

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 07, 2022**

CASE NO. 22637

DR P1 (DEEP) FED UNIT

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF OXY USA INC. FOR AN
ORDER ACKNOWLEDGING THE DR PI
(DEEP) FED UNIT, LEA COUNTY, NEW
MEXICO.**

CASE NO. 22637

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

APPLICATION OF OXY USA INC. FOR
AN ORDER ACKNOWLEDGING THE DR
PI (DEEP) FED UNIT, LEA COUNTY,
NEW MEXICO.

CASE NO. 22637

APPLICATION

OXY USA Inc. (“OXY”) files this application for an order acknowledging the Dr Pi (Deep) Fed Unit. In support of its application, OXY states:

1. The Unit Area consists of approximately 2,595.40 acres of the following federal land situated in Lea County, New Mexico:

Township 22 South, Range 32 East, N.M.P.M.

Section 7: All
Section 8: All
Section 17: All
Section 18: All

2. OXY is the designated operator under the Unit Agreement, which contains 100% federal lands. A copy of the Unit Agreement is attached hereto as Exhibit A.

3. The unitized interval is all formations below the base of the Delaware Formation, which is found at 8,647 feet measured depth in the Federal 8 Com (30-025-32709) well, located in Section 8, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

3. OXY is the sole record title owner and sole working interest owner in the Unit and, therefore, controls a sufficient percentage of the interest to provide effective control of unit operations.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: OXY USA INC.
Hearing Date: April 07, 2022
Case No. 22637

4. OXY has met with the Bureau of Land Management and received a letter approving the unit area as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act.

5. The Unit Agreement, and the unitized operation and management of the Unit Area, are in the best interests of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, OXY requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on April 7, 2022, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Post Office Box 2208
Santa Fe, NM 87504
505-998-4421
mfeldewert@hollandhart.com
arankin@hollandhart.com
jbroggi@hollandhart.com

ATTORNEYS FOR OXY USA INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

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EXHIBIT A

UNIT AGREEMENT
 FOR THE DEVELOPMENT AND OPERATION
 OF THE
 DR PI (DEEP) FED UNIT AREA
 COUNTY OF LEA
 STATE OF NEW MEXICO
 CONTRACT NO. NMNM 143828X

THIS AGREEMENT, entered into as of the 1st day of January, 2022, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interests in the unit area subject to this agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit plan of development or operations of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the parties hereto hold sufficient interests in the DR PI (DEEP) Fed Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, and all valid pertinent regulations including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal oil

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and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. UNIT AREA. The area specified on the map attached hereto marked Exhibit "A" is hereby designated and recognized as constituting the unit area, containing 2,595.40 acres, more or less.

Exhibit "A" shows, in addition to the boundary of the unit area, the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator, the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in Exhibits "A" or "B" shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in the Exhibits as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized Officer, hereinafter referred to as "AO," and not less than four copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office.

The above-described unit area shall when practicable be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be affected in the following manner:

(a) Unit Operator, on its own motion (after preliminary concurrence by the AO), or on demand of the AO, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of the month subsequent to the date of notice.

(b) Said notice shall be delivered to the proper BLM office, and copies thereof mailed to the last known address of each working interest owner, lessee and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the AO evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in triplicate, for approval of such expansion or contraction and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval of the AO, become effective as of the date prescribed in the notice thereof or such other appropriate date.

(e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be

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considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. The Unit Operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the AO and promptly notify all parties in interest. All lands reasonably proved productive of unitized substances in paying quantities by diligent drilling operations after the aforesaid five-year period shall become participating in the same manner as during said first five-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated effective as of the 91st day thereafter.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands. If conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed two years may be accomplished by consent of the owners of 90 percent (90%) of the working interest in the current nonparticipating unitized lands and the owners of 60 percent (60%) of the basic royalty interests (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the AO, provided such extension application is submitted not later than 60 days prior to the expiration of said 10-year period.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land now or hereafter committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in any and all formations of the unitized land below the base of the Delaware Formation, which is found at 8,647' depth MD in the Federal 8 Com 1 (30-025-32709) located in Section 8, Township 22S Range 32E, Lea County, New Mexico, N.M.P.M., are unitized under the terms of this agreement and herein are called "unitized substances"; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal lease committed hereto as a consequence of the aforementioned depth limitations of the unitized lands."

4. UNIT OPERATOR. OXY USA INC. is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and

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the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest only when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six months after notice of intention to resign has been served by Unit Operator on all working interest owners and the AO and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time after a participating area established hereunder is in existence, but in all instances of resignation or removal, until a successor Unit Operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of Unit Operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release the Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by the working interest owners, the owners of the working interests according to their respective acreage interests in all unitized land shall, pursuant to the Approval of the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such selection shall not become effective until:

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

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(b) the selection shall have been approved by the AO.

If no successor Unit Operator is selected and qualified as herein provided, the AO at his election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this agreement, and in the case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of the unit operating agreement, executed pursuant to this section shall be filed in the proper BLM office prior to approval of this unit agreement.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until at least 5,000 foot horizontal lateral in the Wolfcamp Formation has been tested or the Unit Operator shall at any time establish to the satisfaction of the AO that further drilling of said well would be unwarranted or impracticable. Until the discovery of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing and producing operations, with a reasonable profit), the Unit Operator shall continue drilling one well at a time, allowing not more than 6 months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is

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of the AO or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section."

The AO may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, or in the case of multiple well requirements, if specified, subsequent to the drilling of those multiple wells, as provided for in this (these) section(s), within the time allowed including any extension of time granted by the AO, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO may, after 15 days' notice to the Unit Operator, declare this unit agreement terminated. Failure to commence drilling the initial obligation well, or the first of multiple obligation wells, on time and to drill it diligently shall result in the unit agreement approval being declared invalid *ab initio* by the AO. In the case of multiple well requirements, failure to commence drilling the required multiple wells beyond the first well, and to drill them diligently, may result in the unit agreement approval being declared invalid *ab initio* by the AO.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO an acceptable plan of development and operation for the unitized land which, when approved by the authorized officer, shall constitute the further drilling and development obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the AO a plan for an additional specified period for the development and operation of the unitized land. Subsequent plans should normally be filed on a calendar-year basis not later than March 1 of each year. Any proposed modification or addition to the existing plan should be filed as a supplement to the plan.

Any plan submitted pursuant to this section shall provide for the timely exploration of the unitized area, and for the diligent drilling necessary for determination of the area or areas capable of producing unitized substances in paying quantities in each and every productive formation. This plan shall be as complete and adequate as the AO may determine to be necessary for timely development and proper conservation of the oil and gas resources in the unitized area and shall:

- (a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and
- (b) Provide a summary of operations and production for the previous year.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in

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complying with the obligations of the approved plan of development and operation. The AO is authorized to grant a reasonable extension of the six-month period herein prescribed for submission of the initial plan of development and operation where such action is justified because of unusual conditions or circumstances. Upon failure by the operator to timely submit or adhere to an approved plan of development or operation without prior written authorization, the AO, at his discretion, shall after 15 days' notice to the Unit Operator, eliminate by subdivisions (as defined in Section 2(e) hereof) all lands not then entitled to be in a participating area. The effective date of elimination shall be the first of the month in which the knowledge or information is obtained on which such elimination is predicated.

After completion of a well capable of producing unitized substances in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement and such as may be specifically approved by the AO, shall be drilled except in accordance with an approved plan of development and operation.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the Unit Operator shall submit for approval by the AO, a schedule, based on subdivisions of the public land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive of unitized substances in paying quantities. These lands shall constitute a participating area on approval of the AO, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of each initial participating area. The schedule shall also set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each committed tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area. A different participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the AO. When production from two or more participating areas is subsequently found to be from a common pool or deposit, the participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO. The participating area or areas so established shall be revised from time to time, subject to the approval of the AO, to include additional lands then regarded as reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations, or to exclude lands then regarded as not reasonably proved to be productive of unitized substances in paying quantities, and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated; provided, however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the AO. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned. It is the intent of this section that a participating area shall represent the area known or reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations; but, regardless of any revision of the participating area, nothing

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herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the AO as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States, be impounded in a manner mutually acceptable to the owners of committed working interests. Royalties due the United States shall be determined by the AO and the amount thereof shall be deposited, as directed by the AO, until a participating area is finally approved and then adjusted in accordance with a determination of the sum due as Federal royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the AO, that a well drilled under this agreement is not capable of production of unitized substances in paying quantities and inclusion in a participating area of the land on which it is situated is unwarranted, production from such well shall, for the purpose of settlement among all parties other than working interest owners, be allocated to the land on which the well is located, unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a nonpaying unit well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, and other production or development purposes, for repressuring or recycling in accordance with a plan of development and operations that has been approved by the AO, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the participating area established for such production. Each such tract shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land and unleased Federal land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. Allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular part or tract of the participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from the latter participating area for sale during the life of this agreement, shall be considered to be the gas so transferred, until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was defined at the time that such transferred gas was finally produced and sold.

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13. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS. Any operator may, with the approval of the AO, at such party's sole risk, costs, and expense, drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, unless within 90 days of receipt of notice from said party of his intention to drill the well, the Unit Operator elects and commences to drill the well in a like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled under this section by a non-unit operator results in production of unitized substances in paying quantities such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled under this section by a non-unit operator obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, such well may be operated and produced by the party drilling the same, subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT. The United States and any royalty owner who is entitled to take in kind a share of the substances now unitized hereunder shall hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by an operator responsible therefore under existing contracts, laws, and regulations, or by the Unit Operator on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing in this section shall operate to relieve the responsible parties of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, in conformity with a plan of development and operation approved by the AO, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of development and operation or as may otherwise be consented to by the AO as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in 30 CFR Group 200 and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal Land as provided in Section 12 at the rates specified in the respective Federal leases, or at such other rate or rates as may be authorized by law or regulation

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and approved by the AO; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the responsible parties of the land from their respective obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations are commenced upon the land covered thereby within the time therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby, or until some portion of such land is included within a participating area.

16. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal or State law or regulation.

17. DRAINAGE AND DILIGENCE.

(a) The Unit Operator shall take such measures as the AO deems appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal Government. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206. Payment of compensatory royalties on the production reallocated from unleased Federal land to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal lands receive a production allocation, and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal lands receiving a production allocation from the

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participating area become unleased, compensatory royalties shall accrue from the date the Federal lands become unleased. Payment due under this provision shall end when the unleased Federal tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil or gas of lands other than those of the United States committed to this agreement which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production of unitized substances in paying quantities is established under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years, and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act, as amended.

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(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784) (30 U.S.C. 226(m)):

“Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization; Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities.”

If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the AO and shall automatically terminate five years from said effective date unless:

(a) Upon application by the Unit Operator such date of expiration is extended by the AO, or

(b) It is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder, and after notice of intention to terminate this agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, this agreement is terminated with the approval of the AO, or

(c) A valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can

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be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within 60 days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred, or

(d) It is voluntarily terminated as provided in this agreement.

Except as noted herein, this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working interest owners' signatory hereto, with the approval of the AO. The Unit Operator shall give notice of any such approval to all parties hereto.

If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The AO is hereby vested with authority to alter or modify from time to time, in his discretion, the quantity and rate of production under this agreement when such quantity and rate are not fixed pursuant to Federal, or State law, or do not conform to any Statewide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with the authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

Powers in this section vested in the AO shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

22. APPEARANCES. The Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior and to appeal from orders issued under the regulations of said Department, or to apply for relief from any of said regulations, or in any proceedings relative to operations before the Department, or any other legally constituted authority; provided, however, that any other interested party shall also have the right, at its own expense, to be heard in any such proceeding.

23. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last-known address of the party or parties.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing contained in this agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right

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or defense as to the validity or invalidity of any law of the State where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling, or to operate on, or produce unitized substances from any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

26. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the AO, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

27. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw the tract from this agreement by written notice delivered to the proper BLM office and the Unit Operator prior to the approval of this agreement by the AO. Any oil or gas interests in lands within the unit area not committed hereto prior to final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A nonworking interest may not be committed to this unit agreement unless the corresponding working interest is committed hereto. Joinder to the unit agreement by a working interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, in order for the interest to be regarded as committed to this agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date of the filing with the AO of duly executed counterparts of all or

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any papers necessary to establish effective commitment of any interest and/or tract to this agreement.

28. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described unit area.

29. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operations hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

If as the result of any such surrender or forfeiture working interest rights become vested in the fee owner of the unitized substances, such owner may:

- (a) Accept those working interest rights subject to this agreement and the unit operating agreement; or
- (b) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or
- (c) Provide for the independent operation of any part of such land that is not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working interest rights subject to this agreement and the unit operating agreement or lease such lands as above provided within six months after the surrendered or forfeited, working interest rights become vested in the fee owner; the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of the unitized working interests in accordance with their respective working interest ownerships, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within 30 days.

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The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

30. TAXES. The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land covered by this agreement after its effective date, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to royalty owners having interests in said-tract, and may currently retain and deduct a sufficient amount of the unitized substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or to the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

31. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing contained in this agreement, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership association between the parties hereto or any of them.

32. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in this agreement shall modify or change either the special Federal lease stipulations relating to surface management or such special Federal lease stipulations relating to surface and environmental protection, attached to and made a part of Federal oil and gas leases covering lands within the Unit Area.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

OXY USA INC.
Unit Operator

By:  _____

Name: James Laning
Attorney-in-Fact

111

Date: 1-3-2022

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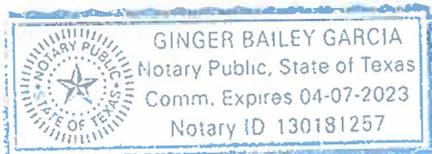
Bureau of Land Management
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ACKNOWLEDGEMENT

STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 3rd day of January, 2022, before me, a Notary Public for the State of Texas, personally appeared James Laning, known to me to be the Attorney-in-Fact of OXY USA INC., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



4/7/2023
My Commission Expires

[Signature]
Notary Public

OXY USA INC.
Working Interest Owner

Date: 1-3-2022

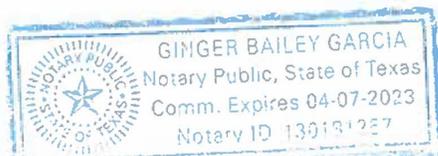
By: [Signature]
Name: James Laning
Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 3rd day of January, 2022, before me, a Notary Public for the State of Texas, personally appeared James Laning, known to me to be the Attorney-in-Fact of OXY USA INC., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



4/7/2023
My Commission Expires

[Signature]
Notary Public

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JAN 07 2022



5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294

EXHIBIT "A-1"

November 17, 2021

Land Law Examiner
Bureau of Land Management
Attn: Lourdes Ortiz
301 Dinosaur Trail
Santa Fe, NM

Re: Correction Transfer of Record Title- NMNM 069372, NMNM 069373
Lea County, New Mexico

Attached hereto are Transfer of Record Title forms for the subject leases, executed by OXY USA INC. A Record Title assignment was previously denied for the two subject leases due to a depth limitation being included on the form. The intent of the entities was that PXP Producing Company, LLC was assigning their remaining interest to OXY USA INC., as indicated in the attached filed and recorded county assignment. Pogo Producing Company LLC is no longer an active company, so per guidance from Lourdes Ortiz this is the approach we are taking to correct the Record title on the SRP.

Also worth noting, OXY USA INC. is currently working through the process to get a Federal Exploratory Unit in place which will include the two subject leases. With that said, OXY USA INC. would appreciate a quick processing of the attached Record Title Transfer Requests, so the SRP reflects the record title owners being listed for the Unit Agreement.

Should any questions or concerns arise from this request or the forms and supporting documentation included with such request, please do not hesitate to contact me via email at amber_delach@oxy.com or via telephone at 713-552-8502.

Sincerely,

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JAN 07 2022

Bureau of Land Management
WHPD / Casper Field Office

Amber Delach, CPL
OXY USA INC.

EXHIBIT "A-2"

All parties to the Dr Pi (Deep) Unit have been invited to commit their interest to the unit. In this regard, please refer to the following:

My letter of November 9, 2021, addressed to the overriding royalty interest owners transmitting a copy of the Dr Pi (Deep) Unit Agreement, Ratification and Joinder instruments thereto, and inviting them to commit their interest.

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OXY USA INC
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294

November 9, 2021

VIA FEDEX OR CERTIFIED MAIL

OVERRIDING ROYALTY OWNER

Re: Ratification of the Dr Pi (Deep) Fed Unit
Sections 7,8,17, and 18, Township 22 South, Range 32 East
Lea County, New Mexico

Dear Overriding Royalty Owner:

OXY USA INC. has received an approved Designation of Unit from the Bureau of Land Management ("BLM") for the Dr Pi (Deep) Fed Unit ("Unit"), covering the following lands:

Township 22 South, Range 32 East, N.M.P.M.

- Section 7: All
- Section 8: All
- Section 17: All
- Section 18: All

Pursuant to unit plan regulations, OXY is hereby offering you the opportunity to join in the Unit by executing the enclosed "Ratification of Unit Agreement".

Should you choose to join in this Unit, please execute and notarize both copies of the enclosed Ratification of Unit Agreement and return in the included pre-labeled envelope.

Should you have any questions or need additional information, please contact the undersigned at Amber_Delach@oxy.com or (713) 552-8502.

Sincerely,

Amber Delach, CPL
Advisor Land Negotiator

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Bureau of Land Management
WHPD / Casper Field Office

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

**APPLICATION OF OXY USA INC. FOR AN
ORDER ACKNOWLEDGING THE DR PI
(DEEP) FED UNIT, LEA COUNTY, NEW
MEXICO.**

CASE NO. 22637

AFFIDAVIT OF AMBER DELACH

Amber Delach, being of lawful age and duly sworn, states the following:

1. My name is Amber Delach and I am employed by OXY USA Inc. (“OXY”) as a Landman. I have previously testified before the Oil Conservation Division and had my credentials as an expert in petroleum land matters accepted and made a matter of record.

2. I am the landman responsible for the formation of the proposed unit, familiar with the application filed by OXY in this matter and the status of the lands in the subject area.

3. Since this application seeks an order by the Division acknowledging a voluntary federal unit, I do not expect any opposition at the hearing.

OXY seeks an order approving the Dr Pi (Deep) Fed Unit, a voluntary unit consisting of approximately 2,595.40 acres of the following federal land situated in Lea County, New Mexico:

Township 22 South, Range 32 East, N.M.P.M.

Section 7: All
Section 8: All
Section 17: All
Section 18: All

4. OXY is the designated operator under the Unit Agreement, which contains 100% federal lands. A copy of the Unit Agreement is attached as Exhibit A to the Application.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: OXY USA INC.
Hearing Date: April 07, 2022
Case No. 22637

5. The unitized interval is all formations below the base of the Delaware Formation, which is found at 8,647 feet measured depth in the Federal 8 Com (30-025-32709) well, located in Section 8, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

6. OXY is the sole record title owner and sole working interest owner in the Unit and, therefore, controls a sufficient percentage of the interest to provide effective control of unit operations.

7. OXY will seek ratification of the Unit Agreement from overriding royalty interest owners. If these overriding royalty interest owners do not ratify the Unit Agreement, they will be paid on a spacing unit basis upon development of lands subject to their interests.

8. OXY has met with the Bureau of Land Management regarding the proposed unitized area and the Unit Agreement. **OXY Exhibit B-1** is a copy of the BLM's approval letter.

9. **OXY Exhibit B-2** is a Form C-102 for the unit obligation well. The Division has placed this obligation well in the WC-025 G-09 S233216K; UPR WOLFCAMP (Pool Code 98166).

10. **OXY Exhibits A and B-1 through B-2** were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT.



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968

In Reply Refer To:
3186
(3186.1)
Dr Pi (Deep) Unit
NMNM143828X

FEB 02 2022

OXY USA INC.
Attn: Amber Delach
P.O. Box 4294
Houston, Texas 77210

Dear Ms. Delach:

The Dr Pi (Deep) Unit Agreement, in Lea County, New Mexico, was approved as of this date. This agreement designated No NMNM143828X is effective as of the date of approval.

This unit provides for the drilling of one obligation well and subsequent drilling obligations pursuant to section 9 of the unit agreement. This obligation well is considered to be a contractual commitment on the part of the unit operator. No extension of time will be granted to commence this "obligation well" other than "unavoidable delay" (section 25), where justified. Any extension granted for "unavoidable delay" requires convincing written justification and documentation prior to the critical date.

Enclosed is one copy of the approved unit agreement for your records. Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

We request that you furnish all other interested parties with appropriate evidence of this approval.

If there are any questions, please contact Abby Peterson, Land Law Examiner, at (307) 261-7636.

Sincerely,


J. David Chase
Chief, Reservoir Management Group

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B1
Submitted by: OXY USA INC.
Hearing Date: April 07, 2022
Case No. 22637

Enclosures
Approved application

I NTERIOR REGION 7 • UPPER COLORADO BASIN
COLORADO, NEW MEXICO, UTAH, WYOMING

Exhibits A & B

cc: NMSO, Sheila Mallory w/ application
ONRR-RRM (email: leases.blm@onrr.gov)
New Mexico State Land Office, Scott Dawson
New Mexico Oil Conservation Division, Leonard Lowe
Carlsbad Field Office w/application

INTERIOR REGION 7 • UPPER COLORADO BASIN
COLORADO, NEW MEXICO, UTAH, WYOMING

CERTIFICATION-DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior, under the Act approved February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. sec 181, et seq., and delegated to the Bureau of Land Management, by executive Order of the Secretary of the Interior, I do hereby:

A. Approve the attached agreement for the development and operation of the Dr Pi (Deep) Unit Area, Lea County, New Mexico. This approval shall be invalid ab initio if the public interest requirement under 43 CFR 3183.4(b) is not met.

B. Certify and determine that the unit plan of development and operation contemplated in the attached agreement is necessary and advisable in the public interest for the purpose of more properly conserving the natural resources.

C. Certify and determine that the drilling, producing, rental, minimum royalty and royalty requirements of all Federal leases committed to said Agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of this agreement.

Dated: _____

Effective Date: _____

Contract No.: NMNM143828X



J. David Chase
Chief, Reservoir Management Group
Bureau of Land Management
Casper, Wyoming



5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294

December 15, 2021

Chief Reservoir Management Group
Bureau of Land Management
2987 Prospector Drive
Casper, Wyoming 82604

Re: **Dr Pi (Deep) Unit Area**
Lea County, New Mexico

Dear Sir:

Pursuant to your letter of November 2, 2021, your office designated 2,595.40 acres, more or less, in Lea County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended, to be known as the Dr Pi (Deep) Unit Area.

We now enclose for your consideration and final approval, two (2) copies of the proposed Unit Agreement for the Development and Operation of the Dr Pi (Deep) Unit Area, which have been executed by OXY USA INC., and ratification and joinder instruments executed by OXY USA INC., (Record Title Owner).

Since OXY USA INC. is the Operator, sole Record Title Owner, and sole Working Interest Owner, a unit operating agreement is not necessary. Please refer to Exhibit "A-1" for the cover letter that accompanied the corrective "Transfer of Record Title" that was sent to the BLM to clear up a previously denied Transfer of Record Title request that was denied due to depth limitation language.

All parties to the Dr Pi (Deep) Unit have been offered the opportunity to commit their interest. In response to the evidence required as set forth in your letter of November 2, 2021, please refer to the attached, marked Exhibit "A-2".

As requested in your letter of November 2, 2021, the Exhibit "B" to the Unit Agreement includes the latest status of all Federal acreage, reflecting the current record owners of all issued leases, there being no federal leases in application status within the unit area, and likewise showing all current overriding royalty interest owners.

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Bureau of Land Management
WHPD / Casper Field Office

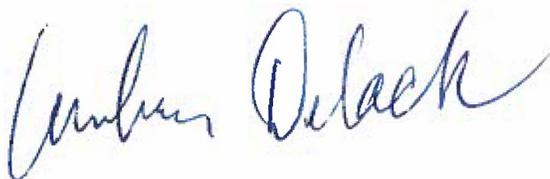
Dr Pi (Deep) Unit Area
Page 2

As reflected by Exhibit "B", the unit area of 2595.40 acres is composed of 2595.40 acres (100.00%) Federal Lands.

Please note that the parties hereto do not wish to horizontally segregate the Federal Leases committed to the Dr Pi (Deep) Unit Agreement.

We respectfully request your consideration of the attached unit agreement and its final approval, if satisfactory, at your earliest convenience. Upon approval, we request that all copies of the attached unit agreement not retained by your office be returned to me at our letterhead address.

Sincerely,



OXY USA INC.

Enclosures

Cc: Chief Reservoir Management Group
Bureau of Land Management
301 Dinosaur Trail
Santa Fe, NM

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Bureau of Land Management
WHPD / Casper Field Office

UNIT AGREEMENT
FOR THE DEVELOPMENT AND OPERATION
OF THE
DR PI (DEEP) FED UNIT AREA
COUNTY OF LEA
STATE OF NEW MEXICO
CONTRACT NO. NMNM 143828X

THIS AGREEMENT, entered into as of the 1st day of January, 2022, by and between the parties subscribing, ratifying, or consenting hereto, and herein referred to as the "parties hereto,"

WITNESSETH:

WHEREAS, the parties hereto are the owners of working, royalty, or other oil and gas interests in the unit area subject to this agreement; and

WHEREAS, the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sec. 181 et seq., authorizes Federal lessees and their representatives to unite with each other, or jointly or separately with others, in collectively adopting and operating under a unit plan of development or operations of any oil or gas pool, field, or like area, or any part thereof for the purpose of more properly conserving the natural resources thereof whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest; and

WHEREAS, the parties hereto hold sufficient interests in the DR PI (DEEP) Fed Unit Area covering the land hereinafter described to give reasonably effective control of operations therein; and

WHEREAS, it is the purpose of the parties hereto to conserve natural resources, prevent waste, and secure other benefits obtainable through development and operation of the area subject to this agreement under the terms, conditions, and limitations herein set forth;

NOW, THEREFORE, in consideration of the premises and the promises herein contained, the parties hereto commit to this agreement their respective interests in the below-defined unit area, and agree severally among themselves as follows:

1. ENABLING ACT AND REGULATIONS. The Mineral Leasing Act of February 25, 1920, as amended, and all valid pertinent regulations including operating and unit plan regulations, heretofore issued thereunder or valid, pertinent, and reasonable regulations hereafter issued thereunder are accepted and made a part of this agreement as to Federal lands, provided such regulations are not inconsistent with the terms of this agreement; and as to non-Federal oil

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and gas operating regulations in effect as of the effective date hereof governing drilling and producing operations, not inconsistent with the terms hereof or the laws of the State in which the non-Federal land is located, are hereby accepted and made a part of this agreement.

2. UNIT AREA. The area specified on the map attached hereto marked Exhibit "A" is hereby designated and recognized as constituting the unit area, containing 2,595.40 acres, more or less.

Exhibit "A" shows, in addition to the boundary of the unit area, the boundaries and identity of tracts and leases in said area to the extent known to the Unit Operator. Exhibit "B" attached hereto is a schedule showing to the extent known to the Unit Operator, the acreage, percentage, and kind of ownership of oil and gas interests in all lands in the unit area. However, nothing herein or in Exhibits "A" or "B" shall be construed as a representation by any party hereto as to the ownership of any interest other than such interest or interests as are shown in the Exhibits as owned by such party. Exhibits "A" and "B" shall be revised by the Unit Operator whenever changes in the unit area or in the ownership interests in the individual tracts render such revision necessary, or when requested by the Authorized Officer, hereinafter referred to as "AO," and not less than four copies of the revised Exhibits shall be filed with the proper Bureau of Land Management office.

The above-described unit area shall when practicable be expanded to include therein any additional lands or shall be contracted to exclude lands whenever such expansion or contraction is deemed to be necessary or advisable to conform with the purposes of this agreement. Such expansion or contraction shall be affected in the following manner:

(a) Unit Operator, on its own motion (after preliminary concurrence by the AO), or on demand of the AO, shall prepare a notice of proposed expansion or contraction describing the contemplated changes in the boundaries of the unit area, the reasons therefor, any plans for additional drilling, and the proposed effective date of the expansion or contraction, preferably the first day of the month subsequent to the date of notice.

(b) Said notice shall be delivered to the proper BLM office, and copies thereof mailed to the last known address of each working interest owner, lessee and lessor whose interests are affected, advising that 30 days will be allowed for submission to the Unit Operator of any objections.

(c) Upon expiration of the 30-day period provided in the preceding item (b) hereof, Unit Operator shall file with the AO evidence of mailing of the notice of expansion or contraction and a copy of any objections thereto which have been filed with the Unit Operator, together with an application in triplicate, for approval of such expansion or contraction and with appropriate joinders.

(d) After due consideration of all pertinent information, the expansion or contraction shall, upon approval of the AO, become effective as of the date prescribed in the notice thereof or such other appropriate date.

(e) All legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be

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considered in multiples of 40 acres or the nearest aliquot equivalent thereof), no parts of which are in or entitled to be in a participating area on or before the fifth anniversary of the effective date of the first initial participating area established under this unit agreement, shall be eliminated automatically from this agreement, effective as of said fifth anniversary, and such lands shall no longer be a part of the unit area and shall no longer be subject to this agreement, unless diligent drilling operations are in progress on unitized lands not entitled to participation on said fifth anniversary, in which event all such lands shall remain subject hereto for so long as such drilling operations are continued diligently, with not more than 90 days' time elapsing between the completion of one such well and the commencement of the next such well. All legal subdivisions of lands not entitled to be in a participating area within 10 years after the effective date of the first initial participating area approved under this agreement shall be automatically eliminated from this agreement as of said tenth anniversary. The Unit Operator shall, within 90 days after the effective date of any elimination hereunder, describe the area so eliminated to the satisfaction of the AO and promptly notify all parties in interest. All lands reasonably proved productive of unitized substances in paying quantities by diligent drilling operations after the aforesaid five-year period shall become participating in the same manner as during said first five-year period. However, when such diligent drilling operations cease, all nonparticipating lands not then entitled to be in a participating area shall be automatically eliminated effective as of the 91st day thereafter.

Any expansion of the unit area pursuant to this section which embraces lands theretofore eliminated pursuant to this subsection 2(e) shall not be considered automatic commitment or recommitment of such lands. If conditions warrant extension of the 10-year period specified in this subsection, a single extension of not to exceed two years may be accomplished by consent of the owners of 90 percent (90%) of the working interest in the current nonparticipating unitized lands and the owners of 60 percent (60%) of the basic royalty interests (exclusive of the basic royalty interests of the United States) in nonparticipating unitized lands with approval of the AO, provided such extension application is submitted not later than 60 days prior to the expiration of said 10-year period.

3. UNITIZED LAND AND UNITIZED SUBSTANCES. All land now or hereafter committed to this agreement shall constitute land referred to herein as "unitized land" or "land subject to this agreement". All oil and gas in any and all formations of the unitized land below the base of the Delaware Formation, which is found at 8,647' depth MD in the Federal 8 Com 1 (30-025-32709) located in Section 8, Township 22S Range 32E, Lea County, New Mexico, N.M.P.M., are unitized under the terms of this agreement and herein are called "unitized substances"; provided, however, that it is the specific intent of the parties hereto not to cause or effectuate any horizontal segregation of any Federal lease committed hereto as a consequence of the aforementioned depth limitations of the unitized lands."

4. UNIT OPERATOR. OXY USA INC. is hereby designated as Unit Operator and by signature hereto as Unit Operator agrees and consents to accept the duties and obligations of Unit Operator for the discovery, development, and production of unitized substances as herein provided. Whenever reference is made herein to the Unit Operator, such reference means the Unit Operator acting in that capacity and not as an owner of interest in unitized substances, and

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the term "working interest owner" when used herein shall include or refer to Unit Operator as the owner of a working interest only when such an interest is owned by it.

5. RESIGNATION OR REMOVAL OF UNIT OPERATOR. Unit Operator shall have the right to resign at any time prior to the establishment of a participating area or areas hereunder, but such resignation shall not become effective so as to release Unit Operator from the duties and obligations of Unit Operator and terminate Unit Operator's rights as such for a period of six months after notice of intention to resign has been served by Unit Operator on all working interest owners and the AO and until all wells then drilled hereunder are placed in a satisfactory condition for suspension or abandonment, whichever is required by the AO, unless a new Unit Operator shall have been selected and approved and shall have taken over and assumed the duties and obligations of Unit Operator prior to the expiration of said period.

Unit Operator shall have the right to resign in like manner and subject to like limitations as above provided at any time after a participating area established hereunder is in existence, but in all instances of resignation or removal, until a successor Unit Operator is selected and approved as hereinafter provided, the working interest owners shall be jointly responsible for performance of the duties of Unit Operator, and shall not later than 30 days before such resignation or removal becomes effective appoint a common agent to represent them in any action to be taken hereunder.

The resignation of Unit Operator shall not release the Unit Operator from any liability for any default by it hereunder occurring prior to the effective date of its resignation.

The Unit Operator may, upon default or failure in the performance of its duties or obligations hereunder, be subject to removal by the same percentage vote of the owners of working interests as herein provided for the selection of a new Unit Operator. Such removal shall be effective upon notice thereof to the AO.

The resignation or removal of Unit Operator under this agreement shall not terminate its right, title, or interest as the owner of working interest or other interest in unitized substances, but upon the resignation or removal of Unit Operator becoming effective, such Unit Operator shall deliver possession of all wells, equipment, materials, and appurtenances used in conducting the unit operations to the new duly qualified successor Unit Operator or to the common agent, if no such new Unit Operator is selected, to be used for the purpose of conducting unit operations hereunder. Nothing herein shall be construed as authorizing removal of any material, equipment, or appurtenances needed for the preservation of any wells.

6. SUCCESSOR UNIT OPERATOR. Whenever the Unit Operator shall tender his or its resignation as Unit Operator or shall be removed as hereinabove provided, or a change of Unit Operator is negotiated by the working interest owners, the owners of the working interests according to their respective acreage interests in all unitized land shall, pursuant to the Approval of the Parties requirements of the unit operating agreement, select a successor Unit Operator. Such selection shall not become effective until:

(a) a Unit Operator so selected shall accept in writing the duties and responsibilities of Unit Operator, and

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(b) the selection shall have been approved by the AO.

If no successor Unit Operator is selected and qualified as herein provided, the AO at his election may declare this unit agreement terminated.

7. ACCOUNTING PROVISIONS AND UNIT OPERATING AGREEMENT. If the Unit Operator is not the sole owner of working interests, costs and expenses incurred by Unit Operator in conducting unit operations hereunder shall be paid and apportioned among and borne by the owners of working interests, all in accordance with the agreement or agreements entered into by and between the Unit Operator and the owners of working interests, whether one or more, separately or collectively. Any agreement or agreements entered into between the working interest owners and the Unit Operator as provided in this section, whether one or more, are herein referred to as the "unit operating agreement." Such unit operating agreement shall also provide the manner in which the working interest owners shall be entitled to receive their respective proportionate and allocated share of the benefits accruing hereto in conformity with their underlying operating agreements, leases, or other independent contracts, and such other rights and obligations as between Unit Operator and the working interest owners as may be agreed upon by Unit Operator and the working interest owners; however, no such unit operating agreement shall be deemed either to modify any of the terms and conditions of this unit agreement or to relieve the Unit Operator of any right or obligation established under this agreement, and in the case of any inconsistency or conflict between this agreement and the unit operating agreement, this agreement shall govern. Two copies of the unit operating agreement, executed pursuant to this section shall be filed in the proper BLM office prior to approval of this unit agreement.

8. RIGHTS AND OBLIGATIONS OF UNIT OPERATOR. Except as otherwise specifically provided herein, the exclusive right, privilege, and duty of exercising any and all rights of the parties hereto which are necessary or convenient for prospecting for, producing, storing, allocating, and distributing the unitized substances are hereby delegated to and shall be exercised by the Unit Operator as herein provided. Acceptable evidence of title to said rights shall be deposited with Unit Operator and, together with this agreement, shall constitute and define the rights, privileges, and obligations of Unit Operator. Nothing herein, however, shall be construed to transfer title to any land or to any lease or operating agreement, it being understood that under this agreement the Unit Operator, in its capacity as Unit Operator, shall exercise the rights of possession and use vested in the parties hereto only for the purposes herein specified.

9. DRILLING TO DISCOVERY. Within 6 months after the effective date hereof, the Unit Operator shall commence to drill an adequate test well at a location approved by the AO, unless on such effective date a well is being drilled in conformity with the terms hereof, and thereafter continue such drilling diligently until at least 5,000 foot horizontal lateral in the Wolfcamp Formation has been tested or the Unit Operator shall at any time establish to the satisfaction of the AO that further drilling of said well would be unwarranted or impracticable. Until the discovery of unitized substances capable of being produced in paying quantities (to-wit: quantities sufficient to repay the costs of drilling, completing and producing operations, with a reasonable profit), the Unit Operator shall continue drilling one well at a time, allowing not more than 6 months between the completion of one well and the commencement of drilling operations for the next well, until a well capable of producing unitized substances in paying quantities is

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of the AO or until it is reasonably proved that the unitized land is incapable of producing unitized substances in paying quantities in the formations drilled hereunder. Nothing in this section shall be deemed to limit the right of the Unit Operator to resign as provided in Section 5 hereof, or as requiring Unit Operator to commence or continue any drilling during the period pending such resignation becoming effective in order to comply with the requirements of this section."

The AO may modify any of the drilling requirements of this section by granting reasonable extensions of time when, in his opinion, such action is warranted.

Until the establishment of a participating area, the failure to commence a well subsequent to the drilling of the initial obligation well, or in the case of multiple well requirements, if specified, subsequent to the drilling of those multiple wells, as provided for in this (these) section(s), within the time allowed including any extension of time granted by the AO, shall cause this agreement to terminate automatically. Upon failure to continue drilling diligently any well other than the obligation well(s) commenced hereunder, the AO may, after 15 days' notice to the Unit Operator, declare this unit agreement terminated. Failure to commence drilling the initial obligation well, or the first of multiple obligation wells, on time and to drill it diligently shall result in the unit agreement approval being declared invalid *ab initio* by the AO. In the case of multiple well requirements, failure to commence drilling the required multiple wells beyond the first well, and to drill them diligently, may result in the unit agreement approval being declared invalid *ab initio* by the AO.

10. PLAN OF FURTHER DEVELOPMENT AND OPERATION. Within six months after completion of a well capable of producing unitized substances in paying quantities, the Unit Operator shall submit for the approval of the AO an acceptable plan of development and operation for the unitized land which, when approved by the authorized officer, shall constitute the further drilling and development obligations of the Unit Operator under this agreement for the period specified therein. Thereafter, from time to time before the expiration of any existing plan, the Unit Operator shall submit for the approval of the AO a plan for an additional specified period for the development and operation of the unitized land. Subsequent plans should normally be filed on a calendar-year basis not later than March 1 of each year. Any proposed modification or addition to the existing plan should be filed as a supplement to the plan.

Any plan submitted pursuant to this section shall provide for the timely exploration of the unitized area, and for the diligent drilling necessary for determination of the area or areas capable of producing unitized substances in paying quantities in each and every productive formation. This plan shall be as complete and adequate as the AO may determine to be necessary for timely development and proper conservation of the oil and gas resources in the unitized area and shall:

- (a) Specify the number and locations of any wells to be drilled and the proposed order and time for such drilling; and
- (b) Provide a summary of operations and production for the previous year.

Plans shall be modified or supplemented when necessary to meet changed conditions or to protect the interests of all parties to this agreement. Reasonable diligence shall be exercised in

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complying with the obligations of the approved plan of development and operation. The AO is authorized to grant a reasonable extension of the six-month period herein prescribed for submission of the initial plan of development and operation where such action is justified because of unusual conditions or circumstances. Upon failure by the operator to timely submit or adhere to an approved plan of development or operation without prior written authorization, the AO, at his discretion, shall after 15 days' notice to the Unit Operator, eliminate by subdivisions (as defined in Section 2(e) hereof) all lands not then entitled to be in a participating area. The effective date of elimination shall be the first of the month in which the knowledge or information is obtained on which such elimination is predicated.

After completion of a well capable of producing unitized substances in paying quantities, no further wells, except such as may be necessary to afford protection against operations not under this agreement and such as may be specifically approved by the AO, shall be drilled except in accordance with an approved plan of development and operation.

11. PARTICIPATION AFTER DISCOVERY. Upon completion of a well capable of producing unitized substances in paying quantities, or as soon thereafter as required by the AO, the Unit Operator shall submit for approval by the AO, a schedule, based on subdivisions of the public land survey or aliquot parts thereof, of all land then regarded as reasonably proved to be productive of unitized substances in paying quantities. These lands shall constitute a participating area on approval of the AO, effective as of the date of completion of such well or the effective date of this unit agreement, whichever is later. The acreages of Federal and non-Federal lands shall be based upon appropriate computations from the courses and distances shown on the last approved public land survey as of the effective date of each initial participating area. The schedule shall also set forth the percentage of unitized substances to be allocated, as provided in Section 12, to each committed tract in the participating area so established, and shall govern the allocation of production commencing with the effective date of the participating area. A different participating area shall be established for each separate pool or deposit of unitized substances or for any group thereof which is produced as a single pool or zone, and any two or more participating areas so established may be combined into one, on approval of the AO. When production from two or more participating areas is subsequently found to be from a common pool or deposit, the participating areas shall be combined into one, effective as of such appropriate date as may be approved or prescribed by the AO. The participating area or areas so established shall be revised from time to time, subject to the approval of the AO, to include additional lands then regarded as reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations, or to exclude lands then regarded as not reasonably proved to be productive of unitized substances in paying quantities, and the schedule of allocation percentages shall be revised accordingly. The effective date of any revision shall be the first of the month in which the knowledge or information is obtained on which such revision is predicated; provided, however, that a more appropriate effective date may be used if justified by Unit Operator and approved by the AO. No land shall be excluded from a participating area on account of depletion of its unitized substances, except that any participating area established under the provisions of this unit agreement shall terminate automatically whenever all completions in the formation on which the participating area is based are abandoned. It is the intent of this section that a participating area shall represent the area known or reasonably proved to be productive of unitized substances in paying quantities or which are necessary for unit operations; but, regardless of any revision of the participating area, nothing

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herein contained shall be construed as requiring any retroactive adjustment for production obtained prior to the effective date of the revision of the participating area.

In the absence of agreement at any time between the Unit Operator and the AO as to the proper definition or redefinition of a participating area, or until a participating area has, or areas have, been established, the portion of all payments affected thereby shall, except royalty due the United States, be impounded in a manner mutually acceptable to the owners of committed working interests. Royalties due the United States shall be determined by the AO and the amount thereof shall be deposited, as directed by the AO, until a participating area is finally approved and then adjusted in accordance with a determination of the sum due as Federal royalty on the basis of such approved participating area.

Whenever it is determined, subject to the approval of the AO, that a well drilled under this agreement is not capable of production of unitized substances in paying quantities and inclusion in a participating area of the land on which it is situated is unwarranted, production from such well shall, for the purpose of settlement among all parties other than working interest owners, be allocated to the land on which the well is located, unless such land is already within the participating area established for the pool or deposit from which such production is obtained. Settlement for working interest benefits from such a nonpaying unit well shall be made as provided in the unit operating agreement.

12. ALLOCATION OF PRODUCTION. All unitized substances produced from a participating area established under this agreement, except any part thereof used in conformity with good operating practices within the unitized area for drilling, operating, and other production or development purposes, for repressuring or recycling in accordance with a plan of development and operations that has been approved by the AO, or unavoidably lost, shall be deemed to be produced equally on an acreage basis from the several tracts of the participating area established for such production. Each such tract shall have allocated to it such percentage of said production as the number of acres of such tract included in said participating area bears to the total acres of unitized land and unleased Federal land, if any, included in said participating area. There shall be allocated to the working interest owner(s) of each tract of unitized land in said participating area, in addition, such percentage of the production attributable to the unleased Federal land within the participating area as the number of acres of such unitized tract included in said participating area bears to the total acres of unitized land in said participating area, for the payment of the compensatory royalty specified in Section 17 of this agreement. Allocation of production hereunder for purposes other than for settlement of the royalty, overriding royalty, or payment out of production obligations of the respective working interest owners, including compensatory royalty obligations under Section 17, shall be prescribed as set forth in the unit operating agreement or as otherwise mutually agreed by the affected parties. It is hereby agreed that production of unitized substances from a participating area shall be allocated as provided herein, regardless of whether any wells are drilled on any particular part or tract of the participating area. If any gas produced from one participating area is used for repressuring or recycling purposes in another participating area, the first gas withdrawn from the latter participating area for sale during the life of this agreement, shall be considered to be the gas so transferred, until an amount equal to that transferred shall be so produced for sale and such gas shall be allocated to the participating area from which initially produced as such area was defined at the time that such transferred gas was finally produced and sold.

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13. DEVELOPMENT OR OPERATION OF NONPARTICIPATING LAND OR FORMATIONS. Any operator may, with the approval of the AO, at such party's sole risk, costs, and expense, drill a well on the unitized land to test any formation provided the well is outside any participating area established for that formation, unless within 90 days of receipt of notice from said party of his intention to drill the well, the Unit Operator elects and commences to drill the well in a like manner as other wells are drilled by the Unit Operator under this agreement.

If any well drilled under this section by a non-unit operator results in production of unitized substances in paying quantities such that the land upon which it is situated may properly be included in a participating area, such participating area shall be established or enlarged as provided in this agreement and the well shall thereafter be operated by the Unit Operator in accordance with the terms of this agreement and the unit operating agreement.

If any well drilled under this section by a non-unit operator obtains production in quantities insufficient to justify the inclusion of the land upon which such well is situated in a participating area, such well may be operated and produced by the party drilling the same, subject to the conservation requirements of this agreement. The royalties in amount or value of production from any such well shall be paid as specified in the underlying lease and agreements affected.

14. ROYALTY SETTLEMENT. The United States and any royalty owner who is entitled to take in kind a share of the substances now unitized hereunder shall hereafter be entitled to the right to take in kind its share of the unitized substances, and Unit Operator, or the non-unit operator in the case of the operation of a well by a non-unit operator as herein provided for in special cases, shall make deliveries of such royalty share taken in kind in conformity with the applicable contracts, laws, and regulations. Settlement for royalty interest not taken in kind shall be made by an operator responsible therefore under existing contracts, laws, and regulations, or by the Unit Operator on or before the last day of each month for unitized substances produced during the preceding calendar month; provided, however, that nothing in this section shall operate to relieve the responsible parties of any land from their respective lease obligations for the payment of any royalties due under their leases.

If gas obtained from lands not subject to this agreement is introduced into any participating area hereunder, for use in repressuring, stimulation of production, or increasing ultimate recovery, in conformity with a plan of development and operation approved by the AO, a like amount of gas, after settlement as herein provided for any gas transferred from any other participating area and with appropriate deduction for loss from any cause, may be withdrawn from the formation into which the gas is introduced, royalty free as to dry gas, but not as to any products which may be extracted therefrom; provided that such withdrawal shall be at such time as may be provided in the approved plan of development and operation or as may otherwise be consented to by the AO as conforming to good petroleum engineering practice; and provided further, that such right of withdrawal shall terminate on the termination of this unit agreement.

Royalty due the United States shall be computed as provided in 30 CFR Group 200 and paid in value or delivered in kind as to all unitized substances on the basis of the amounts thereof allocated to unitized Federal Land as provided in Section 12 at the rates specified in the respective Federal leases, or at such other rate or rates as may be authorized by law or regulation

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and approved by the AO; provided, that for leases on which the royalty rate depends on the daily average production per well, said average production shall be determined in accordance with the operating regulations as though each participating area were a single consolidated lease.

15. RENTAL SETTLEMENT. Rental or minimum royalties due on leases committed hereto shall be paid by the appropriate parties under existing contracts, laws, and regulations, provided that nothing herein contained shall operate to relieve the responsible parties of the land from their respective obligations for the payment of any rental or minimum royalty due under their leases. Rental or minimum royalty for lands of the United States subject to this agreement shall be paid at the rate specified in the respective leases from the United States unless such rental or minimum royalty is waived, suspended, or reduced by law or by approval of the Secretary or his duly authorized representative.

With respect to any lease on non-Federal land containing provisions which would terminate such lease unless drilling operations are commenced upon the land covered thereby within the time therein specified or rentals are paid for the privilege of deferring such drilling operations, the rentals required thereby shall, notwithstanding any other provision of this agreement, be deemed to accrue and become payable during the term thereof as extended by this agreement and until the required drilling operations are commenced upon the land covered thereby, or until some portion of such land is included within a participating area.

16. CONSERVATION. Operations hereunder and production of unitized substances shall be conducted to provide for the most economical and efficient recovery of said substances without waste, as defined by or pursuant to Federal or State law or regulation.

17. DRAINAGE AND DILIGENCE.

(a) The Unit Operator shall take such measures as the AO deems appropriate and adequate to prevent drainage of unitized substances from unitized land by wells on land not subject to this agreement, which shall include the drilling of protective wells and which may include the payment of a fair and reasonable compensatory royalty, as determined by the AO.

(b) Whenever a participating area approved under Section 11 of this agreement contains unleased Federal lands, the value of 12-1/2 percent of the production that would be allocated to such Federal lands under Section 12 of this agreement, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal Government. Parties to this agreement holding working interests in committed leases within the applicable participating area shall be responsible for such compensatory royalty payment on the volume of production reallocated from the unleased Federal lands to their unitized tracts under Section 12. The value of such production subject to the payment of said royalties shall be determined pursuant to 30 CFR Part 206. Payment of compensatory royalties on the production reallocated from unleased Federal land to the committed tracts within the participating area shall fulfill the Federal royalty obligation for such production and said production shall be subject to no further Federal royalty assessment under Section 14 of this agreement. Payment of compensatory royalties as provided herein shall accrue from the date the committed tracts in the participating area that includes unleased Federal lands receive a production allocation, and shall be due and payable monthly by the last day of the calendar month next following the calendar month of actual production. If leased Federal lands receiving a production allocation from the

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participating area become unleased, compensatory royalties shall accrue from the date the Federal lands become unleased. Payment due under this provision shall end when the unleased Federal tract is leased or when production of unitized substances ceases within the participating area and the participating area is terminated, whichever occurs first.

18. LEASES AND CONTRACTS CONFORMED AND EXTENDED. The terms, conditions, and provisions of all leases, subleases, and other contracts relating to exploration, drilling, development or operation for oil or gas on lands committed to this agreement are hereby expressly modified and amended to the extent necessary to make the same conform to the provisions hereof, but otherwise to remain in full force and effect; and the parties hereto hereby consent that the Secretary shall and by his approval hereof, or by the approval hereof by his duly authorized representative, does hereby establish, alter, change, or revoke the drilling, producing, rental, minimum royalty, and royalty requirements of Federal leases committed hereto and the regulations in respect thereto to conform said requirements to the provisions of this agreement, and, without limiting the generality of the foregoing, all leases, subleases, and contracts are particularly modified in accordance with the following:

(a) The development and operation of lands subject to this agreement under the terms hereof shall be deemed full performance of all obligations for development and operation with respect to each and every separately owned tract subject to this agreement, regardless of whether there is any development of any particular tract of this unit area.

(b) Drilling and producing operations performed hereunder upon any tract of unitized lands will be accepted and deemed to be performed upon and for the benefit of each and every tract of unitized land, and no lease shall be deemed to expire by reason of failure to drill or produce wells situated on the land therein embraced.

(c) Suspension of drilling or producing operations on all unitized lands pursuant to direction or consent of the AO shall be deemed to constitute such suspension pursuant to such direction or consent as to each and every tract of unitized land. A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.

(d) Each lease, sublease, or contract relating to the exploration, drilling, development, or operation for oil or gas of lands other than those of the United States committed to this agreement which, by its terms might expire prior to the termination of this agreement, is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of this agreement.

(e) Any Federal lease committed hereto shall continue in force beyond the term so provided therein or by law as to the land committed so long as such lease remains subject hereto, provided that production of unitized substances in paying quantities is established under this unit agreement prior to the expiration date of the term of such lease, or in the event actual drilling operations are commenced on unitized land, in accordance with provisions of this agreement, prior to the end of the primary term of such lease and are being diligently prosecuted at that time, such lease shall be extended for two years, and so long thereafter as oil or gas is produced in paying quantities in accordance with the provisions of the Mineral Leasing Act, as amended.

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(f) Each sublease or contract relating to the operation and development of unitized substances from lands of the United States committed to this agreement, which by its terms would expire prior to the time at which the underlying lease, as extended by the immediately preceding paragraph, will expire is hereby extended beyond any such term so provided therein so that it shall be continued in full force and effect for and during the term of the underlying lease as such term is herein extended.

(g) The segregation of any Federal lease committed to this agreement is governed by the following provision in the fourth paragraph of Sec. 17(m) of the Mineral Leasing Act, as amended by the Act of September 2, 1960 (74 Stat. 781-784) (30 U.S.C. 226(m)):

“Any (Federal) lease heretofore or hereafter committed to any such (unit) plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization; Provided, however, that any such lease as to the non-unitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities.”

If the public interest requirement is not satisfied, the segregation of a lease and/or extension of a lease pursuant to 43 CFR 3107.3-2 and 43 CFR 3107.4, respectively, shall not be effective.

19. COVENANTS RUN WITH LAND. The covenants herein shall be construed to be covenants running with the land with respect to the interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of interest in land or leases subject hereto shall be and hereby is conditioned upon the assumption of all privileges and obligations hereunder by the grantee, transferee, or other successor in interest.

No assignment or transfer of any working interest, royalty, or other interest subject hereto shall be binding upon Unit Operator until the first day of the calendar month after Unit Operator is furnished with the original, photostatic, or certified copy of the instrument of transfer.

20. EFFECTIVE DATE AND TERM. This agreement shall become effective upon approval by the AO and shall automatically terminate five years from said effective date unless:

(a) Upon application by the Unit Operator such date of expiration is extended by the AO, or

(b) It is reasonably determined prior to the expiration of the fixed term or any extension thereof that the unitized land is incapable of production of unitized substances in paying quantities in the formations tested hereunder, and after notice of intention to terminate this agreement on such ground is given by the Unit Operator to all parties in interest at their last known addresses, this agreement is terminated with the approval of the AO, or

(c) A valuable discovery of unitized substances in paying quantities has been made or accepted on unitized land during said initial term or any extension thereof, in which event this agreement shall remain in effect for such term and so long thereafter as unitized substances can

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be produced in quantities sufficient to pay for the cost of producing same from wells on unitized land within any participating area established hereunder. Should production cease and diligent drilling or reworking operations to restore production or new production are not in progress within 60 days and production is not restored or should new production not be obtained in paying quantities on committed lands within this unit area, this agreement will automatically terminate effective the last day of the month in which the last unitized production occurred, or

(d) It is voluntarily terminated as provided in this agreement.

Except as noted herein, this agreement may be terminated at any time prior to the discovery of unitized substances which can be produced in paying quantities by not less than 75 per centum, on an acreage basis, of the working interest owners' signatory hereto, with the approval of the AO. The Unit Operator shall give notice of any such approval to all parties hereto.

If the public interest requirement is not satisfied, the approval of this unit by the AO shall be invalid.

21. RATE OF PROSPECTING, DEVELOPMENT, AND PRODUCTION. The AO is hereby vested with authority to alter or modify from time to time, in his discretion, the quantity and rate of production under this agreement when such quantity and rate are not fixed pursuant to Federal, or State law, or do not conform to any Statewide voluntary conservation or allocation program which is established, recognized, and generally adhered to by the majority of operators in such State. The above authority is hereby limited to alteration or modifications which are in the public interest. The public interest to be served and the purpose thereof, must be stated in the order of alteration or modification. Without regard to the foregoing, the AO is also hereby vested with the authority to alter or modify from time to time, in his discretion, the rate of prospecting and development and the quantity and rate of production under this agreement when such alteration or modification is in the interest of attaining the conservation objectives stated in this agreement and is not in violation of any applicable Federal or State law.

Powers in this section vested in the AO shall only be exercised after notice to Unit Operator and opportunity for hearing to be held not less than 15 days from notice.

22. APPEARANCES. The Unit Operator shall, after notice to other parties affected, have the right to appear for and on behalf of any and all interests affected hereby before the Department of the Interior and to appeal from orders issued under the regulations of said Department, or to apply for relief from any of said regulations, or in any proceedings relative to operations before the Department, or any other legally constituted authority; provided, however, that any other interested party shall also have the right, at its own expense, to be heard in any such proceeding.

23. NOTICES. All notices, demands, or statements required hereunder to be given or rendered to the parties hereto shall be in writing and shall be personally delivered to the party or parties, or sent by postpaid registered or certified mail, to the last-known address of the party or parties.

24. NO WAIVER OF CERTAIN RIGHTS. Nothing contained in this agreement shall be construed as a waiver by any party hereto of the right to assert any legal or constitutional right

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or defense as to the validity or invalidity of any law of the State where the unitized lands are located, or of the United States, or regulations issued thereunder in any way affecting such party, or as a waiver by any such party of any right beyond his or its authority to waive.

25. UNAVOIDABLE DELAY. All obligations under this agreement requiring the Unit Operator to commence or continue drilling, or to operate on, or produce unitized substances from any of the lands covered by this agreement, shall be suspended while the Unit Operator, despite the exercise of due care and diligence, is prevented from complying with such obligations, in whole or in part, by strikes, acts of God, Federal, State, or municipal law or agencies, unavoidable accidents, uncontrollable delays in transportation, inability to obtain necessary materials or equipment in the open market, or other matters beyond the reasonable control of the Unit Operator, whether similar to matters herein enumerated or not.

26. LOSS OF TITLE. In the event title to any tract of unitized land shall fail and the true owner cannot be induced to join in this unit agreement, such tract shall be automatically regarded as not committed hereto and there shall be such readjustment of future costs and benefits as may be required on account of the loss of such title. In the event of a dispute as to title to any royalty, working interest, or other interests subject thereto, payment or delivery on account thereof may be withheld without liability for interest until the dispute is finally settled; provided, that, as to Federal lands or leases, no payments of funds due the United States shall be withheld, but such funds shall be deposited as directed by the AO, to be held as unearned money pending final settlement of the title dispute, and then applied as earned or returned in accordance with such final settlement.

Unit Operator as such is relieved from any responsibility for any defect or failure of any title hereunder.

27. NONJOINDER AND SUBSEQUENT JOINDER. If the owner of any substantial interest in a tract within the unit area fails or refuses to subscribe or consent to this agreement, the owner of the working interest in that tract may withdraw the tract from this agreement by written notice delivered to the proper BLM office and the Unit Operator prior to the approval of this agreement by the AO. Any oil or gas interests in lands within the unit area not committed hereto prior to final approval may thereafter be committed hereto by the owner or owners thereof subscribing or consenting to this agreement, and, if the interest is a working interest, by the owner of such interest also subscribing to the unit operating agreement. After operations are commenced hereunder, the right of subsequent joinder, as provided in this section, by a working interest owner is subject to such requirements or approval(s), if any, pertaining to such joinder, as may be provided for in the unit operating agreement. After final approval hereof, joinder by a nonworking interest owner must be consented to in writing by the working interest owner committed hereto and responsible for the payment of any benefits that may accrue hereunder in behalf of such nonworking interest. A nonworking interest may not be committed to this unit agreement unless the corresponding working interest is committed hereto. Joinder to the unit agreement by a working interest owner, at any time, must be accompanied by appropriate joinder to the unit operating agreement, in order for the interest to be regarded as committed to this agreement. Except as may otherwise herein be provided, subsequent joinders to this agreement shall be effective as of the date of the filing with the AO of duly executed counterparts of all or

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any papers necessary to establish effective commitment of any interest and/or tract to this agreement.

28. COUNTERPARTS. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument in writing specifically referring hereto and shall be binding upon all those parties who have executed such a counterpart, ratification, or consent hereto with the same force and effect as if all such parties had signed the same document, and regardless of whether or not it is executed by all other parties owning or claiming an interest in the lands within the above-described unit area.

29. SURRENDER. Nothing in this agreement shall prohibit the exercise by any working interest owner of the right to surrender vested in such party by any lease, sublease, or operating agreement as to all or any part of the lands covered thereby, provided that each party who will or might acquire such working interest by such surrender or by forfeiture as hereafter set forth, is bound by the terms of this agreement.

If as a result of any such surrender, the working interest rights as to such lands become vested in any party other than the fee owner of the unitized substances, said party may forfeit such rights and further benefits from operations hereunder as to said land to the party next in the chain of title who shall be and become the owner of such working interest.

If as the result of any such surrender or forfeiture working interest rights become vested in the fee owner of the unitized substances, such owner may:

- (a) Accept those working interest rights subject to this agreement and the unit operating agreement; or
- (b) Lease the portion of such land as is included in a participating area established hereunder subject to this agreement and the unit operating agreement; or
- (c) Provide for the independent operation of any part of such land that is not then included within a participating area established hereunder.

If the fee owner of the unitized substances does not accept the working interest rights subject to this agreement and the unit operating agreement or lease such lands as above provided within six months after the surrendered or forfeited, working interest rights become vested in the fee owner; the benefits and obligations of operations accruing to such lands under this agreement and the unit operating agreement shall be shared by the remaining owners of the unitized working interests in accordance with their respective working interest ownerships, and such owners of working interests shall compensate the fee owner of unitized substances in such lands by paying sums equal to the rentals, minimum royalties, and royalties applicable to such lands under the lease in effect when the lands were unitized.

An appropriate accounting and settlement shall be made for all benefits accruing to or payments and expenditures made or incurred on behalf of such surrendered or forfeited working interests subsequent to the date of surrender or forfeiture, and payment of any moneys found to be owing by such an accounting shall be made as between the parties within 30 days.

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The exercise of any right vested in a working interest owner to reassign such working interest to the party from whom obtained shall be subject to the same conditions as set forth in this section in regard to the exercise of a right to surrender.

30. TAXES. The working interest owners shall render and pay for their account and the account of the royalty owners all valid taxes on or measured by the unitized substances in and under or that may be produced, gathered and sold from the land covered by this agreement after its effective date, or upon the proceeds derived therefrom. The working interest owners on each tract shall and may charge the proper proportion of said taxes to royalty owners having interests in said-tract, and may currently retain and deduct a sufficient amount of the unitized substances or derivative products, or net proceeds thereof, from the allocated share of each royalty owner to secure reimbursement for the taxes so paid. No such taxes shall be charged to the United States or to the State of New Mexico or to any lessor who has a contract with his lessee which requires the lessee to pay such taxes.

31. NO PARTNERSHIP. It is expressly agreed that the relation of the parties hereto is that of independent contractors and nothing contained in this agreement, expressed or implied, nor any operations conducted hereunder, shall create or be deemed to have created a partnership association between the parties hereto or any of them.

32. SURFACE AND ENVIRONMENTAL PROTECTION STIPULATIONS. Nothing in this agreement shall modify or change either the special Federal lease stipulations relating to surface management or such special Federal lease stipulations relating to surface and environmental protection, attached to and made a part of Federal oil and gas leases covering lands within the Unit Area.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and have set opposite their respective names the date of execution.

OXY USA INC.
Unit Operator

By: _____

Name: James Laning
Attorney-in-Fact

Date: 1-3-2022

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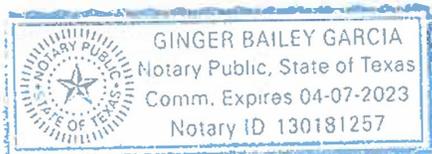
Bureau of Land Management
WHPD / Casper Field Office

ACKNOWLEDGEMENT

STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 3rd day of ~~December, 2021~~ January, 2022, before me, a Notary Public for the State of Texas, personally appeared James Laning, known to me to be the Attorney-in-Fact of OXY USA INC., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



4/7/2023
My Commission Expires

[Signature]
Notary Public

OXY USA INC.
Working Interest Owner

Date: 1-3-2022

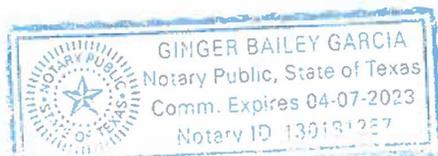
By: [Signature] AD
Name: James Laning
Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF Texas)
) ss.
COUNTY OF Harris)

On this 3rd day of ~~December, 2021~~ January, 2022, before me, a Notary Public for the State of Texas, personally appeared James Laning, known to me to be the Attorney-in-Fact of OXY USA INC., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)



4/7/2023
My Commission Expires

[Signature]
Notary Public

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JAN 07 2022



5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294

EXHIBIT "A-1"

November 17, 2021

Land Law Examiner
Bureau of Land Management
Attn: Lourdes Ortiz
301 Dinosaur Trail
Santa Fe, NM

Re: Correction Transfer of Record Title- NMNM 069372, NMNM 069373
Lea County, New Mexico

Attached hereto are Transfer of Record Title forms for the subject leases, executed by OXY USA INC. A Record Title assignment was previously denied for the two subject leases due to a depth limitation being included on the form. The intent of the entities was that PXP Producing Company, LLC was assigning their remaining interest to OXY USA INC., as indicated in the attached filed and recorded county assignment. Pogo Producing Company LLC is no longer an active company, so per guidance from Lourdes Ortiz this is the approach we are taking to correct the Record title on the SRP.

Also worth noting, OXY USA INC. is currently working through the process to get a Federal Exploratory Unit in place which will include the two subject leases. With that said, OXY USA INC. would appreciate a quick processing of the attached Record Title Transfer Requests, so the SRP reflects the record title owners being listed for the Unit Agreement.

Should any questions or concerns arise from this request or the forms and supporting documentation included with such request, please do not hesitate to contact me via email at amber_delach@oxy.com or via telephone at 713-552-8502.

Sincerely,

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Bureau of Land Management
WHPD / Casper Field Office

Amber Delach, CPL
OXY USA INC.

EXHIBIT "A-2"

All parties to the Dr Pi (Deep) Unit have been invited to commit their interest to the unit. In this regard, please refer to the following:

My letter of November 9, 2021, addressed to the overriding royalty interest owners transmitting a copy of the Dr Pi (Deep) Unit Agreement, Ratification and Joinder instruments thereto, and inviting them to commit their interest.

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OXY USA INC
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 4294, Houston, Texas 77210-4294

November 9, 2021

VIA FEDEX OR CERTIFIED MAIL

OVERRIDING ROYALTY OWNER

Re: Ratification of the Dr Pi (Deep) Fed Unit
Sections 7,8,17, and 18, Township 22 South, Range 32 East
Lea County, New Mexico

Dear Overriding Royalty Owner:

OXY USA INC. has received an approved Designation of Unit from the Bureau of Land Management ("BLM") for the Dr Pi (Deep) Fed Unit ("Unit"), covering the following lands:

Township 22 South, Range 32 East, N.M.P.M.

- Section 7: All
- Section 8: All
- Section 17: All
- Section 18: All

Pursuant to unit plan regulations, OXY is hereby offering you the opportunity to join in the Unit by executing the enclosed "Ratification of Unit Agreement".

Should you choose to join in this Unit, please execute and notarize both copies of the enclosed Ratification of Unit Agreement and return in the included pre-labeled envelope.

Should you have any questions or need additional information, please contact the undersigned at Amber_Delach@oxy.com or (713) 552-8502.

Sincerely,

Amber Delach, CPL
Advisor Land Negotiator

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WHPD / Casper Field Office

RATIFICATION OF UNIT AGREEMENT

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

The undersigned are the owners of an overriding royalty interest in the oil, gas and other minerals subject to the terms of the following described oil and gas leases (the "Leases"):

BLM Serial Number: NMNM-96574
Location: SE/4NW/4 of Section 7, Township 22 South, Range 32 East,
 Lea County, New Mexico
 40.00 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-90585
Location: Lot 4, E/2SW/4 of Section 7, Township 22 South,
 Range 32 East,
 Lea County, New Mexico
 124.38 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-69372
Location: SE/4 of Section 7, Township 22 South, Range 32
 East,
 Lea County, New Mexico
 160.00 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-90586
Location: E/2SW/4, E/2, NW/4NW/4 of Section 8, Township 22
 South, Range 32 East,
 Lea County, New Mexico
 440.00 acres, more or less
Recorded: N/A

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BLM Serial Number: NMNM-69373
 Location: S/2NW/4, NE/4NW/4, W/2SW/4 of Section 8,
 Township 22 South, Range 32 East,
 Lea County, New Mexico
 200.00 acres, more or less
 Recorded: N/A

BLM Serial Number: NMNM-90588
 Location: Lot 1, Lot 2, NE/4NW/4 of Section 18, Township 22
 South, Range 32 East,
 Lea County, New Mexico
 128.94 acres, more or less
 Recorded: N/A

BLM Serial Number: NMNM-53990
 Location: SE/4NW/4 of Section 18, Township 22 South, Range
 32 East,
 Lea County, New Mexico
 40.00 acres, more or less
 Recorded: N/A

In order to more efficiently develop the above referenced Leases, the current owner of the above referenced Leases and other oil and gas leases is pursuing a Federal Exploratory Unit Agreement (the "**Unit Agreement**") for the purpose of pooling or consolidating the Lease with other interests described in the Unit Agreement to produce and operate the combined lands and leases as a single unit.

For a valuable consideration, the receipt of which is hereby acknowledged, the undersigned overriding royalty interest owner (whether one or more) does hereby consent, ratify, confirm, adopt, and agree to be bound by the Unit Agreement for the development and production of oil and/or gas and associated liquid hydrocarbons from the Dr Pi (Deep) Fed Unit Area (the "**Unit**").

The terms and conditions of the Ratification of Unit Agreement shall be binding upon and inure to the benefit of each party executing this instrument, their heirs, successors and assigns, severally and not jointly regardless of whether or not all parties named herein execute the same instrument or a counterpart thereof.

[signature page follows]

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Bureau of Land Management
 WHPD / Casper Field Office

Executed the date of the undersigned party's acknowledgment, but effective as of the Effective Date of the Unit.

LaNell Joy Honeyman

By: LaNell Honeyman
Name:
Its: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF Midland §

This instrument was acknowledged before me on November 16, 2021, by LaNell Honeyman, as attorney-in-fact of self, a _____, on behalf of said self. In witness whereof, I hereunto set my hand and official seal.

Nancy Angela Ervin
Notary Public in and for the State of Texas



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WHPD / Casper Field Office

RATIFICATION OF UNIT AGREEMENT

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

The undersigned are the owners of an overriding royalty interest in the oil, gas and other minerals subject to the terms of the following described oil and gas leases (the "Leases"):

BLM Serial Number: NMNM-32411
Location: E/2SW/4, NE/4, N/2SE/4, SW/4SE/4 of Section 18,
 Township 22 South, Range 32 East,
 Lea County, New Mexico
 360.00 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-90587
Location: Lot 3, Lot 4, SE/4SE/4 of Section 18, Township 22
 South, Range 32 East,
 Lea County, New Mexico
 129.22 acres, more or less
Recorded: N/A

In order to more efficiently develop the above referenced Leases, the current owner of the above referenced Leases and other oil and gas leases is pursuing a Federal Exploratory Unit Agreement (the "**Unit Agreement**") for the purpose of pooling or consolidating the Lease with other interests described in the Unit Agreement to produce and operate the combined lands and leases as a single unit.

For a valuable consideration, the receipt of which is hereby acknowledged, the undersigned overriding royalty interest owner (whether one or more) does hereby consent, ratify, confirm, adopt, and agree to be bound by the Unit Agreement for the development and production of oil and/or gas and associated liquid hydrocarbons from the Dr Pi (Deep) Fed Unit Area (the "**Unit**").

The terms and conditions of the Ratification of Unit Agreement shall be binding upon and inure to the benefit of each party executing this instrument, their heirs,

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WHPD / Casper Field Office

successors and assigns, severally and not jointly regardless of whether or not all parties named herein execute the same instrument or a counterpart thereof.

[signature page follows)

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Bureau of Land Management
WHPD / Casper Field Office

RATIFICATION OF UNIT AGREEMENT

STATE OF NEW MEXICO §

COUNTY OF LEA §

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BLM Serial Number: NMNM-96574
Location: SE/4NW/4 of Section 7, Township 22 South, Range 32 East, Lea County, New Mexico
40.00 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-90585
Location: Lot 4, E/2SW/4 of Section 7, Township 22 South, Range 32 East, Lea County, New Mexico
124.38 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-69372
Location: SE/4 of Section 7, Township 22 South, Range 32 East, Lea County, New Mexico
160.00 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-90586
Location: E/2SW/4, E/2, NW/4NW/4 of Section 8, Township 22 South, Range 32 East, Lea County, New Mexico
440.00 acres, more or less
Recorded: N/A

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Bureau of Land Management
WHPD / Casper Field Office

BLM Serial Number: NMNM-69373
 Location: S/2NW/4, NE/4NW/4, W/2SW/4 of Section 8,
 Township 22 South, Range 32 East,
 Lea County, New Mexico
 200.00 acres, more or less
 Recorded: N/A

BLM Serial Number: NMNM-90588
 Location: Lot 1, Lot 2, NE/4NW/4 of Section 18, Township 22
 South, Range 32 East,
 Lea County, New Mexico
 128.94 acres, more or less
 Recorded: N/A

BLM Serial Number: NMNM-53990
 Location: SE/4NW/4 of Section 18, Township 22 South, Range
 32 East,
 Lea County, New Mexico
 40.00 acres, more or less
 Recorded: N/A

In order to more efficiently develop the above referenced Leases, the current owner of the above referenced Leases and other oil and gas leases is pursuing a Federal Exploratory Unit Agreement (the "**Unit Agreement**") for the purpose of pooling or consolidating the Lease with other interests described in the Unit Agreement to produce and operate the combined lands and leases as a single unit.

For a valuable consideration, the receipt of which is hereby acknowledged, the undersigned overriding royalty interest owner (whether one or more) does hereby consent, ratify, confirm, adopt, and agree to be bound by the Unit Agreement for the development and production of oil and/or gas and associated liquid hydrocarbons from the Dr Pi (Deep) Fed Unit Area (the "**Unit**").

The terms and conditions of the Ratification of Unit Agreement shall be binding upon and inure to the benefit of each party executing this instrument, their heirs, successors and assigns, severally and not jointly regardless of whether or not all parties named herein execute the same instrument or a counterpart thereof.

[signature page follows]

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 WHPD / Casper Field Office

Executed the date of the undersigned party's acknowledgment, but effective as of the Effective Date of the Unit.

LaNell Joy Honeyman, as Trustee of the Leslie R. Honeyman Trust

By LaNell Honeyman
Name:
Its: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF Midland §

This instrument was acknowledged before me on November 16, 2021, by LaNell Honeyman as attorney-in-fact of Leslie R. Honeyman, a Trustee, on behalf of said Leslie R. Honeyman. In witness whereof, I hereunto set my hand and official seal.

Nancy Angela Ervin
Notary Public in and for the State of Texas



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Bureau of Land Management
WHPD / Casper Field Office

RATIFICATION OF UNIT AGREEMENT

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

The undersigned are the owners of an overriding royalty interest in the oil, gas and other minerals subject to the terms of the following described oil and gas leases (the "Leases"):

BLM Serial Number: NMNM-32411
Location: E/2SW/4, NE/4, N/2SE/4, SW/4SE/4 of Section 18,
 Township 22 South, Range 32 East,
 Lea County, New Mexico
 360.00 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-90587
Location: Lot 3, Lot 4, SE/4SE/4 of Section 18, Township 22
 South, Range 32 East,
 Lea County, New Mexico
 129.22 acres, more or less
Recorded: N/A

In order to more efficiently develop the above referenced Leases, the current owner of the above referenced Leases and other oil and gas leases is pursuing a Federal Exploratory Unit Agreement (the "**Unit Agreement**") for the purpose of pooling or consolidating the Lease with other interests described in the Unit Agreement to produce and operate the combined lands and leases as a single unit.

For a valuable consideration, the receipt of which is hereby acknowledged, the undersigned overriding royalty interest owner (whether one or more) does hereby consent, ratify, confirm, adopt, and agree to be bound by the Unit Agreement for the development and production of oil and/or gas and associated liquid hydrocarbons from the Dr Pi (Deep) Fed Unit Area (the "**Unit**").

The terms and conditions of the Ratification of Unit Agreement shall be binding upon and inure to the benefit of each party executing this instrument, their heirs,

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JUN 07 2022

successors and assigns, severally and not jointly regardless of whether or not all parties named herein execute the same instrument or a counterpart thereof.

[signature page follows]

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Bureau of Land Management
WHPD / Casper Field Office

RATIFICATION OF UNIT AGREEMENT

STATE OF NEW MEXICO §
 §
COUNTY OF LEA §

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 Lea County, New Mexico
 129.22 acres, more or less
Recorded: N/A

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The terms and conditions of the Ratification of Unit Agreement shall be binding upon and inure to the benefit of each party executing this instrument, their heirs,

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Bureau of Land Management
WHPD / Cascar Field Office

successors and assigns, severally and not jointly regardless of whether or not all parties named herein execute the same instrument or a counterpart thereof.

[signature page follows]

FILED

JUN 07 2022

Bureau of Land Management
WHD / Casper Field Office

Executed the date of the undersigned party's acknowledgment, but effective as of the Effective Date of the Unit.

Fortis Minerals II, LLC

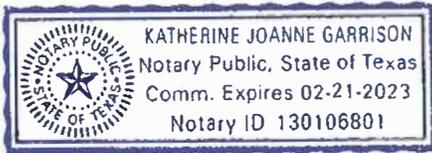
By: Will Rodgers
Name:
Its: President

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF Tarrant §

This instrument was acknowledged before me on December 1, 2021, by Will Rodgers, as President of Fortis Minerals II, a LLC, on behalf of said LLC. In witness whereof, I hereunto set my hand and official seal.

Katherine J. Garrison
Notary Public in and for the State of Texas



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RATIFICATION OF UNIT AGREEMENT

STATE OF NEW MEXICO §
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COUNTY OF LEA §

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 Lea County, New Mexico
 128.94 acres, more or less
Recorded: N/A

BLM Serial Number: NMNM-53990
Location: SE/4NW/4 of Section 18, Township 22 South, Range
 32 East,
 Lea County, New Mexico
 40.00 acres, more or less
Recorded: N/A

In order to more efficiently develop the above referenced Leases, the current owner of the above referenced Leases and other oil and gas leases is pursuing a Federal Exploratory Unit Agreement (the "**Unit Agreement**") for the purpose of pooling or consolidating the Lease with other interests described in the Unit Agreement to produce and operate the combined lands and leases as a single unit.

For a valuable consideration, the receipt of which is hereby acknowledged, the undersigned overriding royalty interest owner (whether one or more) does hereby consent, ratify, confirm, adopt, and agree to be bound by the Unit Agreement for the development and production of oil and/or gas and associated liquid hydrocarbons from the Dr Pi (Deep) Fed Unit Area (the "**Unit**").

The terms and conditions of the Ratification of Unit Agreement shall be binding upon and inure to the benefit of each party executing this instrument, their heirs,

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successors and assigns, severally and not jointly regardless of whether or not all parties named herein execute the same instrument or a counterpart thereof.

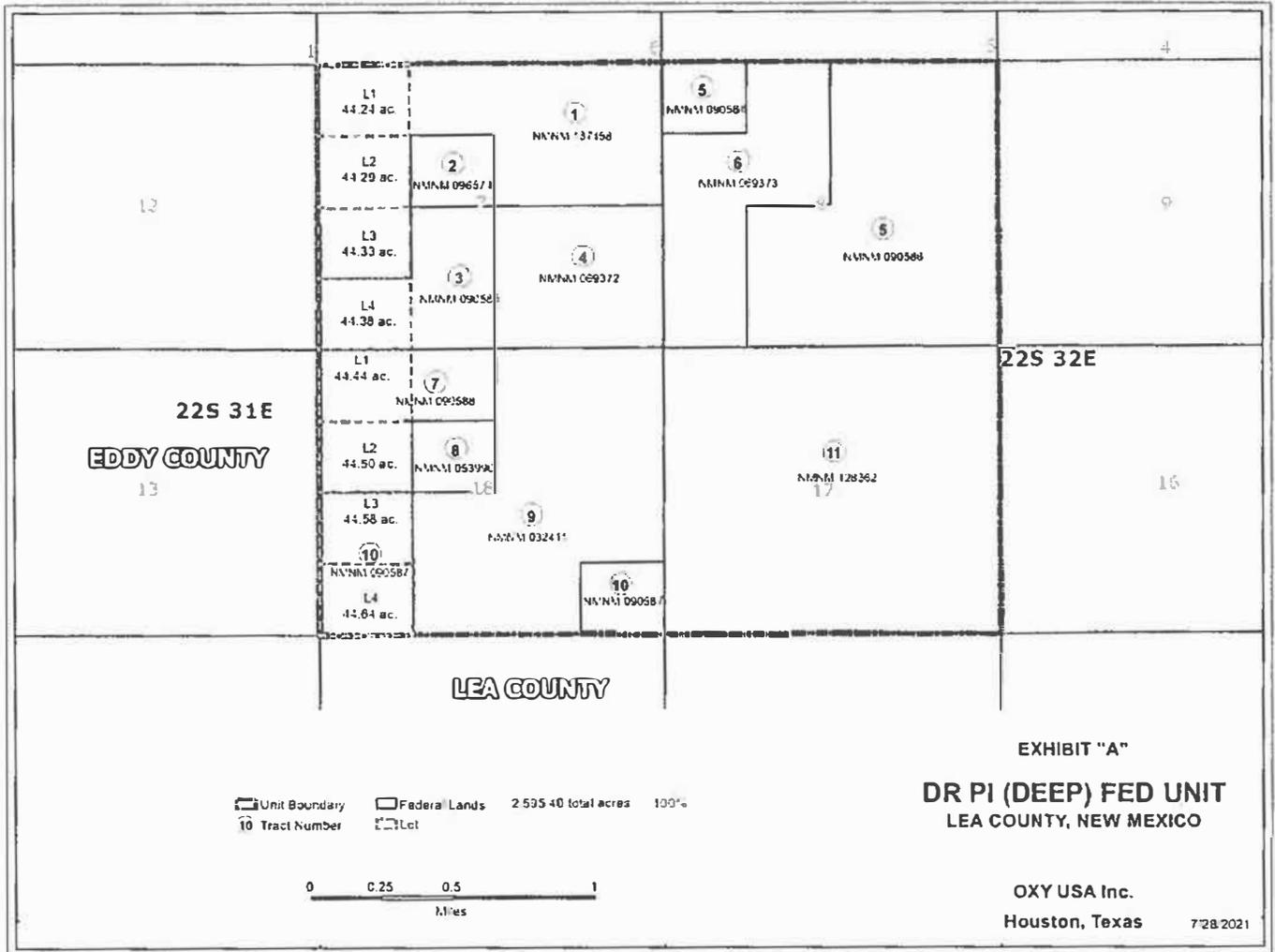
(signature page follows)

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EXHIBIT A



STATE OF NEW MEXICO
 DEPARTMENT OF LAND AND NATURAL RESOURCES

2021

Bureau of Land Management,
 WHPD / Casper Field Office

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
DR PI (DEEP) FED UNIT AREA
LEA COUNTY, NEW MEXICO

OWNERSHIPS REFLECTED HEREIN COVERS THOSE FORMATIONS FROM BELOW THE BASE OF THE DELAWARE FORMATION

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY (See Footnote #2) AND PERCENTAGE	WORKING INTEREST (See Footnote #1) AND PERCENTAGE
FEDERAL LANDS:							
1.	<u>Township 22 South, Range 32, East, N.M.P.M.</u> Section 7: Lot 1(44.24), Lot 2 (44.29), Lot 3(44.33), NE/4, NE/4NW/4	332.86	NMNM 137458 Effective 4-1-2018 Expires 3-31-2028	U.S.A. - All (12.5% Royalty)	OXY USA INC. TOTAL	100.00% As to all lands MRC PERMIAN COMPANY 12.500000% TOTAL 100.00% TOTAL 12.500000%	OXY USA INC. TOTAL 100.00%
2.	<u>Township 22 South, Range 32, East, N.M.P.M.</u> Section 7: SE/4NW/4	40.00	NMNM 96574 Segregated from NMNM 90585 Effective 10-1-1987	U.S.A. - All (Schedule B Royalty)	OXY USA INC. TOTAL	100.00% As to all lands RKI Exploration & Production, LLC LaNell Joy Honeyman LaNell Joy Honeyman, as Trustee of the Leslie R. Honeyman Trust 2.350330% 0.500000% 0.500000% TOTAL 100.00% TOTAL 3.350330%	OXY USA INC. TOTAL 100.00%
			*HBU	* Held by East Livingston Ridge Unit			
3.	<u>Township 22 South, Range 32, East, N.M.P.M.</u> Section 7: Lot 4(44.38), E/2SW/4	124.38	NMNM 90585 Segregated from NMNM 69372 Effective 10-1-1987	U.S.A. - All (Schedule B Royalty)	OXY USA INC. TOTAL	100.00% As to all lands RKI Exploration & Production, LLC LaNell Joy Honeyman LaNell Joy Honeyman, as Trustee of the Leslie R. Honeyman Trust 2.350330% 0.500000% 0.500000% TOTAL 100.00% TOTAL 3.350330%	OXY USA INC. TOTAL 100.00%
			*HBU	* Held by East Livingston Ridge Unit			
4.	<u>Township 22 South, Range 32, East, N.M.P.M.</u> Section 7: SE/4	160.00	NMNM 69372 Effective	U.S.A. - All (Schedule B Royalty)	OXY USA INC. PXP PRODUCING COMPANY, LLC* *This should be 100% OXY	50.00% 50.00% As to all lands RKI Exploration & Production, LLC LaNell Joy Honeyman 2.434211% 0.250000%	OXY USA INC. TOTAL 100.00%

TRACTOR (DEEP) UNIT AREA

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 Resource Management Group 2/1/2022

TRACT NO.	DESCRIPTION OF LAND	OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY (See Footnote #2) AND PERCENTAGE	WORKING INTEREST (See Footnote #3) AND PERCENTAGE
			10-1-1987	TOTAL	100.00%	LaNell Joy Honeyman, as Trustee of the Leslie R. Honeyman Trust 0.250000%	TOTAL 100.00%
			*HBU	* Held by East Livingston Ridge Unit		TOTAL 2.934211%	
5.	Township 22 South, Range 32 East, N.M.P.M. Section 8: E/2SW/4, E/2, NW/4NW/4	440.00	NMNM 90586 Segregated from NMNM 69373 Effective	U.S.A. - All (Schedule B Royalty)	OXY USA INC. 100.00%	As to all lands WXP Energy Permian, LLC 0.940132% LaNell Joy Honeyman 0.500000%	OXY USA INC. 100.0000%
			11-1-1987	TOTAL	100.00%	LaNell Joy Honeyman, as Trustee of the Leslie Robert Honeyman Trust 0.500000%	TOTAL 100.00%
			HBU*	*Held by Fed 8 Com #1 well		TOTAL 1.940132%	
6.	Township 22 South, Range 32 East, N.M.P.M. Section 8: S/2NW/4, NE/4NW/4, W/2SW/4	200.00	NMNM 69373 Effective	U.S.A. - All (Schedule B Royalty)	OXY USA INC. 50.00% PXP PRODUCING COMPANY, LLC* 50.00% *This should be 100% OXY	As to all lands WXP Energy Permian, LLC 0.973684% LaNell Joy Honeyman 0.500000%	OXY USA INC. 100.0000%
			11-1-1987	TOTAL	100.00%	LaNell Joy Honeyman, as Trustee of the Leslie Robert Honeyman Trust 0.500000%	TOTAL 100.00%
			HBU*	*Held by Fed 8 Com #1 well		TOTAL 1.973684%	
7.	Township 22 South, Range 32 East, N.M.P.M. Section 18: Lot 1 (44.44), Lot 2(44.50), NE/4NW/4	128.94	NMNM 90588 Effective	U.S.A. - All (12.5% Royalty)	OXY USA INC. 100.00%	As to all lands OXY USA INC. 2.350330% LaNell Joy Honeyman 0.500000%	OXY USA INC. 100.0000%
			1-1-1983	TOTAL	100.00%	LaNell Joy Honeyman, as Trustee of the Leslie Robert Honeyman Trust 0.500000% Penroc Oil Corporation 2.500000% Thomas E. Jennings 1.250000% Timothy Z. Jennings 1.250000% Phillip L. White 1.250000% First Roswell Company 1.250000%	TOTAL 100.00%
			HBU*	* Held by East Livingston Ridge Unit		TOTAL 10.850330%	
8.	Township 22 South, Range 32 East, N.M.P.M. Section 18: SE/4NW/4	40.00	NMNM 53990 Effective	U.S.A. - All (12.5% Royalty)	OXY USA INC. 50.00% PXP PRODUCING COMPANY, LLC* 50.00% *This should be 100% OXY	As to all lands OXY USA INC. 2.434211% LaNell Joy Honeyman 0.125000%	OXY USA INC. 100.0000%
			1-1-1983	TOTAL	100.00%	LaNell Joy Honeyman, as Trustee of the Leslie Robert Honeyman Trust 0.125000% Penroc Oil Corporation 2.500000% Thomas E. Jennings 1.250000% Timothy Z. Jennings 1.250000% Phillip L. White 1.250000% First Roswell Company 1.250000%	TOTAL 100.00%
			HBU*	* Held by East Livingston Ridge Unit			

TRACTOR (DEEP) UNIT AREA

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 merit 4/1/2022

TRACT NO.	DESCRIPTION OF LAND	OF ACRES	SERIAL NUMBER & EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY (See Footnote #2) AND PERCENTAGE	WORKING INTEREST (See Footnote #1) AND PERCENTAGE	
						TOTAL	10.184211%	
9.	<u>Township 22 South, Range 32</u> <u>East, N.M.P.M.</u> Section 18: E/2SW/4, NE/4, N/2SE/4, SW/4SE/4	360.00	NMNM 32411	U.S.A. - All (12.5% Royalty)	OXY USA INC.	100.00%	As to all lands OXY USA INC.	OXY USA INC. 100.0000%
			Effective 4-1-1983		TOTAL	100.00%	James M. Ross and Renee C. Ross, husband and wife, as joint tenants with the rights of survivorship Fred L. Engle Fortis Mineral II, LLC Susie Catanach Susie Catanach, as Trustee of the Susie Catanach Revocable Living Trust	4.200000% 0.800000% 0.312500% 0.468750% TOTAL 100.00%
			HBU*	* Held by East Livingston Ridge Unit			TOTAL	8.684211%
10.	<u>Township 22 South, Range 32</u> <u>East, N.M.P.M.</u> Section 18: Lot 3(44.58), Lot 4(44.64), SE/4SE/4	129.22	NMNM 90587 Segregated from NMNM 32411	U.S.A. - All (12.5% Royalty)	OXY USA INC.	100.00%	As to all lands OXY USA INC.	OXY USA INC. 100.0000%
			Effective 4-1-1983		TOTAL	100.00%	James M. Ross and Renee C. Ross, husband and wife, as joint tenants with the rights of survivorship Fred L. Engle Fortis Mineral II, LLC Susie Catanach Susie Catanach, as Trustee of the Susie Catanach Revocable Living Trust	4.200000% 0.800000% 0.250000% 0.500000% TOTAL 100.00%
			HBU*	* Held by East Livingston Ridge Unit			TOTAL	8.600330%
11.	<u>Township 22 South, Range 32</u> <u>East, N.M.P.M.</u> Section 17: All	640.00	NMNM 128362	U.S.A. - All (12.5% Royalty)	OXY USA INC.	100.00%	None OXY USA INC.	OXY USA INC. 100.0000%
			Effective 7-1-2012		TOTAL	100.00%		TOTAL 100.00%
			Expires 6-30-2022					

Federal Lands 2,595.40
 Total Unit Acres 2,595.40
 100% Federal

(2) Unless otherwise noted ORRI interests are proportionately reduced by mineral interest and working interests burdened.

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 Bureau of Land Management
 Reservoir Management Group



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Wyoming State Office Reservoir Management Group
2987 Prospector Drive
Casper, Wyoming 82604-2968

In Reply Refer To:
3186
(3186.1)
Dr Pi (Deep) Unit
NMNM143828X

FEB 02 2022

Memorandum

To: State Director, New Mexico State Office
From: Chief, Wyoming Reservoir Management Group
Subject: Dr Pi (Deep)Unit Agreement
Lea County, New Mexico
OXY USA INC.- Unit Operator

As of this date the subject unit agreement was approved.

This agreement has been designated No. NMNM143828X and is effective as of the date of approval. A copy of the agreement is attached.

The basic information is as follows:

1. The depth of the test well and the area to be unitized were approved under the unit plan regulations of December 22, 1950, by letter of November 2, 2021.
2. All formations below the base of the Delaware Formation are unitized.
3. The unit area embraces 2,595.40 acres, more or less, of which 2,595.40 acres (100.00 percent) are Federal lands.

INTERIOR REGION 7 • UPPER COLORADO BASIN
COLORADO, NEW MEXICO, UTAH, WYOMING

The following Federal leases embrace lands included within the unit area:

NMNM32411	NMNM90587*
NMNM53990	NMNM90588
NMNM69372	NMNM96574
NMNM69373	NMNM128362
NMNM90585	NMNM137458
NMNM90586	

*Indicates lease to be considered for segregation pursuant to section 18(g) of the unit agreement and Public Law 86-705. We recommend the portion within the unit area of the lease eligible for segregation retain the present lease number.

The unit operator has advised that it is not the intent of the parties to this unit agreement to horizontally segregate any Federal lease.

All lands and interests are fully or effectively committed. Also, certain overriding royalty interest owners have not signed the unit agreement. All parties owning interests within this unit were invited to join the unit agreement.

In view of the foregoing commitment status, effective control of operations within the unit area is assured. We are of the opinion that the agreement is necessary and advisable in the public interest and for the purpose of more properly conserving natural resources.

Attachment

/S/ J. David Chase

cc: NMSO - Sheila Mallory
 Carlsbad Field Office w/application
 New Mexico State Land Office, Scott Dawson
 New Mexico Oil Conservation Division, Leonard Lowe
 OXY USA INC.
 Attn: Amber Delach
 P.O. Box 4294
 Houston, Texas 77210

INTERIOR REGION 7 • UPPER COLORADO BASIN
 COLORADO, NEW MEXICO, UTAH, WYOMING

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
OGRID No.	Operator Name	Elevation
	DR AWKWARD "17_8" FEDERAL COM	31H
	OXY USA INC.	3682.6'

Surface Location

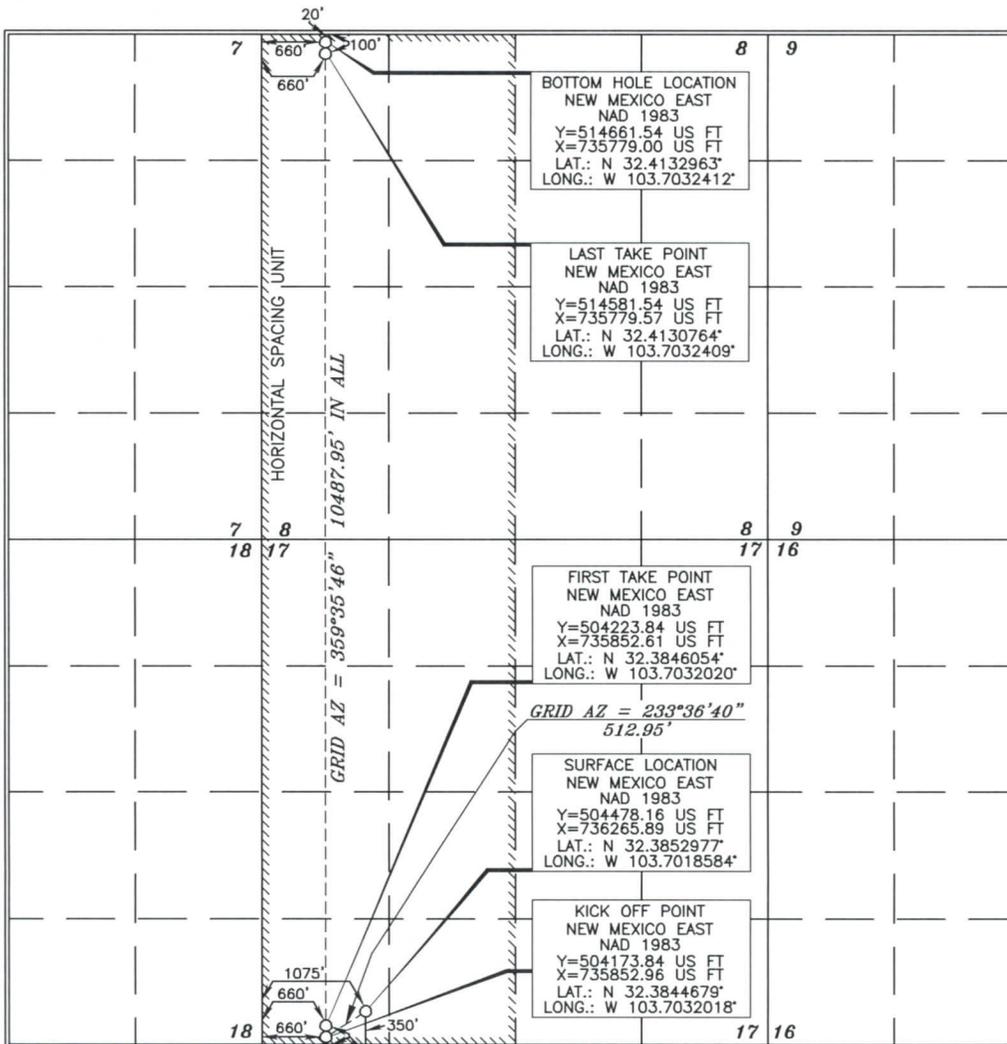
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	22 SOUTH	32 EAST, N.M.P.M.		350'	SOUTH	1075'	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	8	22 SOUTH	32 EAST, N.M.P.M.		20'	NORTH	660'	WEST	LEA

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Lulu Rans

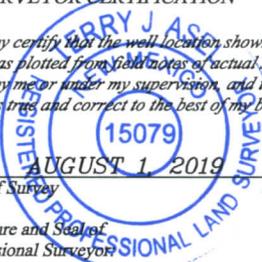
Signature _____ Date _____

Printed Name _____

E-mail Address _____

SURVEYOR CERTIFICATION

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



Date of Survey _____

Signature and Seal of Professional Surveyor _____

Terry J. Anderson
Certificate Number 15079

WO# 190801WL-f (KA)

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

**APPLICATION OF OXY USA INC. FOR AN
ORDER ACKNOWLEDGING THE DR PI
(DEEP) FED UNIT, LEA COUNTY, NEW
MEXICO.**

CASE NO. 22637

AFFIDAVIT OF DANIEL BURNETT

Daniel Burnett, of lawful age and being first duly sworn, declares as follows:

1. My name is Daniel Burnett and I am employed by OXY USA Inc. ("OXY") as a geologist. I have previously testified before the Oil Conservation Division and had my credentials as an expert in petroleum land matters accepted and made a matter of record.

2. The unitized interval is all formations below the base of the Delaware Formation, which is found at 8,647 feet measured depth in the Federal 8 Com (30-025-32709) well, located in Section 8, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico.

3. The initial development objectives are the Wolfcamp A and Third Bone Spring Sand within the Wolfcamp and Bone Spring formations, respectively. Additional potential targets are located with the Second Bone Spring Sand, Avalon, and First Bone Spring Sand and Harkey intervals within the Bone Spring Formation.

4. **OXY Exhibit C-1** is a locator map that identifies the approximate location of the Dr Pi (Deep) Fed Unit on the western border of Lea County with a red star.

5. **OXY Exhibit C-2** is a type log of the Federal 8 Com (API 30-025-32709) with the top of the Bone Spring and base of the Wolfcamp formations identified, as well as the primary and secondary target intervals.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: OXY USA INC.
Hearing Date: April 07, 2022
Case No. 22637

6. **OXY Exhibit C-3** is a subsea structure map that I prepared on top of the Third Bone Spring interval with the contour intervals at 25 feet. The proposed unit area is outlined with white dashes. This exhibit demonstrates that the structure dips gently to the southeast in this area. I do not observe any faults, pinch outs, or other geologic impediments to efficiently and effectively developing this formation under the proposed unit area with a unitized plan of operation.

7. **OXY Exhibit C-3** also includes a line of cross section from A to A' across the proposed unit area. I chose these five wells that make up the cross section because they contain good gamma ray, resistivity, and density porosity logs. In my opinion these well logs are representative of the geology underlying the unit area.

8. **OXY Exhibit C-4** is the cross-section using the five wells depicted in Exhibit C-3. I have identified on the cross section various intervals within the Bone Spring and Wolfcamp formations, as well as the primary target intervals in the Third Bone Spring Sand and the Wolfcamp A intervals. This cross section demonstrates that the targeted intervals are continuous across the unitized area.

9. In my opinion, the operation of the acreage as a unit is in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

10. **OXY Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NAUGHT.

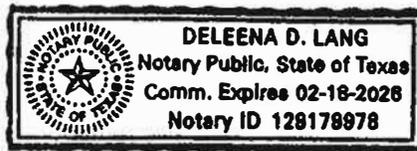

DANIEL BURNETT

STATE OF TEXAS)
)
COUNTY OF HARRIS)

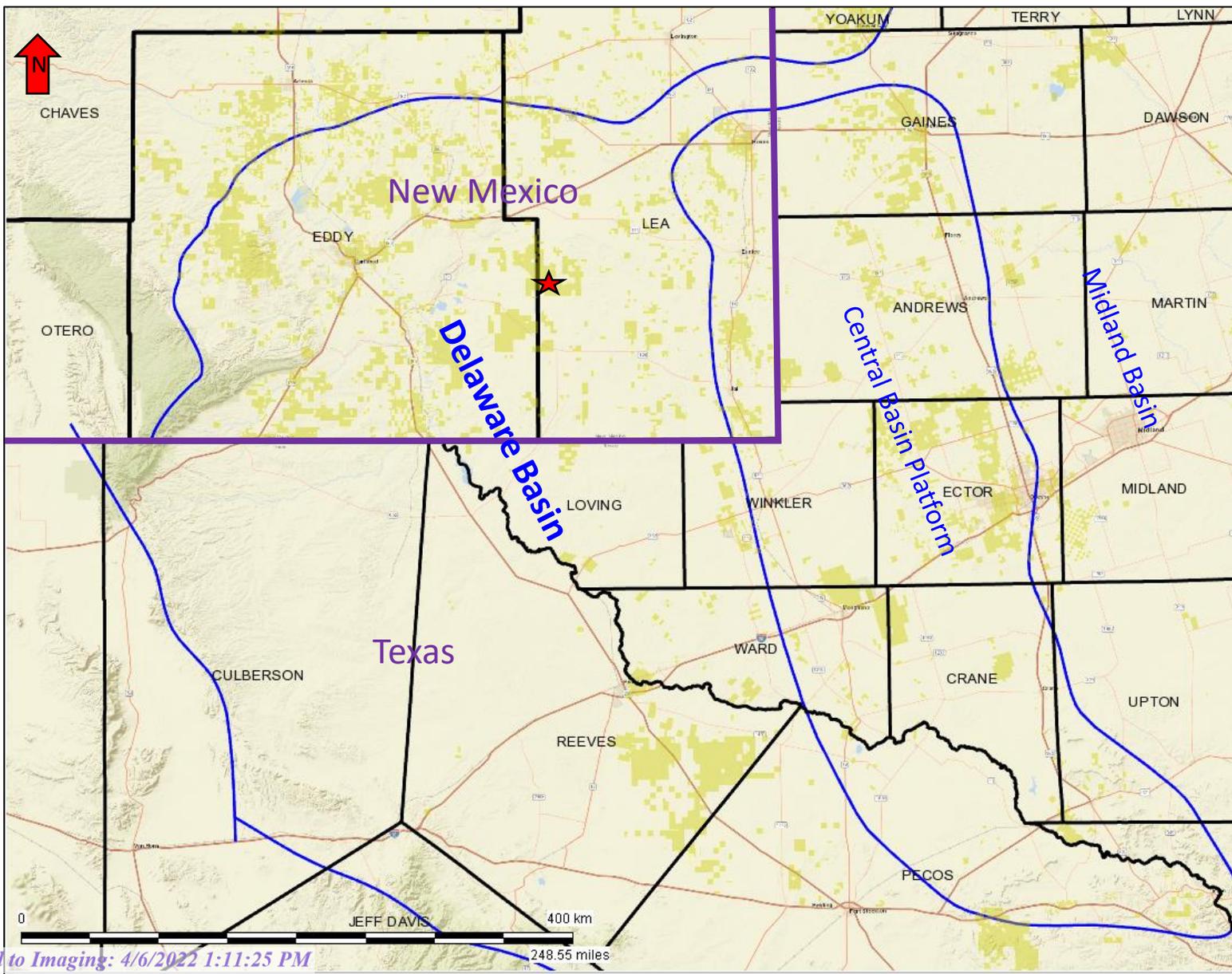
SUBSCRIBED and SWORN to before me this 5th day of April 2022 by Daniel Burnett.


NOTARY PUBLIC

My Commission Expires:
2/18/2026



Dr PI (Deep) Fed Unit Locator Map



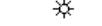
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C1
 Submitted by: OXY USA INC.
 Hearing Date: April 07, 2022
 Case No. 22637

Dr Pi (Deep) Fed Unit Type Log

Reference Well

30025327090000

FEDERAL_8_1



OXY USA INC

3720

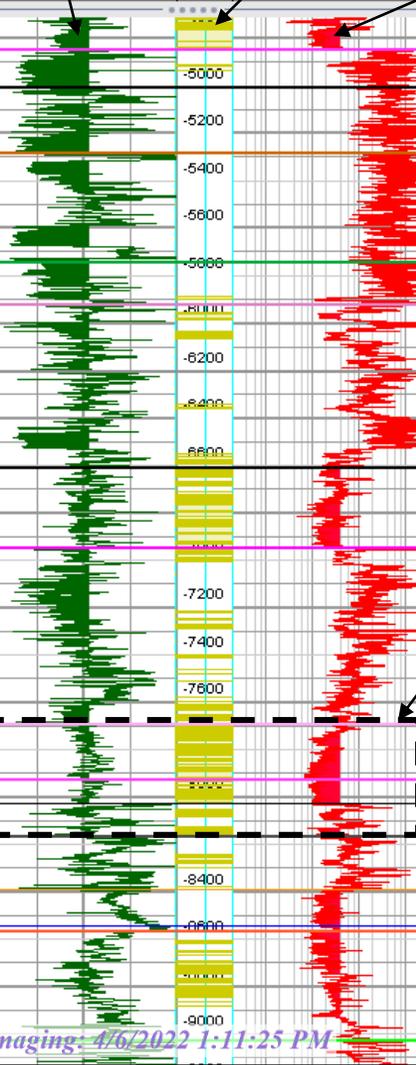
GR < 80

GR < 80

ResD < 20

ResD < 20

Correlation Dept Resistivity



Secondary "Avalon"
Secondary "1st Bone Spring Sand"
Primary "2nd Bone Spring Sand"
Secondary "Harkey"
Primary "3rd Bone Spring Sand/WC-XYA"

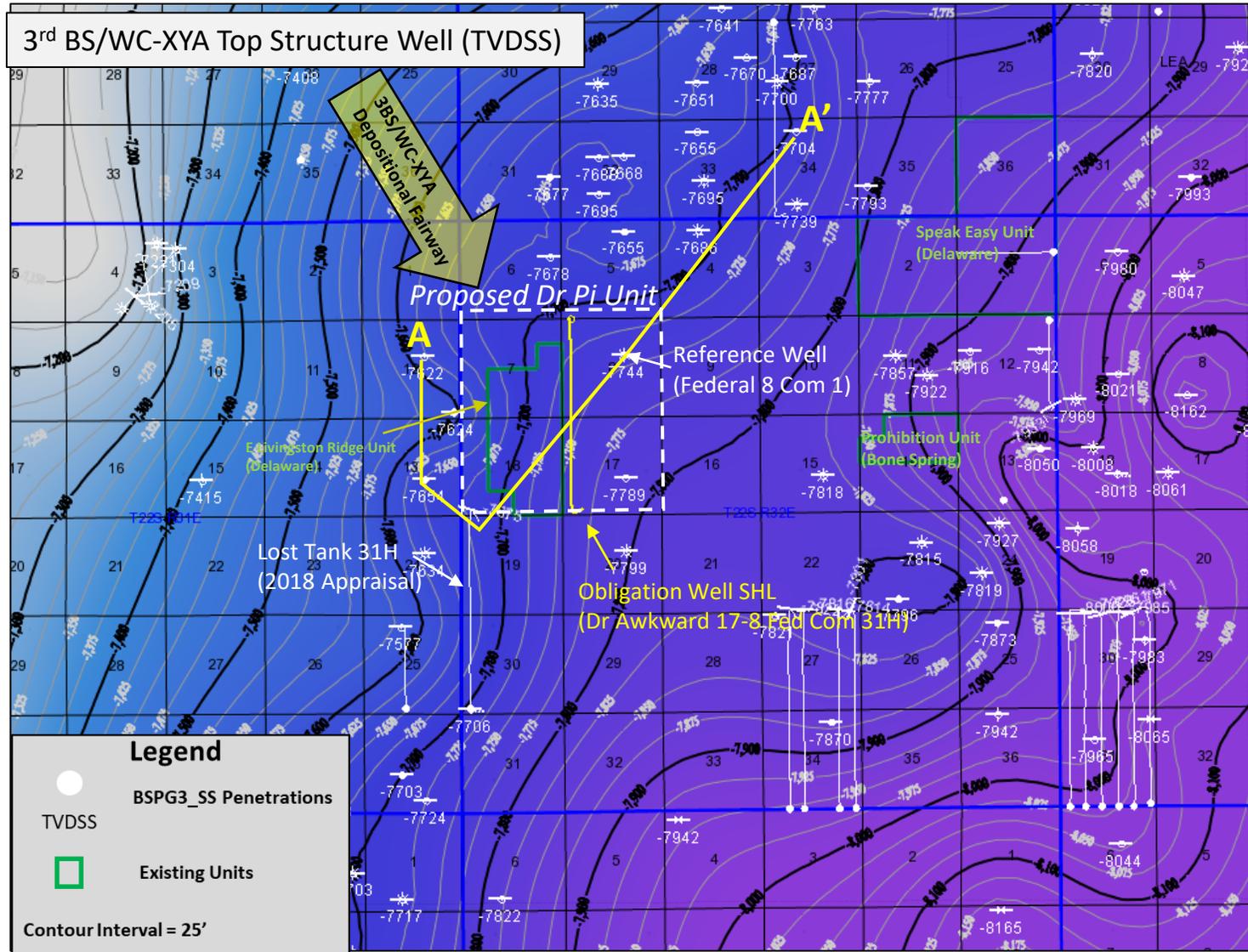
PERMIAN BASIN STRATIGRAPHIC CHART

SYSTEM	SERIES	FORMATION	SOURCE ROCKS	RESERVOIR ROCKS	LITHOLOGY	
TRIASSIC	LOWER	EDWARDS TRINITY				
	UPPER	DOCKUM				
PERMIAN	OCHOA	DEWEY LAKE				
		RUSTLER				
		SALADO				
		CASTILE				
	GUADALUPE	TANSILL	CAPITAN	BELL CANYON		
		YATES				
		SEVEN RIVERS	GOAT CREEK	CHERRY CANYON		
		QUEEN				
		GRAYBURG	SAN ANDRES	BRUSHY CANYON		
		GLORIETTA				
LEONARD		YESO	1ST CARB.	CLEARFORK		
			1ST SAND			
		ABO	2ND CARB.	SPRAYBERRY		
	2ND SAND					
	3RD CARB.					
	CLEARFORK/WICHITA-ALBANY	3RD SAND	UNNAMED LS			
			DEAN			
		UNNAMED SS				
WOLFCAMP		UNDIFFERENTIATED				
PENNSYLVANIAN	VIRGIL	CISCO				
	MISSOURI	CANYON				
	DES MOINS	STRAWN				

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: OXY USA INC.
Hearing Date: April 07, 2022
Case No. 22637



Structure Map (Well Derived)



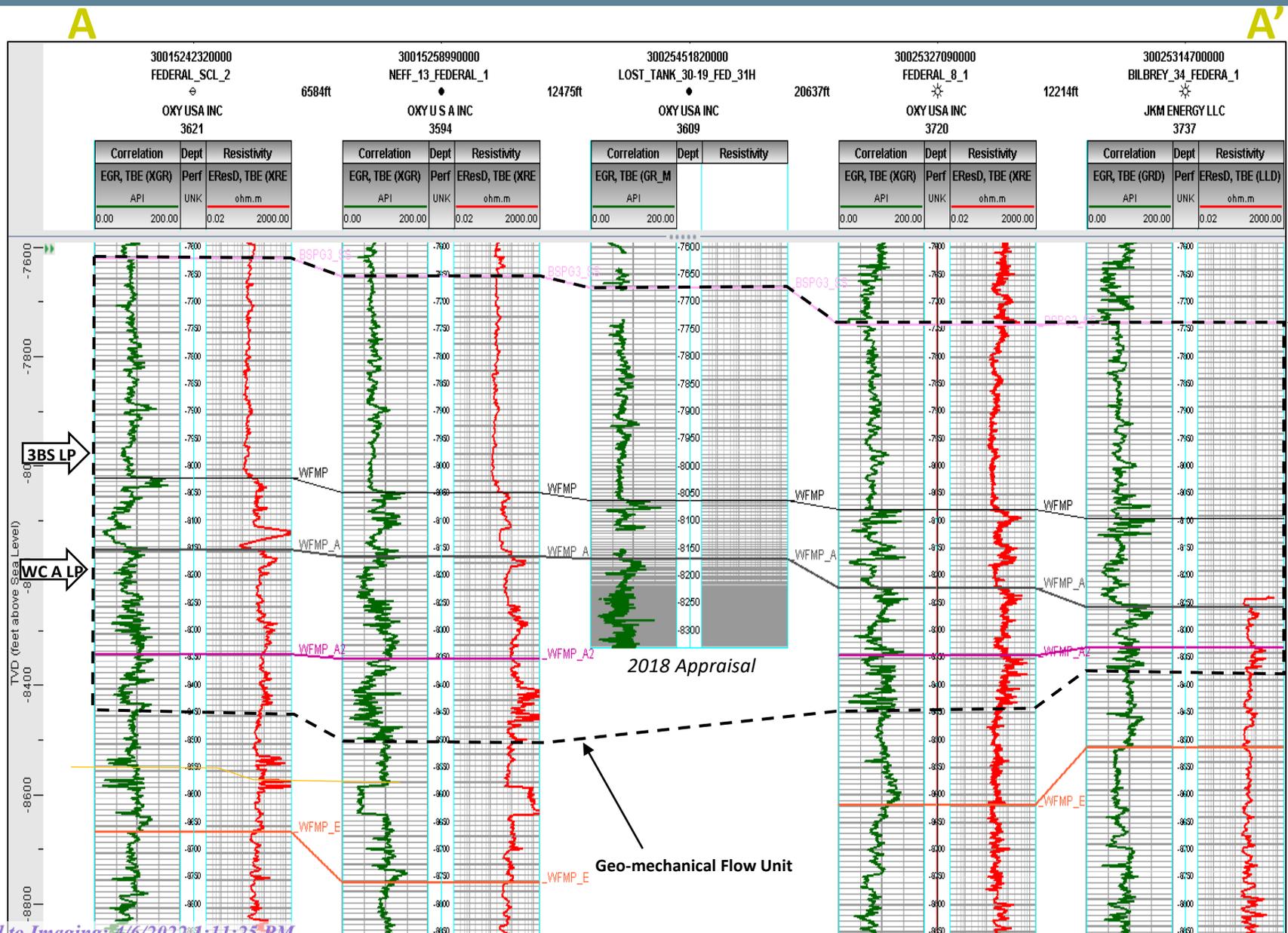
BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Submitted by: OXY USA INC.
 Hearing Date: April 07, 2022
 Case No. 22637

OXY

Released to Imaging: 4/6/2022 1:11:25 PM

-7150 3rd BS Sand Top Structure (TVDSS) -8000

Cross Section



3BS/WC-XYA
Top Structure

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: OXY USA INC.
Hearing Date: April 07, 2022
Case No. 22637

