 445695.4 \\ \hline N \\ \hline S \\ 5 \\ \hline Y = 4456921.1 \\ \hline E \\ 6 \\ \hline Y = 445710.8 \\ \hline N \\ \hline X = 647666.6 \\ \hline E \\ \hline 7 \\ \hline Y = 451020.7 \\ \hline N \\ \hline X = 647641.0 \\ \hline E \\ \hline S \\ \hline X = 647615.9 \\ \hline E \\ \hline \end{array}$	I hereby shown on this notes of actual under my supe true and correct MA D Signature & S	PR CERTIFICAT certify that the weaplet was plotted from surveys made by 1 rrision, and that the to to the best of m (Y 30, 2019) late of Survey eal of Professions	ll location pm field ne or e same is y belief.
FTP 100' FSL & 123 Y=445802.5 X=646250.6 LAT.=32.22513 LONG.=103.9940 50' FSL & 1230 Y=445752.5 X=646250.9 LAT.=32.22499 LONG.=103.9940	N 40 5 E 40 32' N 760' W 0' FWL N E 5' N	1137' 05 1137' 05		GRID AZ. — HORZ. DIST.		<u>SURFACE LOCATION</u> Y=447050.6 N X=646151.9 E LAT.=32.228564' N LONG.=103.994367' W	LICENSED	A CHAD HARCROW	5/19/19 17777 BY: WN

							BE	Santa Fe, Ne Exhibit I Submitted by:	No. A4 OXY USA INC
DISTRICT I			10			New Mexico		Hearing Date: O Case Nos 207	
1625 N. FRENCH DR., Phone: (575) 393-6161						Resources De			Form C-102
DISTRICT II 811 S. FIRST ST., Phone: (575) 748-1283	ARTESIA, NM	88210				ION DIVIS	SION		ugust 1, 2011
						FRANCIS DR.		Submit one copy t	ct Office
DISTRICT III 1000 RIO BRAZOS I Rhone: (505) 334-61	RD., AZTEC, N	M 87410		Santa I	Fe, New M	lexico 87505		DISCI	UCC DIFICE
1 1018, (000) 004-01	78 Fax: (506)	334-6170							
DISTRICT IV 1220 S. ST. FRANCIS I Phone: (505) 478-34	DR., SANTA FE, 60 Fax: (505)	NM 87505 476-3462						L AMENU	ED REPORT
		1	WELL LO	CATION	AND ACR	EAGE DEDICATI	ON PLAT		
IAV	Number			Pool Code			Pool Name		
Property	Code				Property 1			Well Nun	
				HEADS	CC 9_4 H	FEDERAL COM		231	H
OGRID N	0.				Operator 1			Elevatio	
					OXY USA	INC.		2940	0.0'
					Surface L	ocation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Feet from the	East/West line	County
1	9	24-S	29-E		1344	SOUTH	1172	WEST	EDDY
_	0				I				
			Bottom	Hole Lo	cation If Di	fferent From Sur	face		v
UL or lot No.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Feet from the	East/West line	County
3	4	24-S	29-E		20	NORTH	2130	WEST	EDDY
Dedicated Acre	B Joint o	r Infill Co	nsolidation (Code Or	der No.				
NO ALLO					COMPLETION				
NU ALLU	WABLE W					UNTIL ALL INTER N APPROVED BY		SEN CONSOLIDA	ATED
2	0		5414 32	20	II HAS DEE	IN ALLINOVED DI	THE DIVISION		
PROPOSED B		2130'	20'	B LOT 2	LOT 1	* ALL COORDINATES	OPERAT	OR CERTIFICA	TION
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Y=456298.	× *	40.22 Ac	LOT 3		1		my knowledge	and complete to th and belief, and that	t this
X=647100. LAT.=32.2539			40.26 Ac	40.30 Ac	40.33 Ac		or unleased m	ther owns a working Ineral interest in th proposed bottom hol	e land
LONG.=103.991	205' W				1		or has a right	to drill this well at ant to a contract w	t this
	X	1			i l		owner of such	mineral or working	interest,
		1		Í	- 18 - L		compulsory po	ary pooling agreeme oling order heretofo	nt or a
100' FNL & 213 Y=456218.9	N 20						by the division	•	
X=647100.3 LAT.=32.25375		5 10	I IN		1		I		
LONG.=103.9912			2				Signature	Da	te
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	Ľ	ŧ.	359'43'24" 10541.3' HORIZONTAL			2 Y=453660.3 N X=644983.6 E			
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	Ľ		1 1 2 2 2 2 2 2		SECTION 4	4 Y=448351.8 N		OR CERTIFICAT	11
	30			7	SECTION 9	X=645008.9 E 5 Y=445695.4 N	shown on this	certify that the well plat was plotted fro	m field
	F		DIS		1	X=645021.1 E	under my supe	l surveys made by n rvision, and that th	e same is
	t	. I.	GRID HORZ.		i l	0 X=647666.6 E		<i>ct to the best of m</i> ; Y 30, 2019	y belief.
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	E	1	i 1		4			and the second	Buiveyor
100' FSL & 213		·					CHI	DL. HARCRON	o
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LONG.=103.9911	50° W	V					LIC	(1777)	
50' FSL & 2130	, _{EWI}	1					ICENS		
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LONG.=103.99114	49' W	13	TI 1			LAT.=32.228553* N LONG.=103.994255* W	Chad		/19/19
	-K	\rightarrow	1	0		LUNU 100.334200 W		o. CHAD HARCROW	17777
L	<u> </u>	11 1M	INIA	0	11		W.O. #19-3	DRAWN	BY: WN

	W/2 of Sections 4 and 9, Township 24 South, Range 29 East, Eddy County, NM		
	With the observed of the operation of the observed of the obse	Total Acres in proposed spacing unit:	639.61
Tract 1	W/2 Sec. 4 & N/2NW/4, SE/4NW/4 Sec. 9		
		Acres contributed to proposed spacing unit:	439.61
	34.400000% OXY Y-1 Company		
	85.800000% OXY USA Inc		- V
	100.00000%		
	Total Committed Interest		100.00%
	Total Uncommitted Interest		0.00%
Tract 2	SWI4, SWIANWI4 Sec. 9		
		Acres contributed to proposed spacing unit:	200
	0.581390% Avalanche Royalty Partners LLC		
	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:

95500000000000000000000000000000000000
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DISTRICT I 1625 N. FRENCE DR., Phone: (378) 393-6161 DISTRICT II Shin S. FIRST ST., Phone: (576) 746-1285 DISTRICT III 1040 RIO BRAZOS I Phone: (505) 334-617 DISTRICT IV 1220 S. 37. FRANCTS I Phone: (505) 476-344 Property O OGRID No	ARTESIA, NM 3 Fax: (675) 74 RD., AZTEC, F 78 Fax: (505) DR., SANTA FE, 60 Fax: (505) Number	88210 88-9720 NM 87410 334-6170 NM 87505 478-3482	WELL LO	erals & ONSI 1220 SC Santa F <u>CATION</u> Pool Code	k Natu ERV DUTH Fe, Ne AND CC 9_ OXY 1	ACREA ACREA ACREA ACREA ACREA ACREA ACREA ACREA ACREA ACREA ACREA	DERAL COM	SION	Submitted by Hearing Date: Case Nos 20 F Revised An Submit one copy t Distri	786 & 20813 form C-102 agust 1, 2011 b appropriate ct Office ED REPORT	
0	9	24-S	29-E		48		SOUTH	1667	EAST	EDDY	
			Bottom	Hole Loc	eation I	f Diffe	erent From Sur	face			
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County	
2 Dedicated Acres	4	24-S	29-E	Codo J Ore	21 1er No.	0	NORTH	2240	EAST	EDDY	
PROPOSED B	оттом		ION-STAN		IT HAS		UNTIL ALL INTER APPROVED BY T	THE DIVISION	OR CERTIFICA	TION	
HOLE_LOCA Y=456302. X=648022. LAT.=32.2539 LONG.=103.988	3 N 8 E 79' N -	LOT 4 40.22 Ac	LOT 3 40.26 Ac	LOT 2 40.30 A	 c 40.33 		100' FNL & 2240' FEL — Y=456222.3 N X=648023.2 E LAT.=32.253759' N LONG.=103.988220' W <u>* ALL COORDINATES</u> <u>ARE NAD 83 VALUES</u>	herein is true my knowledge organization ei or unlessed mi including the j or has a right location pursus owner of such or to a volunti, compulsory poo	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.		
		SECTION 4			 	ORIZONTAL SPACING	POINT LEGEND 1 Y=456330.3 N X=650262.8 E 2 Y=453688.3 N X=650273.5 E 3 Y=451034.0 N X=650284.7 E 4 Y=448382.0 N X=650298.1 E	I hereby	CERTIFICAT	ION	
ETP 100' FSL & 22 Y=445813. X=648071. LAT.=32.2251 LONG.=103.988 S0' FSL & 22 Y=445763. X=648071. LAT.=32.2256 LONG.=103.986 SURFACE LOC Y=446202. X=648642. LAT.=32.2266 LONG.=103.986	40' FEL 1 N 40' FEL 1 N 40' FEL 1 N 8 E 108' N 8171' W CATION 9 N 8 E 12' N	SECTION 9	7	HORZ DIST			5 Y=445726.2 N X=650312.0 E 6 Y=445710.8 N X=647666.6 E 7 Y=451020.7 N X=647641.0 E 8 Y=456320.9 N X=647615.9 E	Linder my super true and correct MA D Signature & S Chanter & S	ESSIONAL SU ESSIONAL SU HOLEUSU 6 CHAD HARCROW	25/19 17777	

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

DISTRICT I 1825 N. FRENCH DR., F FRANCE: (576) 383-8161 Pr DISTRICT II 9411 S. FIRST ST., AI Phone: (576) 748-1283 DISTRICT III 1000 RIO BRA20S RI Phone: (506) 334-6170 DISTRICT IV 1220 S. ST. FRANCIS DE Phone: (506) 476-3460	ax: (675) 393-0 RTESIA, NM Fax: (575) 74 D., AZTEC, N 8 Fax: (505) R., SANTA FE, 0 Fax: (505)	88210 8-9720 M 87410 334-6170 NM 87505 476-3482	WELL LO	erals & ONSI 1220 SC Santa I CATION	ERVATI(DUTH ST. F Fe, New Me	w Mexico Resources De ON DIVIS RANCIS DR. Exico 87505	epartment SION ON PLAT	Revised A Submit one copy t Distri	W Mexico No. A7 DXY USA INC ctober 3, 2019 86 & 20813 Form C-102 ugust 1, 2011		
API N	Number			Pool Code			Pool Name				
Property Co	ode			HEADS	Property Ner CC 9_4 FE	DERAL COM		Well Num 25			
OGRID No.					Operator Nar OXY USA	ne		Elevation 2932.0'			
					Surface Loc	ation		10. 			
UL or lot No.	Section 9	Township 24-S	Range 29-E	Lot Idn	Feet from the 482	North/South line SOUTH	Feet from the 1632	East/West line EAST	County EDDY		
	Э	24-3		Hole Is		erent From Sur		LAST			
UL or lot No.	Section	Township	Range	Hole Loe Lot Idn	Feet from the	North/South line	face Feet from the	East/West line	County		
2	4	24-S	29-E		20	NORTH	1340	EAST	EDDY		
Dedicated Acres	Joint o	r Infill Co	onsolidation	Code Or	der No.	I					
PROPOSED BO HOLE LOCATI Y=456305.5 X=648922.8 LAT.=32.25396 LONG.=103.9853	10N N B E 30' N		LOT 3 40.26 Ac	200 B.F 40.30 Ac	LOT 1 40.33 Ac	LIP 100' FNL & 1340' FEL Y=456225.5 N X=648923.2 E LAT = 3.2.253760' N LONG.=103.985308' W	OPERA' I hereby herein is true my knowledge organization e or unleased m including the or has a righ location pursu owner of such or to a volum	FOR CERTIFICA certify that the inf and complete to th and belief, and than ither owns a working bineral interest in th proposed bottom hou- to drill this well at tent to a contract w. mineral or working tary pooling agreeme boling order heretoform.	ormation e best of t this interest e land le location t this ith an interest, nt or a		
$\begin{array}{c c c c c c c c c c c c c c c c c c c $.3 N .8 E .3 N .5 E .0 N .7 E .0 N .1 E .2 N .6 N .6 E .7 N .6 E .7 N .9 N	SECTION 4 SECTION 9			HORZ. DIST 359 44 UZ HORZ. DIST 10537.3 HORIZONTAL SPACING UNIT	<u>* ALL COORDINATES</u> <u>ARE NAD 83 VALUES</u>	I hereby shown on this notes of actu under my sup true and corr M Signature &	or CERTIFICAT ocertify that the weat plat was plotted fro al surveys made by 1 errision, and that the ect to the best of m AY 30, 2019 Date of Survey Scal of Professional	FION U location m field ne or e same is y bellef.		
<u>SURFACE_LOC</u> Y=446198.0 X=648677.1 LAT.=32.2262 LONG.=103.986	6 N 5 E 200' N				1632	GRID AZ 145'37'43 HORZ. DIST 521.2' <i>ETP</i> 100' FSL & 1340' FEL Y=445818.4 N X=648971.5 E LAT=32.225152' N -LONG.=103.985261' W <u>KOP</u> 50' FSL & 1340' FEL Y=445768.4 N X=648971.8 E - LAT.=32.225014' N LONG.=103.985261' W	LICENSED	No. CHAD HARCROW	5/25/19 17777 BY: AM		

Santa Fe, New Mexico Exhibit No. A8 Submitted by: OXY USA INC Hearing Date: October 3, 2019 State of New Mexico Case Nos 20786 & 20813 DISTRICT I 1825 N. FRENCH DR., HOBES, NM 88240 Energy, Minerals & Natural Resources Department Form C-102 DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 CONSERVATION DIVISION OIL Revised August 1, 2011 Submit one copy to appropriate 1220 SOUTH ST. FRANCIS DR. **District** Office DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 Santa Fe, New Mexico 87505 DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 67605 Phone: (505) 476-3460 Fax: (505) 476-3462 □ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Name **API** Number Pool Code Well Number **Property** Name **Property** Code HEADS CC 9_4 FEDERAL COM 26H **Operator** Name Elevation OGRID No. OXY USA INC. 2932.1 Surface Location North/South line East/West line Feet from the Feet from the UL or lot No. Section Township Range Lot Idn County Ρ 9 24-S 29-E 478 SOUTH 1597 EAST EDDY Bottom Hole Location If Different From Surface Range Lot Idn Feet from the North/South line East/West line Feet from the County UL or lot No. Section Township 4 24-S 29-E 20 NORTH 440 FAST EDDY 1 **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 20 8 91 **OPERATOR CERTIFICATION** PROPOSED BOTTOM HOLE LOCATION B.H. 440' 40' <u>LTP</u> -100' FNL & 440' FEL 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 nonline arreement or a Y=456308.7 N Y=456228.7 N LOT 2 LOT 1 X=649822.8 E LOT 4 LOT 3 X=649823.2 E 40.22 Ac 40.30 Ac 40.33 Ac LAT.=32.253761" N 40.26 Ac LAT.=32.253981° N LONG.=103.982397" W LONG.=103.982397' W 11110 or to a voluntary pooling agreement or a compulsory pooling order heretafore entered by the division. 2 UNIT SPACING Signature Date * ALL COORDINATES ARE NAD 83 VALUES POINT LEGEND Y=456330.3 N Printed Name 1 X=650262.8 E HORIZONTAL Y=453688.3 N 2 X=650273.5 E Y=451034.0 N ŀ E-mail Address 3 X=650284.7 E Y=448382.0 N SURVEYOR CERTIFICATION SECTION 4 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. 4 X=650298.1 E Y=445726.2 N SECTION 9 1₂₁ 5 359.44.02 - 10535.2^{*} 1111 X=650312.0 E Y=445710.8 N K 6 X=647666.6 Y=451020.7 EN MAY 30, 2019 7 X=647641.0 E Y=456320.9 N Date of Survey 1111114 8 AZ. DIST. X=647615.9 E Signature & Seal of Professional Surveyor CHAD L. HARCRO GRID / HORZ. WWEXIC <u>FTP</u> 100' FSL & 440' FEL Y=445823.6 N 0 OR LICENSED 177 X=649871.5 E LAT.=32.225158" N GRID AZ. -HORZ, DIST. 109'56'42' SURFACE LOCATION 2 1dip Y=446194.3 N LONG.=103.982351" W X=648712.4 E <u>KOP</u> 50' FSL & 440' FEL Y=445773.6 N ESSIONA LAT.=32.226188' N LONG.=103.986095* W S.L Natousu X=649871.8 E 11 6/25/19 597 mφ LAT.=32.225021' N Certificate No. CHAD HARCROW 17777 LONG.=103.982350' W 64 W.O. #19-340 4 DRAWN BY: AM 11

BEFORE THE OIL CONSERVATION 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 Acres contributed to proposed spacing unit: 399.33 34.400000% OXY Y-1 Company 65.600000% OXY USA Inc. 100.000000% **Total Committed Interest** 100.00% 0.00% **Total Uncommitted Interest** NW/4SE/4 Sec. 9 Tract 2 40 Acres contributed to proposed spacing unit: 20.000000% OXY Y-1 Company 80.000000% OXY USA Inc. 100.000000% Total Committed Interest 100.00% **Total Uncommitted Interest** 0.00% S/2NE/4 Sec. 4 Tract 3 Acres contributed to proposed spacing unit: 80 100.000000% Chevron U.S.A. Inc. 100.000000% **Total Committed Interest** 0.00% 100.00% **Total Uncommitted Interest** Tract 4 6E/4SE/4 Sco. 9 Acres contributed to proposed spacing unit: 40 99.418610% OXY USA Inc. 0.581390% Avalanche Royalty Partners LLC 100.000000% 100.00% **Total Committed Interest** 0.00% Total Uncommitted Interest SW/4SE/4 & NE/4SE/4 Sec. 9 Tract 5 Acres contributed to proposed spacing unit: 80 99.418610% OXY USA Inc. 0.581390% Avalanche Royalty Partners LLC 100.000000% 100.00% **Total Committed Interest** 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)	0.00000%
Rutter and Wilbanks Corporation (ORRI)	0.00000%
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%



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



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
Locatio	n, Mobilization, Rig Move	The same of the same of							
3010	Major Mob / Demob		S .	\$					
3011	Location & Roads + Maintenance		\$ 103,000	\$ •					
3021	Rig Move		\$ 74,859	\$ +					
	Services & Equipment Rentals								
1000	Employee Wages		\$ 3,863	\$ 133,90	3				
1050	Location Services		\$	\$					
2004	Contractor Maintanence/Gangs/Roustabouts		\$	s -					
2017	Contract Supervision		\$	\$ -					
2019	Contractor HES		s a	\$ -					
2034	Labor services		\$ 1,030	\$ 47,03)				
3001	Services Hot Oiling		\$	\$					
3002	Services Misc Heavy Equipment		5	\$.	·				
3003	Fluid Haul		\$ 6,719	\$ 46,13	9				
3005	Services Inspection		\$ 353	\$ 36,643					
3009	Services Wellhead		\$ 50	\$ 15,55					
3012	Cased/Open Hole Logging		\$	\$					1
3012	Services Coiled Tubing		S -	\$					1
3013	Directional Drilling & LWD		\$.	\$ 485,16					
3014	Fishing		\$ -	\$					1
3015	Mud Logging		\$	\$ 28,83	3				1
3018	Services Perforating		5	\$					
3018	Wire line & Slick line		\$ -	\$.					
			\$	\$ 691,633					
3020	Rig Work		\$ 5,601	\$ 65,95					
3022	Drilling & Completion Fluids								
3023	Cementing		\$	\$ 249,261 \$					
3024	Services Stimulation								<u> </u>
3025	Services Downhole Other		\$ -	\$ 12,772 \$ -	2				
3026	Formation Testing and Coring								
3029	Camp & Catering		\$ 8,254 \$ 547	\$ 36,19 \$ 18,97					
3032	Communications & IT								
3035	Services Disposal			\$ 124,44	·				
3039	Services Fluid Hauling from Site		\$	\$					
4005	Rental Downhole Equipment & Tools		*	\$ 3,75					
4007	HES & Industrial waste handling		\$ 466	\$ 7,50					
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,600	1			_	L
	Consumables		1.			10			
5021	Material Surface Other		S	\$					
5023	Wellhead & X-mas Iree		\$	\$ 69,48	5				
5027	Materal Subsurface Lift Equipment Other		\$ -	\$					
5028	Casing and Casing Accessories		\$ -	\$ 722,01	5				
5029	Material Tubing and Accs		\$	\$					
5500	Material Consumables		\$ 10,300	\$					
5502	Drilling Fluids Products		\$	\$ 195,00					
5503	Bits, Reamers, Scrapers, HO's		S S	\$ 77,67					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,65					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173	5				1
	s, insurance & Tax	-		_				_	1
8000	Land Transportation		\$ 644	\$ 43,86					
8102	Tax & contingency		\$ 11,847	\$ 286,75	7				
8918	Permits/Settlements/Other		\$	\$					
8921	Waste Handling and Disp	-	\$ -	\$ 37,51	1				
8945	Loss & Loss Expenses Paid		\$	\$ 4					
9999	Other Costs		\$	\$ -					
Subtot	al	\$.	\$ 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
Locatio	on, Mobilization, Rig Move								
3010	Major Mob / Demob	1				1			
3011	Location & Roads + Maintenance								
3021	Rig Move								
	Services & Equipment Rentals								
1000	Employee Wages		1			1		1	
1050	Location Services							-	
2004	Contractor Maintanence/Gangs/Roustabouts					-			
2017	Contract Supervision								
2019	Contractor HES		-						
2034	Labor services								
3001	Services Hot Oiling							· · · · · · · · · · · · · · · · · · ·	
3002	Services Misc Heavy Equipment						A	1	
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead							-	
3012	Cased/Open Hole Logging								
3012	Services Coiled Tubing					1			
3014	Directional Drilling & LWD			-			1		
3015	Fishing								
3016	Mud Logging						·		
3018	Services Perforating					·			
3018	Wire line & Slick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								
3023	Cemenling								
3024	Services Stimulation								
3025	Services Downhole Olher								
3026	Formation Testing and Coring								
3029	Camp & Catering								
3032	Communications & IT								
3035	Services Disposal				·				
3039	Services Fluid Hauling from Site								
4005	Rental Downhole Equipment & Tooks								
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								
	Consumables		·		ri		r		
5021	Material Surface Other								
5023	Wellhead & X-mas tree								
5027	Materal Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's						-		
5505	Fuel & Lubricants								
7004	Utilities: Electricity, Water & Sewers & Trash	1							
	s, Insurance & Tax					<u>N</u>			
8000	Land Transportation			·					
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs								

•					Il Oil and CC 9-4 F							RMT State & County Fiel Well Typ Dat	: NM, E d: Corra e: 10k 2	I BS
Code	Element Name	Pre	1 ep Phase	Loca	2 tion/Rig Move	3 Drilling		4 P&A	c	5 Completion	6 Artificial Lift	7 Hookup		8 Facilities
Location	n, Mobilization, Rlg Move													
3010	Major Mob / Demob	S	÷	\$	-	\$	•	\$	\$		\$ -	\$ -	\$	
3011	Location & Roads + Maintenance	\$		\$	103,000			\$ - \$ -	\$	3,500	s - s -	\$ - \$ -	\$	
3021	Rig Move	1 2		•	75,000	\$		\$ -	1.0		5 -	5 -	1.0	
	ervices & Equipment Rentals	6		10	4 000	¢ 124	000	C		400.000		Le la	\$	
1000	Employee Wages	\$		\$	4,000	\$ 134, \$	- 000	\$ - \$ -	\$	100,000	S - S -	\$ - \$ -	5	
1050	Location Services Contractor Maintenance/Roustabouts	\$		ş		\$	_	\$ -	5	1,500	s - s -	s -	\$	
2004	Contract Supervision	\$		\$				\$ -	\$	63,160	\$ 8,678	s -	\$	*
2017 2019	Contractor HES	\$		s		\$		\$ -	S	11,931	\$ 8,078	s -	\$	
2019	Labor services	\$		\$	1,000			\$ -	S	-	\$ -	\$ -	\$	
3001	Services Hot Oiling	\$		\$	1,000	\$ 47,	-	\$-	\$	12,500	\$ 5,710	\$ -	\$	
3002	Services Misc Heavy Equipment	\$		\$		\$		\$ -	\$	45,000	\$ 1,713	\$ -	S	*
3002	Fluid Haul	\$	24	\$	7,000	-	_	\$ -	\$	+0,000	\$ -	\$ -	S	
3005	Services Inspection	\$		s				\$ -	S	4,500	S -	\$	\$	23
3009	Services Wellhead	\$		\$				\$ 2	\$	45,100	\$ 5,710	\$ -	\$	ž.
3012	Cased/Open Hole Logging	\$		\$		\$	<u>.</u>	\$ -	\$	9,500	\$ -	\$ -	\$	
3013	Services Coiled Tubing	\$	Se.	\$	50	\$	8 5	\$ -	\$	178,535	\$ -	\$	\$	
3014	Directional Drilling & LWD	\$	24	\$		\$ 485	000	\$-	\$		\$ -	\$.	\$	•
3015	Fishing	\$		\$	32	\$	•	\$ +	\$		\$	\$ -	\$	2
3016	Mud Logging	\$	14	\$		\$ 29	000	\$ -	\$		s -	\$ -	\$	÷
3018	Services Perforating	\$		\$		\$	•	\$ •	\$	205,800	s -	\$	\$	
3019	Wire line & Slick line	\$		\$	32	\$	×	\$	\$	47,250	\$ 7,422	S 😳	\$	2
3020	Rig Work	\$	÷	\$		\$ 692	000	\$ -	\$		\$ 24,936	\$ -	\$	- 2
3022	Drilling & Completion Fluids	\$		\$	6,000	\$ 66	000	\$-	\$		\$ -	\$ -	\$	
3023	Cementing	\$		\$		\$ 249	000	\$ -	\$	*	\$ -	\$ -	\$	
3024	Services Stimulation	\$	<u>5</u>	\$	э.	\$	•	\$ -	\$	2,748,512	\$ -	\$ -	\$	8
3025	Services Downhole Olher	\$		\$	34		000	\$ -	\$	63,550	\$ 13,726	\$	\$	÷
3026	Formation Testing and Coring	\$	<u> </u>	\$	<u>``</u>	\$	<u>د</u>	\$ -	\$	228,319	S -	\$ -	\$	
3029	Camp & Catering	\$		\$	8,000		000	\$ -	\$		\$ -	\$ -	\$	
3032	Communications & IT	\$		\$	1,000			\$	\$		S -	\$ -	\$	<u>.</u>
3035	Services Disposal	\$		\$		\$ 124		\$ -	\$	179,000	\$ 4,111	\$ -	\$	560,00
3039	Services Fluid Hauling from Site	\$	<u>.</u>	\$		\$	-	\$ -	\$	2	\$ -	\$ -	\$	÷
4005	Rental Downhole Equipment & Tools	\$		\$				\$ -	\$		S -	<u>s</u> -	S	- ÷
4007	HES & Industrial waste handling	\$		\$	10.000			\$ ·	\$	404 740	\$ - \$ 7,177	\$- \$-	\$ \$	+
4013	Rental Surface Equipment & Tools	\$	3	1.2	19,000	\$ 101,	000	\$-	- D	131,743	1.111	0	0	
	Consumables						- 1		L		([1.	
5021	Material Surface Other	\$		\$		\$		S -	\$			\$ 125,00	_	
5023	Wellhead & X-mas tree	\$		S		\$ 69, \$		\$- \$-	\$	22,500	\$ -	\$ -	S	
5027	Materal Subsurface Lift Equipment Other	\$	04 04	\$). 34	\$ \$ 722		\$ -	\$	*	\$ 66,231 \$	\$ - \$ -	S	<u> 8</u>
5028	Casing and Casing Accessories	\$		\$		\$ 122,	000	\$ -	5		\$ 39,967	5 - S -	S	
5029	Material Tubing and Accs Material Consumables	\$		\$	10.000	\$		s -	\$	239,225	\$ 39,967	\$ -	S	
5500 5502	Drilling Fluids Products	s S		s S	10,000		_	\$ -	\$	230,220	s ·	\$ -	s	
5502	Bits, Reamers, Scrapers, HO's	\$		\$		· · · · · · · · · · · · · · · · · · ·	000		\$	*	s -	\$ - \$ -	S	
5505	Fuel & Lubricants	\$		\$			000		\$		s -	s -	s	
7004	Utilities: Electricity, Water & Sewers & Trast			\$			000		\$	3,276			\$	
	s, Insurance & Tax												_	
	Land Transportation	\$	×.	\$	1,000	S 44	000	\$ -	\$	10,000	\$	s -	\$	
8000 8102	Tax & contingency	\$		\$	12,000		000		\$	201,143		and the second se	\$	
8918	Permits/Settlements/Other	\$		\$		\$ 207		\$ -	S	201,143	\$ -	s -	_	
8918	Waste Handling and Disp	\$		\$			000		5		s -	s -	\$	
8945	Loss & Loss Expenses Paid	\$		\$	25 1*	\$ 00		\$ =	S	*	\$.	s -	s	
	Olher Costs	\$		\$		\$		\$ -	\$		\$ -	\$ +	s	
9999														

mpany:			
nted Name:			
e:			
e:	Approval	% WI	
e:	Approval	% WI	

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 Rodriquez - Completion Engr Supervisor John Willis - Drilling & Completions Manager

Peter Van Liew - Advisor Land Negotiator, Sr.



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 email 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 #22H

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

Ву:	
Name:	
Title:	
Company:	
Data	

Working Interest Owners

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



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

ode	Element Name	Prep Phase	Location & Rig Move	Drilling	Con	pletion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move	and the second second						and the second second	
3010	Major Mob / Demob		\$.	\$ 555					
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 Maintanence/Gangs/Roustabouts		\$ -	\$ 3					
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		S =	\$ 28,833					
3018	Services Perforating		S <	\$					
3019	Wire line & Sick 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					
Consu	Consumables		_	_					
5021	Material Surface Other		S <	\$					
5023	Wellhead & X-mas free		\$ -	\$ 69,483					
5027	Materal 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					
_	cs, Insurance & Tax		1			-			
0008	Land Transportation		\$ 644						
3102	Tax & contingency		\$ 11,847	\$ 286,757 \$					
8918	Permits/Settlements/Other		Ψ						
8921	Waste Handling and Disp		\$ -	\$ 37,514					
8945	Loss & Loss Expenses Paid		\$ -	\$					
9999	Other Costs		\$	\$ \$ 3,621,701	s - s	- 5		s .	\$



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

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

Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move	<i>A</i> .							
3010	Major Mob / Demob							1	1
3011	Location & Roads + Maintenance								
3021	Rig Move								
Labor,	Services & Equipment Rentals								
1000	Employee Wages					11		1	
1050	Location Services								
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services				· · · · · · · · · · · · · · · · · · ·				
3001	Services Hot Oiling			· · · · · · · · · · · · · · · · · · ·					
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging						-		
3012	Services Coiled Tubing								
3014	Directional Drilling & LWD								
3014	Fishing								
3016	Mud Logging								
3016	Services Perforating								
	Wire line & Slick line								
3019									
3020	Rig Work								
3022	Drifting & 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								l
	Consumables			· · · · · · · · · · · · · · · · · · ·	r				_
5021	Material Surface Other								
5023	Wellhead & X-mas tree								
5027	Materal Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Utilities: Electricity, Water & Sewers & Trash								l
	s, insurance & Tax								
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Olher Costs								l
Subtot	al	\$	\$ -	\$ +	\$ -	\$	\$	\$ 4	\$ 2

0					al Oil anc s CC 9-4 I								State	RMT: e & County: Field: Well Type: Date:	NM, E Corra	I BS
Code	Element Name	Pre	1 ep Phase	Loc	2 ation/Rig Move		3 Drilling		4 P&A	5 Completion	Art	6 iificial Lift	н	7 pokup		8 Facilities
Locatio	n, Mobilization, Rig Move	1														
3010	Major Mob / Demob	\$		\$		\$	12		\$ -	\$ 8,463	\$	•	\$	•	\$	65
3011	Location & Roads + Maintenance	\$	3	\$	103,000			\$	19. C	\$ 3,500	\$	÷:	\$	÷	\$	12
3021	Rig Move	\$	×	\$	75_000	\$	24	\$	587	\$ -	\$	÷	\$	~	\$	3
Labor, S	ervices & Equipment Rentals			_			-	_					-			
1000	Employee Wages	\$		\$	4,000	\$	134,000	\$	-	\$ 100,000	\$	*	\$		\$	2
1050	Location Services	\$	-	\$		\$	(+)	\$	282	\$ -	S		\$	×	\$	P
2004	Contractor Maintenance/Roustabouts	\$	2	\$	÷	\$		\$		\$ 1,500	\$		\$		\$	
2017	Contract Supervision	\$		S		\$		\$		\$ 63,160	\$	6,678	\$		S	
2019	Contractor HES	\$		\$	•	\$	3	\$		\$ 11,931	\$	5	\$	8	\$	3
2034	Labor services	\$	3	\$	1,000	\$	47,000	\$	•••	\$ -	\$	\$ 5	Ş	÷	Ş	
3001	Services Hot Oiling	\$		\$		\$.÷	\$	<u></u>	\$ 12,500	\$	5,710	\$	- 2	\$	2
3002	Services Misc Heavy Equipment	\$	÷	\$		\$		\$	(a)	\$ 45,000	\$	1,713	\$	-	\$	
3003	Fluid Haul	\$		\$	7,000	\$	46,000	\$		\$ -	\$		\$		\$	
3005	Services Inspection	\$	*	\$	*	\$	37,000	\$	100	\$ 4,500	\$	6	\$	10 A	\$	2
3009	Services Wellhead	\$		\$		\$	16,000	\$		\$ 45,100	\$	5,710	\$	÷	\$	0
3012	Cased/Open Hole Logging	\$	×	\$	*	\$	<u>ن</u> ة	\$	- 14 C	\$ 9,500	\$		\$	-	\$	
3013	Services Coiled Tubing	5	· · · · ·	\$	¥	S		\$	147	\$ 178,535	\$		\$	-	\$	
3014	Directional Drilling & LWD	\$		\$		\$	485,000	\$	•	\$	\$		\$		\$	
3015	Fishing	\$	۵.	\$	*	\$	3	\$	19	\$	\$	(E)	S		\$	
3016	Mud Logging	\$		\$		\$	29,000	\$		\$	\$	(m)	\$	÷	\$	
3018	Services Perforating	\$		\$		\$	<u> </u>	\$	(a.	\$ 205,800	\$		\$	-	\$	
3019	Wire line & Slick line	\$	8	\$	3	\$	8	\$	25	\$ 47,250	\$	7,422	5	80	\$	0
3020	Rig Work	\$		\$		\$	692,000	\$	(±	\$	\$	24,936	\$	¥)	\$	3
3022	Drilling & Completion Fluids	\$		\$	6,000	\$	66,000	\$	19	\$	\$	iκ.	\$	4	\$	8
3023	Cementing	\$		\$	2	\$	249,000	\$	54 - S4	\$ -	\$		\$		\$	
3024	Services Stimulation	\$		\$	2	\$		\$	G	\$ 2,748,512	\$		S		\$	
3025	Services Downhole Other	\$		\$		\$	13,000	\$		\$ 63,550	\$	13,726	\$	====	\$	1
3026	Formation Testing and Coring	\$		\$	•	\$	*	\$	3 6	\$ 228,319	\$	385	\$	•	\$	
3029	Camp & Catering	\$	8	\$	8,000	\$	36,000	\$	×	\$	\$	<u> (6</u>)	\$	12	\$	
3032	Communications & IT	\$		\$	1,000	\$	19,000	\$	•	\$ -	\$	75	\$	- 17 -	\$	
3035	Services Disposal	\$	¥	\$	¥	\$	124,000	\$	Xi	\$ 179,000	\$	4,111	\$	2	\$	560,0
3039	Services Fluid Hauling from Site	\$		\$		\$	······································	\$,	\$ -	\$		\$		\$	
4005	Rental Downhole Equipment & Tools	\$	5	\$	5	\$	4,000	\$		\$ -	\$		\$	10	\$	0
4007	HES & Industrial waste handling	\$	*	\$	*	\$	8,000	\$	<u> </u>	\$.	\$	343	\$		\$	8
4013	Rental Surface Equipment & Tools	\$	£	\$	19,000	\$	101,000	\$	34 	\$ 131,743	\$	7,177	\$	ŝ	\$	2
Consun	Consumables				_								-			
5021	Material Surface Other	\$	•	\$		\$		\$		\$ -	1		s	125,000	\$	
5023	Wellhead & X-mas tree	\$	•:	\$	÷.	\$	69,000	\$	3	\$ 22,500	s		s		s	
5027	Materal Subsurface Lift Equipment Other	\$		\$	¥.	\$		\$	52 - S2	\$ -	S	66,231	S		S	
5028	Casing and Casing Accessories	S	•	\$		\$	722,000	\$		\$ -	s	00,201	\$		s	
5029	Material Tubing and Accs	\$	•:	\$		\$	*	\$		\$ -	\$	39,967	\$		\$	1
5500	Material Consumables	\$	•	\$	10,000	\$		\$		\$ 239,225	\$		\$	-	\$	
5502	Drilling Fluids Products	\$		\$	-	\$		\$		\$ -	\$	245	\$	12	\$	7
5503	Bits, Reamers, Scrapers, HO's	\$	-	\$		\$	78,000		2	\$ -	\$		\$		\$	
5505	Fuel & Lubricants	\$		\$		\$	74,000			\$ -	\$		\$		\$	
7004	Utilities: Electricity, Water & Sewers & Trasl			\$		\$	11,000			\$ 3,276		1,440			s	
	, Insurance & Tax			-							-		-	17-1	-	_
8000	Land Transportation	S		\$	1,000	\$	44,000	\$		\$ 10,000	e		¢		e	
	Tax & contingency	\$		\$		\$	287,000					0.400	\$	(#2	\$	
8102	Permits/Settlements/Olher	\$		\$				\$	•		\$		\$		\$	
8918		\$		\$		\$ \$	- 38,000			<u>s</u>	\$		\$	392 100	S	
8921	Waste Handling and Disp Loss & Loss Expenses Paid	\$	-	\$ \$		\$		э \$		<u>s</u> -	S	(a) .	5	1/2	S	
8945 9999	Other Costs	\$		\$ \$		\$ \$	-	\$		s - s -	\$		\$ ¢		S	
	Culoi Cuala			Ψ.		œ		Ð		5 -	\$		\$		\$	

Company;		
Printed Name:		
Title:		
Date:	Approval	% WI
This AFE is only an estimate. By si	gning, 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):	15	9,317,005
	1.4	
	1.	
Diego Tellez - Drilling Engr Supervisor Robert Rodriquez - Completion Engr Supervisor		

John Willis - Drilling & Completions Manager Peter Van Liew - Advisor Land Negolialor, Sr.



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 email 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 #23H

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

Ву:	
Name:	
Title:	
Company:	
Date:	

Working Interest Owners

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



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

 RMT:
 PRN

 State & County:
 NM, Eddy

 Field:
 Corral

 Weil Type:
 10k 2BS

 Date:
 5/17/2019

ode	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move								
3010	Major Mob / Demob		\$	\$	a 1				
3011	Location & Roads + Maintenance		\$ 103,000	\$	2				
3021	Rig Move		\$ 74,859	\$.					
Labor,	Services & Equipment Rentals								
1000	Employee Wages		\$ 3,863	\$ 133,9	03				
1050	Location Services		\$.	5 .					
2004	Contractor Maintanence/Gangs/Roustabouts		S .	\$.					
2017	Contract Supervision		\$	\$	5				
2019	Contractor HES		\$	\$					
2034	Labor services		\$ 1,030	\$ 47,0	30				
3001	Services Hot Oiling		\$	S is					
3002	Services Misc Heavy Equipment		\$	\$					
3003	Fluid Haul		\$ 6,719	\$ 46,1	99				
3005	Services Inspection		\$ 353	\$ 36,6	12				
3009	Services Wellhead		s -	\$ 15,5	53				
3012	Cased/Open Hole Logging		\$	\$	_				
3013	Services Coiled Tubing		5	\$					1
3014	Directional Drilling & LWD		5	\$ 485,1	_				
3015	Fishing		\$.	\$	_				1
3016	Mud Logging		\$	\$ 28,8					
3018	Services Perforating		\$	\$	_				
3019	Wire line & Sick Ine		s .	\$	_				
3020	Rig Work		\$ -	\$ 691,83					t
			\$ 5,601	\$ 65,9	_				+
3022 3023	Drilling & Completion Fluids Cementing		\$ 5,001	\$ 249,2					
3023	Services Stimulation		\$ -	\$ 249,20					+
3024	Services Sumbrauon Services Downhole Other		\$	\$ 12,7					+
			\$	\$ 12,7	2				
3026	Formation Testing and Coring		\$ 8,254	\$ 36,1	14				
3029	Camp & Calering		\$ 547	\$ 18,9					+
3032	Communications & IT		\$ 547						
3035	Services Disposal		\$	\$ 124,44 \$					
3039	Services Fluid Hauling from Site				_				
4005	Rental Downhole Equipment & Tools		\$ 466		_				
4007	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,60	18				<u> </u>
	Consumables		1.						T
5021	Material Surface Other		S (5)	\$					+
5023	Welhead & X-mas tree		s -	\$ 69,40					
5027	Maleral Subsurface Lift Equipment Other	-	S ···	\$ 700.0	_				
5028	Casing and Casing Accessories		\$	\$ 722,0 ⁻	3				
5029	Material Tubing and Accs				-				
5500	Material Consumables		\$ 10,300	\$					
5502	Drilling Fluids Products		S .	\$ 195,00	_				
5503	Bits, Reamers, Scrapers, HO's		\$	\$ 77,67					
5505	Fuel & Lubricants		\$ 2,125	\$ 73,65					
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,17	.3				
	cs, Insurance & Tax		I						1
8000	Land Transportation		\$ 644	\$ 43,86	_				
8102	Tax & contingency		\$ 11,847	\$ 286,75	07				
8918	Permits/Settlements/Other		\$	\$.					
8921	Waste Handling and Disp		\$	\$ 37,5	4				
8945	Loss & Loss Expenses Paid		\$	\$					
9999	Other Costs		\$	\$.					



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

									10/11/2010
Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
Locati	on, Mobilization, Rig Move								
3010	Major Mob / Demob		1	11		I		I	
3011	Location & Roads + Maintenance								
3021	Rig Move								
-	Services & Equipment Rentals								
1000	Employee Wages	1	1			F			
1050	Location Services								
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services								
3001	Services Hot Oiling								
3002	Services Misc Heavy Equipment					· · · · · · · · · · · · · · · · · · ·			
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging								
3013	Services Coiled Tubing								
3014	Directional Drilling & LWD								
3015	Fishing								
3018	Mud Logging								
3018	Services Perforating								
3019	Wire line & Slick line								
3020	Rig Work								
3022	Drilling & Completion Fluids								
3022	Cementing								
3024	Services Stimulation								l
3025	Services Downhole Other								
3026	Formation Testing and Coring								
3029	Camp & Catering								
3032	Communications & IT								i
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		1 1						
5023	Wellhead & X-mas tree								
5027	Materal Subsurface Lift Equipment Other		·						
5028	Casing and Casing Accessories		· · · · · · · · · · · · · · · · · · ·						
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Utilities: Electricity, Water & Sewers & Trash								
	cs, Insurance & Tax								
8000	Land Transportation				1			(
8102	Tax & contingency								
8918	Permits/Settlements/Other								
6921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								ň.
9999	Other Costs								
Subto	tal	S	\$ /=:	\$ -	\$ -	\$	\$ -	\$ -	5 -

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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
7	8

Code	Element Name	Prep	1 Phase	2 Location/Rig Move		3 Drilling		4 &A	5 Completion		6 Artificial Lift	7 Hookup		8 Facilities	
Location	n, Mobilization, Rig Move														
3010	Major Mob / Demob	\$		\$.		\$ -	\$	•	\$ 8,46	3	\$-	\$	•	\$	
3011	Location & Roads + Maintenance	\$	30	\$ 103,00	0\$	822	\$		\$ 3,50	0	\$.	\$	×	\$	
3021	Rig Move	\$	20	\$ 75,00	0 \$		\$	*	\$ -	1	\$.	\$	9	\$	
Labor, S	ervices & Equipment Rentals														
1000	Employee Wages	\$		\$ 4,00	0 \$	134,000	\$	•	\$ 100,00	0 :	\$ •	\$		\$	
1050	Location Services	\$		\$	\$		\$		\$ -	5	\$ •	\$		s	
2004	Contractor Maintenance/Roustabouts	\$	59 C	\$:4	\$	349	\$	143) (141)	\$ 1,50	0 3	\$ -	\$	2	S	
2017	Contract Supervision	S	14	\$	\$	- 14 M	\$	1.24	\$ 63,16	0 3	\$ 8,678	\$		\$	
2019	Contractor HES	\$		\$ -	S		\$		\$ 11.93	1 5	\$ -	\$		\$	
2034	Labor services	\$	3	\$ 1,000) \$	47,000	\$	182	\$ -	1	\$ +	\$		\$	
3001	Services Hot Oiling	\$	(e	\$.	\$	29);	\$		\$ 12,50	0 5	\$ 5,710	\$		\$	
3002	Services Misc Heavy Equipment	\$	39	\$	\$	(A)	\$	141	\$ 45.00	0 5	\$ 1,713	S	- Q	S	
3003	Fluid Haul	\$	12	\$ 7,000) \$	46,000	\$	72	s -	1	\$ -	\$		S	
3005	Services Inspection	\$		\$-	\$	37,000	\$		\$ 4,50	0 8	\$-	\$		S	
3009	Services Wellhead	\$		\$	\$	16,000	\$		\$ 45,10	0 5	\$ 5,710	\$		\$	
3012	Cased/Open Hole Logging	\$		\$ -	\$		\$		\$ 9,50		\$ -	\$		\$	
3013	Services Coiled Tubing	\$	24	\$ -	\$		\$	200	\$ 178,53	_	\$ -	\$		\$	
3014	Directional Drilling & LWD	\$		\$.	\$	485,000	\$	0.4	\$ -	_	s -	\$	-	\$	
3015	Fishing	\$	¥	\$ -	\$		\$	- S	\$ -	_	5 -	\$		\$	
3016	Mud Logging	\$		\$ -	\$	29,000	\$		s -	1		S		S	
3018	Services Perforating	\$		\$ -	\$	54	\$		\$ 205,80	_		\$		s	
3019	Wire line & Slick line	\$	<u></u>	\$ -	\$		\$	28	\$ 47,25	_		s		s	
3020	Rig Work	\$		\$ -	\$	692,000	\$		\$ 47,25	5	and the second se	5 5		\$	
3022	Drilling & Completion Fluids	\$		\$ 6,000			\$		\$ -	9		5 5		5 5	
3023	Cementing	\$		\$ -	\$	249,000	s	7.47	\$ -	9		\$		s	
3024	Services Stimulation	\$		\$	\$		\$		\$ 2,748,51	_		3 \$		\$	
3025	Services Downhole Other	\$	- 2	\$	s	13,000	\$		\$ 63,55					\$ \$	
3026	Formation Testing and Coring	\$		\$ -	\$		\$		\$ 228,31			\$ \$		\$	
3029	Camp & Catering	\$	÷.	\$ 8,000	_		\$		\$ 220,31	3		\$	2	\$	-
3032	Communications & IT	\$		\$ 1,000	_	19,000	\$		\$ ·	3			*		2
3035	Services Disposal	\$		\$ 1,000	ب ر \$	124,000	\$		\$ 179,00			\$ \$	× 2	\$	560.0
3035	Services Fluid Hauling from Site	\$		\$ -	\$		\$	-		_					560 0
4005	Rental Downhole Equipment & Tools	\$		\$ -	\$		\$			9		\$	•	S	
4003	HES & Industrial waste handling	\$		\$ -	\$		ф \$		\$ ·	5		\$		5	33
4007	Rental Surface Equipment & Tools	ş S		\$ 19,000	_		э \$			_		\$	*	\$	1.4
	Consumables	4		a 19,000	13	101,000	¢		\$ 131,74	3 3	6 7,177	\$	8	\$	23
			_												
5021	Material Surface Other	\$	•	\$ -	\$	1.2	\$	285	\$	-		\$	125,000	\$	10
5023	Wellhead & X-mas tree	\$		\$	\$	69,000	\$	3 4 .0	\$ 22,50	_		\$	*	\$	8
5027	Materal Subsurface Lift Equipment Other	\$		\$ *	\$		\$	- Sec.	\$ -	\$	and the second se	\$		\$	
5028	Casing and Casing Accessories	\$		\$	\$		\$		\$ -	5		\$	•	\$	
5029	Material Tubing and Accs	\$		\$ -	\$		\$		\$ -	5		\$	*	S	
5500	Material Consumables	\$		\$ 10,000	_	2	\$	20	\$ 239,22			\$	×.	\$	3
5502	Drilling Fluids Products	\$		\$-	\$	195,000	\$		\$	\$		\$	- ÷	\$	- 2
5503	Bits, Reamers, Scrapers, HO's	\$	-	\$ -	\$		\$		\$ -	5		\$	2	S	- 3
5505	Fuel & Lubricants	\$		\$ 2,000		74,000	\$	<u>``````</u>	\$-	1		\$		S	
7004	Utilities: Electricity, Water & Sewers & Trasl	\$		\$	\$	11,000	\$		\$ 3,27	5 \$	5 1,440	\$		\$	3
Logistics	, Insurance & Tax		_												
8000	Land Transportation	\$	4	\$ 1,000			\$	Ú.	\$ 10,00	0 5	6 -	\$	•	\$	-
8102	Tax & contingency	\$	-	\$ 12,000) \$	287,000	\$		\$ 201,14	3 \$	8,180	\$	+2	\$	2
8918	Permits/Settlements/Other	\$		\$ •	\$		\$		\$ -	\$		\$	*	\$	
8921	Waste Handling and Disp	\$		\$.	\$	38,000	\$		\$ -	\$		\$	12	\$	
8945	Loss & Loss Expenses Paid	\$	2	\$.	\$		\$		s -	5		\$	12	\$	
9999	Other Costs	S	÷.	\$ -	\$		\$		\$	5		\$		\$	
Subtotal	and the second second second	\$		\$ 249,000	-		s		\$ 4,564,00	_		\$	125,000	\$	560,0

Signature:		
Company:		
Printed Name:		
Title:		
Date:	Approval	% WI
This AFE is only an estimate. By signing), you agree to pay your proportional share o	f 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 Rodriquez - Completion Engr Supervisor

John Willis - Drilling & Completions Manager

Peter Van Liew - Advisor Land Negoliator, Sr.



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 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 email 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 #24H

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

By: ______ Name: ______ Title: ______ Company: ______ Date: _____

Working Interest Owners

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



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

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

Code	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locati	on, Mobilization, Rig Move							
3010	Major Mob / Demob		s .	\$		1		
3011	Location & Roads + Maintenance		\$ 103,000	\$				
3021	Rig Move		\$ 74,859	s .				
_	Services & Equipment Rentals				1			
1000	Employee Wages	11	\$ 3,863	\$ 133,903	r	T		1
1050	Location Services		\$	\$				
2004	Contractor Maintanence/Gangs/Roustabouts		\$	5				
2004			\$	\$		-		
	Contract Supervision Contractor HES			\$				
2019			\$ 1,030					
2034	Labor services							
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		S	\$				
3014	Directional Drilling & LWD		\$	\$ 485,161				
3015	Fishing		\$ -	\$				
3016	Mud Logging		\$	\$ 28,833				
3018	Services Perforating		\$ ><	\$	0			
3010	Wire Ine & Slick line		S 542	\$				
3020	Rig Work		s (2)	\$ 691,833				
3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953				
3023	Cementing		\$ *	\$ 249,260	2			
3024	Services Stimulation		\$	\$.		-		
3025	Services Downhole Other		S	\$ 12,772		1		
3026	Formation Testing and Coring		S .	\$				
3029	Camp & Calering		\$ 8,254	\$ 36,191				
3032	Communications & IT		\$ 547	\$ 18,970				
3035	Services Disposal		\$	\$ 124,447				
3039	Services Fluid Hauling from Site		s ·	\$ 124,447		-		
4005	Rental Downhole Equipment &Tools		s	\$ 3,758				
4005	HES & Industrial waste handling		\$ 466	\$ 7,508				
4013	Rental Surface Equipment & Tools	J	\$ 18,849	\$ 100,608	Li	()		
	Consumables							-
5021	Malerial Surface Other		\$	\$				
5023	Weihead & X-mas tree		\$	\$ 69,483				
5027	Materal 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				
Logisti	cs, 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		5	\$ *				
9999	Other Costs		s .	\$.				
Subto		5 .	\$ 248,777	\$ 3,621,701	s - s -	\$ 4	s .	s .



Subtotal

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

Code	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Artificial Lift	Hookup	Facility
-	on, Mobilization, Rig Move				1000				
3010	Major Mob / Demob								
3011	Location & Roads + Maintenance								
3021	Rig Move								
	Services & Equipment Rentals								
1000	Employee Wages		r						
	Location Services								
1050	Contractor Maintanence/Gangs/Roustabouts								
2004									
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		1						
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								
4005	HES & Industrial waste handling								
4013	Rental Surface Equipment & Tools								
	I Consumables								
5021	Material Surface Other	r	1						
5021	Wellhead & X-mas tree	-							
5023	Materal Subsurface Lift Equipment Other								
	Casing and Casing Accessories								
5028 5029	Material Tubing and Accs								
	Material Consumables								
5500									
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Utilities: Electricity, Water & Sewers & Trash						_		L
	cs, Insurance & Tax								
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs								L

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OXY

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

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

Code	Element Name		1 Phase	Loca	2 ation/Rig Move		3 Drilling	4 P&A		5 Completion	6 Artificial Lift	7 Hookup			8 cilities
Location	n, Mobilization, Rig Move													_	
3010	Major Mob / Demob	\$	<u> </u>	\$		\$	245		1	\$ 8,463	\$ -	\$	-	\$	
3011	Location & Roads + Maintenance	\$		\$	103,000	\$				\$ 3,500	\$ *	\$		\$	
3021	Rig Move	\$	1.2	\$	75,000	\$	Sec	\$	•	\$	\$ -	\$	5	\$	
Labor, S	Services & Equipment Rentals														
1000	Employee Wages	\$	2	\$	4,000	\$	134,000	\$	2	\$ 100,000	\$ -	S		\$	
1050	Location Services	\$		\$	57	\$	32	\$	*: - i	\$ -	\$ -	\$	*	\$	
2004	Contractor Maintenance/Roustabouts	\$	3	\$		\$	3#2	\$	× .	\$ 1,500	\$ -	\$	-	\$	
2017	Contract Supervision	\$		\$		\$	3 .	\$	£1.	\$ 63,160	\$ 8,678	\$	а÷.	\$	
2019	Contractor HES	\$	<u>S</u>	\$		\$		\$	•	\$ 11,931	\$ -	\$	•	\$	
2034	Labor services	\$		\$	1,000	\$	47,000	\$	•	\$ +	\$.	\$	*	\$	
3001	Services Hot Oiling	\$		S	(±	\$		\$	•	\$ 12,500	\$ 5,710	\$		\$	
3002	Services Misc Heavy Equipment	\$		\$	3	\$	98	S	÷ .	\$ 45,000	\$ 1,713	S		\$	
3003	Fluid Haul	\$		\$	7,000	\$	46,000	\$	•	s -	\$ -	S	¥	\$	
3005	Services Inspection	\$		\$	X	\$	37,000	\$	5	\$ 4,500	\$ -	S	•	\$	
3009	Services Wellhead	\$		\$		\$	16,000	\$	•	\$ 45,100	\$ 5,710	s	•	\$	
3012	Cased/Open Hole Logging	\$		\$	*	\$	25	-	5	\$ 9,500	s -	\$	•	\$	
3013	Services Coiled Tubing	\$	3	\$	3	\$	(8)	\$	•	\$ 178,535	\$ -	\$		\$	
3014	Directional Drilling & LWD	\$		\$		\$	485,000	\$	÷. [\$ -	\$ -	S		\$	
3015	Fishing	\$	- ×	\$	<u>%</u>	\$		\$	<u>.</u>	\$ -	s -	\$	Ŧ	\$	
3016	Mud Logging	\$	-	\$		\$	29,000	\$	·	\$-	\$ -	s	8	\$	E B
3018	Services Perforating	\$	×	\$		\$		\$	•	\$ 205,800	\$ -	\$	÷	\$	
3019	Wire line & Slick line	\$	3	\$	82	\$	24	\$	•	\$ 47.250	\$ 7,422	s		\$	
3020	Rig Work	\$	-	\$	14	\$	692,000	\$		\$ -	\$ 24,936	s		\$	
3022	Drilling & Completion Fluids	\$		\$	6,000	\$	66,000	\$		S -	\$ -	s	_	\$	
3023	Cementing	\$		\$		\$	249,000	\$	•	\$ -	\$ ÷	\$		s	- C.
3024	Services Stimulation	\$	2	\$		\$		\$		\$ 2,748,512	\$	\$	÷	\$	1.1
3025	Services Downhole Other	\$		\$	24 - C	\$	13,000	\$		\$ 63,550	\$ 13,726		_	\$	
3026	Formation Testing and Coring	\$	3	\$	÷	\$		\$	•	\$ 228,319	\$ -	\$		\$	
3029	Camp & Catering	\$		\$	8,000	\$	36,000	\$	-	\$ -	\$ -	\$		\$	
3032	Communications & IT	\$		\$	1,000	\$	19,000	\$	•	\$ -	\$ -	\$		\$	
3035	Services Disposal	\$		\$	3	\$	124,000	\$	•	\$ 179,000	\$ 4,111	\$		\$	560,0
3039	Services Fluid Hauling from Site	\$		\$	2	\$	192	\$		\$	\$	\$	9	\$	
4005	Rental Downhole Equipment & Tools	\$	÷	\$	Q	\$	4,000	\$	•	s -	\$ -	\$		\$	
4007	HES & Industrial waste handling	\$		\$		\$	8,000	\$	•	\$ -	\$ -	s		\$	
4013	Rental Surface Equipment & Tools	S		\$	19,000	\$	101,000	\$	•2.1	\$ 131,743	\$ 7,177	S		\$	- 79
Consun	Consumables			· -											
5021	Material Surface Other	\$		\$		\$		\$	- 1	\$ -		\$ 125,	000	\$	
5023	Wellhead & X-mas tree	\$		\$		\$	69,000		_	\$ 22,500	\$ -	\$		\$	
5027	Materal Subsurface Lift Equipment Other	\$	*	s		\$				\$ -	\$ 66,231			\$	
5028	Casing and Casing Accessories	\$	2	\$		\$	722,000		-	\$	\$ -	\$		\$	2
5029	Material Tubing and Accs	\$	ж.	\$	<u>.</u>	\$	3		-	\$ -	\$ 39,967	\$		\$	
5500	Material Consumables	\$		\$	10,000	\$				\$ 239,225	\$ -	\$		\$	
5502	Drilling Fluids Products	S		\$		\$	195,000			\$ -	\$ -			\$	
5503	Bits, Reamers, Scrapers, HO's	S		\$		\$	78,000			s -	\$ -	\$		\$	22
5505	Fuel & Lubricants	\$		\$	2,000	\$				s -	s -			\$	
7004	Utilities: Electricity, Water & Sewers & Trasl			\$	<u>.</u>	\$				\$ 3,276	\$ 1,440			\$	
	s, insurance & Tax								_						
8000	Land Transportation	\$	2	\$	1,000	\$	44,000	\$	- 1	\$ 10,000	s -	¢	2.1	\$	- 34
8102	Tax & contingency	\$		э \$	12,000	э \$			-			S S		\$	
8102	Permits/Settlements/Other	\$ \$		э \$	12,000	э \$			-						
		\$ \$		\$ \$		ֆ Տ			_		\$ -	S		\$	30
8921	Waste Handling and Disp	ծ Տ		\$ \$		ծ Տ				\$ *	\$ -		_	\$	
8945 9999	Loss & Loss Expenses Paid Other Costs	\$		\$		\$				s -	\$ - \$ -	\$ \$		\$ \$	
	Other Costs	φ		Φ	•	φ		Ψ	-	φ	۰ •		-	ڻ ۲	

Signature:		
Company:		
Printed Name:		
Title:		
Date:	Approval	% WI
This AFE is only an estimate. By si	igning, you agree lo 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	
Diego Tellez - Drilling Engr Supervisor	


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 email 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 #25H

____ non-consent the drilling of the Heads CC 9-4 Fed Com $\#25\mathrm{H}$

By: ______ Name: ______ Title: ______ Company: ______ Date: ______

Working Interest Owners

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

ode	Element Name	Prep Phase	Location & Rig Move	Drilling	Com	oletion Artificial Life	Hookup	Facility
Locatio	on, Mobilization, Rig Move					Sector Contents		
3010	Major Mob / Demob		\$	S .				
3011	Location & Roads + Maintenance		\$ 103,000	\$ +				
3021	Rig Move		\$ 74,859	\$				1
Labor,	Services & Equipment Rentals							
1000	Employee Wages		\$ 3,863	\$ 133,903				
1050	Location Services		\$	s ····				
2004	Contractor Maintanence/Gangs/Roustabouts		\$	\$				
2017	Contract Supervision		\$	\$ -				
2019	Contractor HES		\$ -	\$.				
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hot Oiling		\$.	\$				
3002	Services Misc Heavy Equipment		\$	\$				1
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		\$	S .				
3016	Mud Logging		\$	\$ 28,833				
3018	Services Perforating		s	S .	P			
3019	Wire line & Slick line		\$	\$				
3020	Rig Work		\$	\$ 691,633				
3022	Drilling & Completion Fluids		\$ 5,601	\$ 65,953				1
3022	Cementing		\$ -	\$ 249,260			_	
3023	Services Stimulation		\$	\$ 245,200				
3024	Services Summation Services Downhole Other		\$	\$ 12,772				<u> </u>
3025	Formation Testing and Coring		\$	\$ 12,772				
3029	Camp & Calering		\$ 8,254	\$ 36,191				
3028	Communications & IT		\$ 547	\$ 18,970				
3032	Services Disposal		\$ 547	\$ 124,447			_	
3039	Services Fluid Hauling from Site		\$	\$ 124,447				
4005	Rental Downhole Equipment & Tools		s	\$ 3,758	·			<u> </u>
4005	HES & Industrial waste handing		\$ 466	\$ 7,508				
4007	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608				
	Consumables		0,049	4 100,008				1
5021	Material Surface Other		s	\$	1			1
5021	Wellhead & X-mas Iree		\$	\$ 69,483			_	
5023			5	\$ 05,403			_	
5027	Materal Subsurface Lift Equipment Other Casing and Casing Accessories		\$	\$ 722,013				
5028	Material Tubing and Accs		\$	\$ 722,013				+
5029	Material Consumables			5 - 5 -				
5502	Drilling Fluids Products		\$ 10,300	\$ 195,009				
5502	Bits, Reamers, Scrapers, HO's			\$ 195,009 \$ 77,674				-
5505	Fuel & Lubricants			\$ 73,653				-
5505 7004	Utilities: Electricity, Water & Sewers & Trash			\$ 73,653 \$ 11,173				
	Sumes. Electricity, Water & Sewers & Trash		322	¢ 11,173				
B000			\$ 644	\$ 43,865	T T		1	T
	Land Transportation			\$ 43,865 \$ 286,757				
8102	Tax & contingency							
8918	Permits/Settlements/Other			\$ -				
8921	Waste Handling and Disp			\$ 37,514				
8945	Loss & Loss Expenses Paid			5				
9999	Other Costs			\$ 3,621,701	\$ - \$	- s -		



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

		Dec Direct	Location & Dis Massa	Deilling		Completion	Artificial Lift	Hookup	Facility
	Element Name	Prep Phase	Location & Rig Move	Drilling		Completion	Anincial Lin	ноокцр	Facility
	n, Mobilization, Rig Move		r						_
3010	Major Mob / Demob								
3011	Location & Roads + Maintenance								
3021	Rig Move								
	Services & Equipment Rentals				p				
1000	Employee Wages								
1050	Location Services								
2004	Contractor Maintanence/Gangs/Roustabouts								
2017	Contract Supervision								
2019	Contractor HES								
2034	Labor services					-			
3001	Services Hot Oiling								
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging				.[]				
3013	Services Coiled Tubing				l				
3014	Directional Drilling & LWD								1
3015	Fishing								
3016	Mud Logging								
3018	Services Perforating								
3019	Wire line & Slick line								
3020	Rig Work								
3020	Dritting & Completion Fluids								
3023	Cementing Services Stimulation								
3024	the second design of the design of the second se								
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	Materal Subsurface Lift Equipment Other								
5028	Casing and Casing Accessories								
5029	Material Tubing and Accs								
5500	Material Consumables								
5502	Drilling Fluids Products								
5503	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants					I			
7004	Utilities: Electricity, Water & Sewers & Trash								
Logistic	cs, Insurance & Tax								
8000	Land Transportation								
8102	Tax & contingency								
8918	Permits/Settlements/Other								
8921	Waste Handling and Disp								
8945	Loss & Loss Expenses Paid								
9999	Other Costs								
0000	tal	\$	s -	s .	\$ -	\$ -	s -	\$	\$ -

6	x	Y
		/

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 Phase	Loc	2 ation/Rig Move		3 Drilling		4 P&A	с	5 completion	6 Artificial Lift		7 Hookup		8 Facilities
	n, Mobilization, Rig Move			_				_	_							
3010	Major Mob / Demob	\$		\$			\$ -		\$ -	\$	8,463	\$ -		\$-	\$	
3011	Location & Roads + Maintenance	\$	- 1	\$	103,000	\$		\$		\$	3,500	\$ ·	\$		\$),e
3021	Rig Move	\$		\$	75,000	\$		\$	363	\$	•2	\$.	\$		\$	
Labor, S	Services & Equipment Rentals															
1000	Employee Wages	\$		\$	4,000	\$	134,000	\$	5.5	S	100,000	\$.	\$	*	\$	
1050	Location Services	\$		\$		\$		\$). 1992	\$		\$ -	\$		\$	242
2004	Contractor Maintenance/Roustabouts	\$		\$	×	\$	(**	\$	196	\$	1,500	\$.	\$	<u>.</u>	\$	17.
2017	Contract Supervision	\$		\$	<u>a</u>	\$		\$		\$	63,160	\$ 8,678	s	÷	\$	
2019	Contractor HES	\$	<u> </u>	\$		\$		\$		\$	11,931	\$ -	\$		\$	
2034	Labor services	\$		\$	1,000	\$	47,000	\$		s	2 (# 2	\$ -	\$		\$	
3001	Services Hot Oiling	\$	*	\$		\$		\$	240	\$	12,500	\$ 5,710	\$	2	S	
3002	Services Misc Heavy Equipment	\$		\$	÷	\$	(#	\$	597.	\$	45,000	\$ 1,713	\$		\$	12
3003	Fluid Haul	\$	<u>a</u>	\$	7,000	\$	46,000	\$		\$		\$ -	\$	6	\$	
3005	Services Inspection	\$	¥	\$		\$	37,000	\$		\$	4,500	\$-	\$		\$	
3009	Services Wellhead	\$		\$		\$	16,000	\$		\$	45,100	\$ 5,710	-		\$	
3012	Cased/Open Hole Logging	\$	*	\$		\$	(H	\$	382	S	9,500	\$ -	S		\$	140
3013	Services Coiled Tubing	\$		\$		\$		\$	(e)	\$	178,535	\$.	\$	¥	\$	
3014	Directional Drilling & LWD	\$	+	\$		\$	485,000	\$		\$		\$ -	\$		\$	
3015	Fishing	\$	<u> </u>	\$	¥	\$	%	\$		\$		\$ -	\$		s	
3016	Mud Logging	\$		\$		\$	29,000	\$	3	\$	1002	\$ -	\$		s	
3018	Services Perforaling	\$		\$		\$		\$	(*):	\$	205,800	\$ -	\$		s	
3019	Wire line & Slick line	\$	× .	\$	¥	\$	4	\$		s	47,250	\$ 7,422	-		s	
3020	Rig Work	\$		\$	-	\$	692,000	\$		\$		\$ 24,936	-		s	
3022	Drilling & Completion Fluids	\$		\$	6,000	\$	66,000	\$		\$		\$ -	s		s	
3023	Cementing	\$	+	\$		\$	249,000	\$		\$		\$ -	\$		\$	
3024	Services Stimulation	\$	-	\$	Ŧ	\$		\$	Ga : 1	S	2,748,512	s -	\$	2	\$	
3025	Services Downhole Other	S	¥	\$	8	\$	13,000	\$		\$	63,550	\$ 13,726	-		\$	
3026	Formation Testing and Coring	\$		\$		\$		s		\$	228,319	\$ -	\$	•	\$	
3029	Camp & Catering	\$		\$	8,000	\$	36,000	\$		s		\$ -	\$		\$	
3032	Communications & IT	\$		\$	1,000	\$	19,000	\$		\$		\$	\$		s	
3035	Services Disposal	\$	*	\$	×	\$		\$		\$	179,000	\$ 4,111	\$	23 1	\$	560,00
3039	Services Fluid Hauling from Site	\$	2	\$	2	\$		\$		\$	1	S -	\$		\$	
4005	Rental Downhole Equipment & Tools	\$	÷.	\$	S.	\$	4,000	\$		s		\$ -	\$		\$	
4007	HES & Industrial waste handling	\$		\$		\$	8,000	\$		\$	141	\$ -	\$		\$	
4013	Rental Surface Equipment & Tools	\$	•	\$	19,000	\$	101,000	\$		\$	131,743	\$ 7,177	_		\$	
Consun	Consumables					1										
5021	Material Surface Other	\$		\$		\$	- 1	\$. 1	\$			\$	125,000	\$	-
5023	Wellhead & X-mas tree	\$		\$		\$		\$		\$	22,500	\$	\$	125,000	\$	
5027	Materal Subsurface Lift Equipment Other	\$		\$		\$		\$		\$	22,500	\$ 66,231	S		\$	-
5028	Casing and Casing Accessories	\$		\$		\$		\$		\$		\$ -	S		5	
5029	Material Tubing and Accs	ŝ		s	2	\$		\$		s s		\$ 39,967	\$		5	
5500	Material Consumables	\$		\$	10,000	\$		\$		s S		\$ 39,967	\$		3 \$	
5502	Drilling Fluids Products	\$		\$	10,000	\$		\$		\$	239,225	\$	S		\$	
5503	Bits, Reamers, Scrapers, HO's	\$	•	\$	•	\$		\$		\$		\$ -	5	-	\$	
5505	Fuel & Lubricants	\$		\$	2,000	\$		\$		\$	-	\$ -	S		3 \$	
7004	Utilities: Electricity, Water & Sewers & Trast		-	\$	2,000	\$		\$		\$		\$ 1,440			\$	
	s. Insurance & Tax					-	11,000	¥			0,210	. 1,440	1.0		Ψ	-
		\$	21	e	1.000	e	44.000	¢			40.000		Le		-	
8000	Land Transportation			\$	1,000	\$		\$		\$	10,000	<u>\$</u>	\$		\$	
8102	Tax & contingency	\$		\$	12,000	\$		\$		5		\$ 8,180		•	\$	
8918	Permits/Settlements/Other	\$	÷.	\$	<u>*</u>	\$		\$		\$		\$ -	\$	(*C	\$	
8921	Waste Handling and Disp	\$	#2	\$	=2	\$		\$		\$		\$	S	1.61	\$	
8945	Loss & Loss Expenses Paid	\$	•	\$	¥.	\$		\$		\$	ii	5 -	S	1.2	\$	24
9999	Other Costs	\$	÷:	\$	•	\$		\$		\$	-	\$ -	\$		\$	
Subtotal		\$		s	249,000	5	3,624,000	\$		\$	4,564,005	\$ 195,000	5	125,000	\$	560,00

Company:		
Printed Name:		
itie:		
Dale:	Approval	% WI

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	
Diego Tellez - Drilling Engr Supervisor Robert Rodríquez - Completion Engr Supervisor	



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 email 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 #26H

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

By: ______
Name: ______
Title: ______
Company: ______
Date: _____

Working Interest Owners

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

l

Code	Element Name	Prep Phase	Location & Rig Move	Drilling	Completion	Artificial Lift	Hookup	Facility
Locatio	on, Mobilization, Rig Move							_
3010	Major Mob / Demob		\$.	\$ *				
3011	Location & Roads + Maintenance		\$ 103,000	\$ +				
3021	Rig Move		\$ 74,859	\$ ÷				
	Services & Equipment Rentals							
1000	Employee Wages		\$ 3,863	\$ 133,903			0	
1050	Location Services		\$ -	\$ -				
2004	Contractor Maintanence/Gangs/Roustabouts		\$ -	\$		1		
2017	Contract Supervision		\$ ·	\$ -				
2019	Contractor HES		\$ -	s -				
2034	Labor services		\$ 1,030	\$ 47,030				
3001	Services Hot Oiling		S -	\$				
3002	Services Misc Heavy Equipment		\$ -	\$ -				
3003	Fluid Haul		\$ 6,719	\$ 46,139			-	
3005	Services Inspection		\$ 353	\$ 36,642			r	
3009	Services Wellhead		\$ +	\$ 15,553	l			
3012	Cased/Open Hole Logging		\$ +:	\$				
3013	Services Colled Tubing		\$	\$				
3014	Directional Drilling & LWD		\$ -	\$ 485,161				
3015	Fishing		\$ +	\$				
3016	Mud Logging		s -	\$ 28,833				
3018	Services Perforating		s -	\$				
3019	Wire line & Slick line		\$	\$				
3020	Rig Work		\$	\$ 691,633				
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3022	Cementing		\$	\$ 249,260		-		
3023	Services Stimulation		s ·	\$ 240,200				
3024	Services Downhole Other	-	\$	\$ 12,772				
3025	Formation Testing and Coring		s .	\$ 12,772				
3029	Camp & Calering		\$ 8,254	\$ 36,191				
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3032	Services Disposal		\$.	\$ 124,447		-		
3039	Services Fluid Hauling from Site		s -	\$):			
4005	Rental Downhole Equipment & Tools		s	\$ 3,758				
4005	HES & Industrial waste handling		\$ 466	\$ 7,508				
4013	Rental Surface Equipment & Tools		\$ 18,849	\$ 100,608				
	Consumables		10,040	• 100,000	1			1
5021	Material Surface Other	1	\$	\$	1 1	1		1
5021	Wellhead & X-mas tree		\$.	\$ 69,483				
5025	Materal Subsurface Lift Equipment Other		\$	\$				
5028	Casing and Casing Accessories		\$	\$ 722,013				
5029	Material Tubing and Accs		s -	\$				
5500	Material Consumables		\$ 10,300	\$	l			
5502	Drilling Fluids Products		\$	\$ 195,009	· · · · · · · · · · · · · · · · · · ·			
5502	Bits, Reamers, Scrapers, HO's		S ·	\$ 77,674				
5505	Fuel & Lubricants		\$ 2,125	\$ 73,653				
7004	Utilities: Electricity, Water & Sewers & Trash		\$ 322	\$ 11,173		-		
	cs, insurance & Tax		011					
8000	Land Transportation	1	\$ 644	\$ 43,865				1
8102	Tax & contingency		\$ 11,847	\$ 286,757	· · · · · · · · · · · · · · · · · · ·			
8918	Permits/Settlements/Other		\$	\$				
8921	Waste Handling and Disp		s ·	\$ 37,514		-		
8945	Loss & Loss Expenses Paid		s	\$ 57,514	· · · · · · · · · · · · · · · · · · ·			
8999	Other Costs		S	\$				
0000	tal	\$ ~		\$ 3,621,701	\$. \$.	\$.	s -	\$.



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
	n, Mobilization, Rig Move								
3010	Major Mob / Demob	1	1						1
3011	Location & Roads + Maintenance			2					
3021	Rig Move	· · · · · · · · · · · · · · · · · · ·							
_	Services & Equipment Rentals								
1000	Employee Wages	" <u> </u>	1	·	r	r	1		1
1050	Location Services								<u> </u>
2004	Contractor Maintanence/Gangs/Roustabouts								<u> </u>
2017	Contract Supervision								<u> </u>
2019	Contractor HES								<u> </u>
2034	Labor services								
3001	Services Hot Oiling			·					<u> </u>
3002	Services Misc Heavy Equipment								
3003	Fluid Haul								
3005	Services Inspection								
3009	Services Wellhead								
3012	Cased/Open Hole Logging				1				
3012	Services Coiled Tubing								
3013	Directional Drilling & LWD								
3014	Fishing								
3016	Mud Logging								
3018	Services Perforating								
	Wire line & Slick line								
3019					·				
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 3039	Services Disposal Services Fluid Hauling from Site								
4005									
	Rental Downhole Equipment & Tools HES & Industrial waste handling								
4007	Rental Surface Equipment & Tools								
4013	Consumables	1	i						L
	Material Surface Other	1							
5021 5023	Wellhead & X-mas tree								
5023	Materal Subsurface Lift Equipment Other								
5027									
5028	Casing and Casing Accessories Material Tubing and Accs								
5029	Material Consumables								
5502	Drilling Fluids Products								
5502	Bits, Reamers, Scrapers, HO's								
5505	Fuel & Lubricants								
7004	Utilities: Electricity, Waler & Sewers & Trash								
	condes: Electricity, voller & Sewers & Trash								l
8000	Land Transportation	1	1						
8102	Tax & contingency								
8102	Permits/Settlements/Other								
8921 8945	Waste Handling and Disp Loss & Loss Expenses Paid								
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Signature:		
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Title:		
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This AFE is only an estimate. By s	igning, 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
Το	tal Well Cost (1+2+3+4+5+6+7+8):	\$ 9,317,005

Diego Tellez - Drilling Engr Supervisor

Robert Rodriquez - 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

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

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.

2

TYLER EVANS

STATE OF TEXAS) COUNTY OF Harris

SUBSCRIBED and SWORN to before me this <u>and</u> day of October 2019 by Tyler Evans.

NOTAR FUBLIC

My Commission Expires:

4/7/23



Heads Locator Map – T24SR29E Sec 9-4

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BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B1 Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20786 & 20813 2nd Bone Spring Sand Structure





BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Carle Tey, New Mexico Exhibit No. B2 Submitted by: OXY USA INC Hearing Date: October 3, 2019 Case Nos 20786 & 20813



BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Submitted by: **OXY USA INC** Hearing Date: October 3, 2019 Case Nos 20786 & 20813 Exhibit No. B3

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:

- Jamrag 24, 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



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

September 11, 2019

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Heads CC 9-4 Fed Com #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 <u>http://www.emnrd.state.nm.us/ocd/</u>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

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

Sincerely.

Michael H. Feldewert ATTORNEY FOR OXY USA INC.

Montana Nevada New Mexico



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

September 11, 2019

VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

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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.

Sincerely. Michael H. Feldewert

ATTORNEY FOR OXY USA INC.

Utah Washington, D.C. Wyoming

3

Postal Delivery Report OXY - Heads Wells Case Nos. 20786, 20788, 20789, 20813

Tracking Number Recipient

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

Status

Delivered Signature Received Delivered Signature Received Delivered Signature Received In-Transit Delivered Signature Received Delivered Signature Received

UNITED STATES POSTAL SERVICE ® Mailer Action

\$57.50 \$5.75×10= **Shipment Confirmation**

Acceptance Notice

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
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*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.





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URRENT-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



CONSIN

Ad#:0001296603 P O : Heads #21 # of Affidavits :0.00

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **October 3, 2019**, in the Oil Con-servation 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 Ex-ploration Corporation; Chevron USA Inc.; Law-rence 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 Mexithe Bone Spring formation underlying a stand-ard 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 com-mon surface location in the NW/4 SW co. Applicant in the above-styled cause seeks 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 bottomhole 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.

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September 17, 2019

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:

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

Legal Clerk

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

State of WI, County of Brown NOTARY PUBLIC



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

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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 bottomhole 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