

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

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

CASE NO. 22928

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EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 22928	APPLICANT'S RESPONSE
Date	August 4, 2022
Applicant	OXY USA Inc.
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 16696
Applicant's Counsel:	Gallagher & Kennedy, P.A.
Case Title:	APPLICATION OF OXY USA, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	
Well Family	PAW SWAP 12-36 FED COM
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Red Tank; Bone Spring Pool (Pool Code 51683)
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	480-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acres, more or less
Building Blocks:	40 acres
Orientation:	South to North
Description: TRS/County	W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

OXY USA, INC.
CASE NO. 22928
EXHIBIT A

Well #1	PAW SWAP 12-36 FED COM #11H well SHL: 219' FNL, 1642' FWL (Unit C), Sec. 13, T22S, R32E. BHL: 20' FNL, 390' FWL (Unit D), Sec. 36, T21S, R32E. Completion Target: Bone Spring Formation Orientation: south to north Completion Status: Expected to be standard
Well #2	N/A
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-1
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3

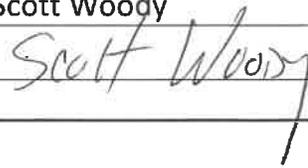
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Scott Woody
Signed Name (Attorney or Party Representative):	
Date:	8/15/2022

EXHIBIT B

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

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

CASE NO. _____

APPLICATION

Oxy USA, Inc. (“Applicant”), OGRID No. 16696, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Applicant states as follows:

1. Applicant is an interest owner in the proposed horizontal spacing unit and has a right to drill a well thereon.
2. Applicant seeks to dedicate the W/2 W/2 of Sections 1 and 2, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico to form a standard 480-acre, more or less, horizontal spacing unit.
3. Applicant proposes to drill the **PAW SWAP 12-36 FED COM #11H** well to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East, NMPM, Lea County, and an intended bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East,

OXY, USA, INC.
CASE NO. 22928
EXHIBIT B

NMPM, Lea County. A portion of the well location is within the potash development area.

4. This well is proposed to be drilled vertically to a depth of approximately 9,510' to the Bone Spring formation and laterally in a northerly direction within the formation to the referenced bottom hole location.
5. This well will be located within the Red Tank; Bone Spring Pool (Pool Code 51683) and will comply with the Division's statewide setback requirements.
6. Applicant has in good faith sought, but has been unable to obtain, a voluntary agreement from all other interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interest to the well.
7. The creation of a horizontal spacing unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and after notice and hearing as required by law, the Division enter an order:

- A. Creating an approximately 480-acre horizontal spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 W/2 of Sections 1 and 12,

Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico;

- C. Designating Applicant as the operator of this unit and the well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- E. Approving the actual operating charges and costs charged for supervision, together with a provision adjusting the rate pursuant to COPAS accounting procedures; and
- F. Setting a 200% charge for the risk in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully Submitted,

GALLAGHER & KENNEDY, P.A.

By: /s/ Dalva Moellenberg
Dalva L. Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
1239 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 982-9523 (Telephone)
(505) 983-8160 (Fax)

[PROPOSED LEGAL NOTICE FOR PUBLICATION]

Case No. _____: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed Paw Swap 12-36 Fed Com #11H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East, NMPM, Lea County. The completed interval of the well will comply with statewide setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs, and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling and completing said well. Said area is located approximately 28 miles west of Eunice, New Mexico.

EXHIBIT C

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

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

CASE NO. 22928

AFFIDAVIT OF AMBER DELACH

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

1. My name is Amber Delach and I am employed by OXY USA Inc. ("OXY") as a land negotiator.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by OXY in this case and the status of the lands in the subject area.
4. The uncommitted parties in this case have not indicated that they will oppose this pooling case proceeding by affidavit and, therefore, I do not expect opposition at the hearing.
5. In **Case No. 22928**, OXY seeks an order pooling all uncommitted mineral interests in the Bone Spring formation [Red Tank; Bone Spring Pool (Pool Code 51683)] underlying a standard 480-acre, more or less, horizontal well spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.
6. OXY seeks to initially dedicate the above-referenced horizontal spacing unit to the following proposed well:

- **PAW SWAP 12-36 FED COM #11H** well to be drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East, NMPM, Lea County, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East, NMPM, Lea County. A portion of the well location is within the potash development area.

7. This well is proposed to be drilled vertically to a depth of approximately 9,510' to the Bone Spring formation and laterally in a northerly direction within the formation to the referenced bottom hole location. The well will comply with the Division's statewide setback requirements.

8. **OXY Exhibit C-1** contains Form C-102 for the proposed initial well in the standard spacing unit. This form demonstrates that the completed interval for the well will meet the standard setback requirements for horizontal oil wells.

9. The form also reflects that the well targeting the Bone Spring formation in **Case No. 22928** will be assigned to Red Tank; Bone Spring Pool (Pool Code 51683).

10. No ownership depth severances exist within the Bone Spring formation underlying this acreage.

11. **OXY Exhibit C-2** identifies the tracts of land comprising the proposed horizontal spacing unit in this case, the working interest ownership in each tract, and the ownership interests across the horizontal spacing unit. There are no unleased mineral interest owners.

12. **OXY Exhibit C-2** also identifies the working interest owners that OXY is seeking to pool in this case highlighted in yellow.

13. **OXY Exhibit C-3** contains a sample of the well proposal letter and AFEs sent to the working interest owners. The costs reflected in these AFEs are consistent with what OXY

and other operators have incurred for drilling similar horizontal wells in the area in this formation.

14. **OXY Exhibit C-4** contains a general summary of the contacts with the working interest owners. In my opinion, OXY has undertaken good-faith, diligent efforts to reach an agreement with the working interest owners.

15. OXY requests that in any order that issues the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

16. OXY has provided the law firm of Gallagher & Kennedy, P.A. with the names and addresses of the parties that OXY seeks to pool and instructed that they be notified of this hearing.

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

FURTHER AFFIANT SAYETH NOT.

Amber Delach
AMBER DELACH

STATE OF TEXAS)

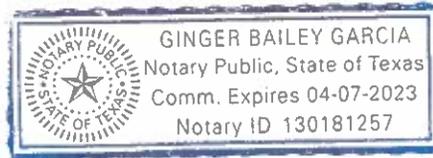
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me on this 10th day of August 2022 by Amber
Delach.

[Signature]
NOTARY PUBLIC

My Commission Expires:

4/7/2023



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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PAW SWAP 12_36 FED COM	
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.	
		⁶ Well Number 11H
		⁹ Elevation 3665'

¹⁰ Surface Location

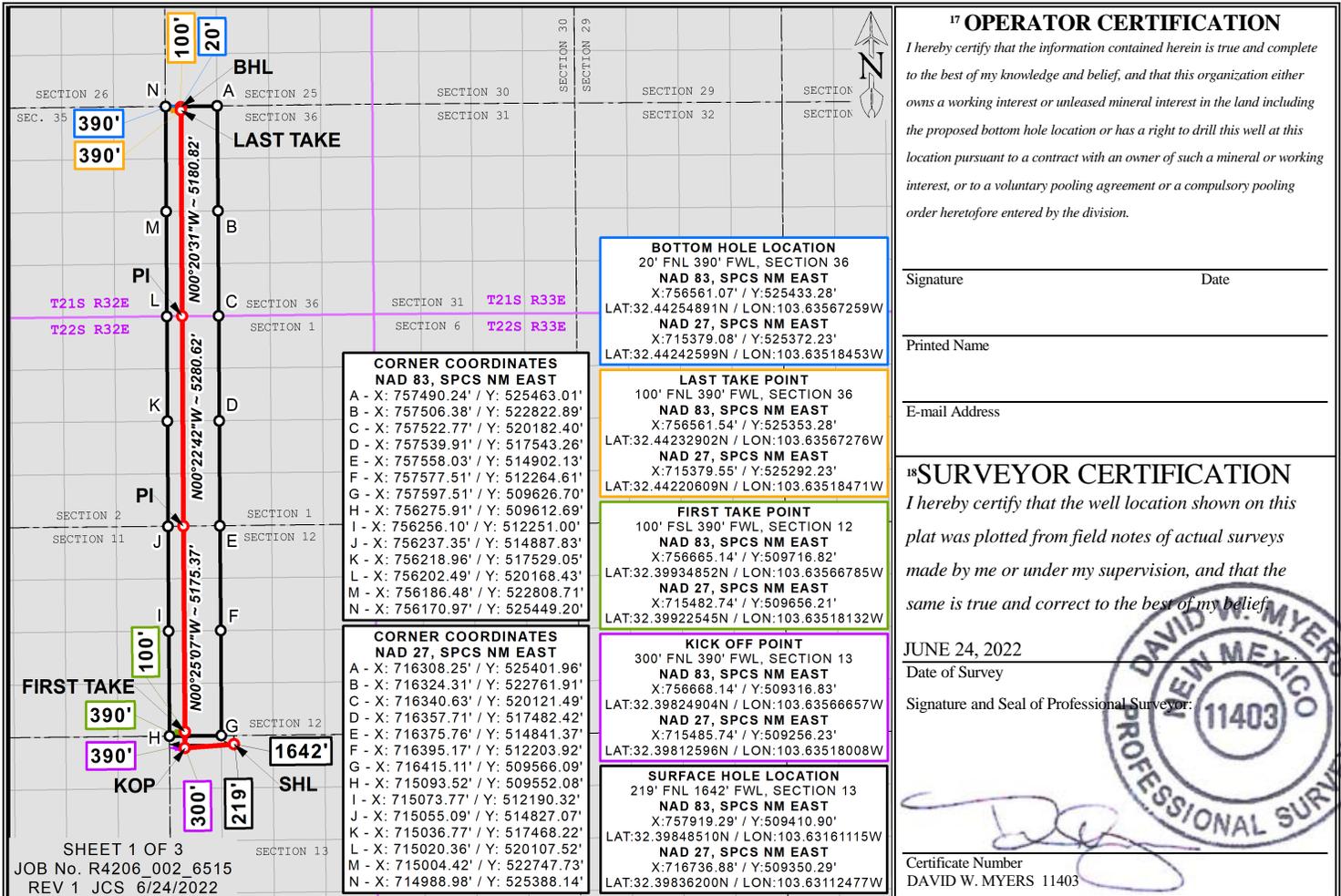
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	13	22S	32E		219	NORTH	1642	WEST	LEA

¹¹ 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	36	21S	32E		20	NORTH	390	WEST	LEA

¹² Dedicated Acres 479.93	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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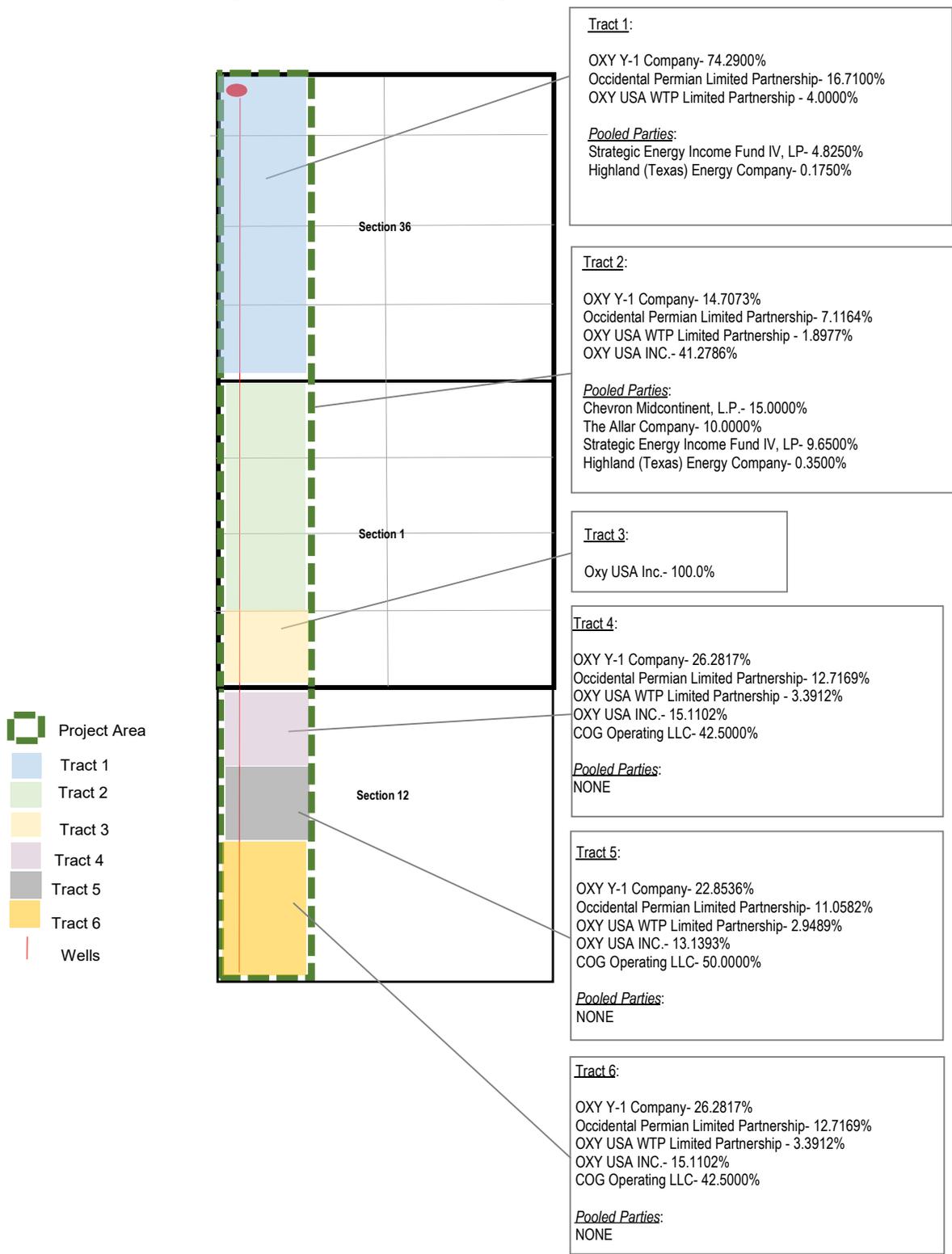
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99979289 Convergence Angle: 00°22'40.270008"

OXY, USA, INC.
CASE NO. 22928
EXHIBIT C-1

**W/2W/2 Section 36, T21S-R32E and W/2W/2 Section 1 and 12,
T22S-R32E,
Lea County, New Mexico, containing 479.93 acres**



OXY, USA, INC. Case No. 22928

W/2W/2 of Section 36, Township 21 South, Range 32 East, and W/2W/2 of Sections 1 and 12, Township 22 South-Range 32 East, Lea County, NM

Total Acres in proposed spacing unit: 479.93

Tract 1	W/2W/2 of Section 36	Acres contributed to proposed spacing unit:	160
	74.290000% OXY Y-1 Company		
	16.710000% Occidental Permian Limited Partnership		
	4.000000% OXY USA WTP Limited Partnership		
	4.825000% Strategic Energy Income Fund IV, LP		
	0.175000% Highland (Texas) Energy Company		
	100.000000%		
	Total Committed Interest		95.000000%
	Total Uncommitted Interest		5.000000%

Tract 2	Lot 4, SW/4NW/4, NW/4SW/4 of Section 1	Acres contributed to proposed spacing unit:	119.93
	14.707300% OXY Y-1 Company		
	7.116400% Occidental Permian Limited Partnership		
	1.897700% OXY USA WTP Limited Partnership		
	41.278600% OXY USA INC.		
	15.000000% Chevron Midcontinent, L.P.		
	10.000000% The Allar Company		
	9.650000% Strategic Energy Income Fund IV, LP		
	0.350000% Highland (Texas) Energy Company		
	100.000000%		
	Total Committed Interest		65.000000%
	Total Uncommitted Interest		35.000000%

Tract 3	SW/4SW/4 OF Section 1	Acres contributed to proposed spacing unit:	40
	100.000000% OXY USA Inc.		
	100.000000%		
	Total Committed Interest		100.000000%
	Total Uncommitted Interest		0.000000%

Tract 4	NW/4NW/4 of Section 12	Acres contributed to proposed spacing unit:	40
	26.220000% OXY Y-1 Company		
	12.769700% Occidental Permian Limited Partnership		
	3.400000% OXY USA WTP Limited Partnership		
	15.110300% OXY USA INC.		
	42.500000% COG Operating, LLC		
	100.000000%		
	Total Committed Interest		100.000000%
	Total Uncommitted Interest		0.000000%

Tract 5	SW/4NW/4 of Section 12	Acres contributed to proposed spacing unit:	40
	22.853600% OXY Y-1 Company		
	11.058200% Occidental Permian Limited Partnership		
	2.948900% OXY USA WTP Limited Partnership		
	13.139300% OXY USA INC.		
	50.000000% COG Operating, LLC		
	100.000000%		
	Total Committed Interest		100.000000%
	Total Uncommitted Interest		0.000000%

Tract 6	W/2SW/4	Acres contributed to proposed spacing unit:	80
	26.220000% OXY Y-1 Company		
	12.769700% Occidental Permian Limited Partnership		
	3.400000% OXY USA WTP Limited Partnership		
	15.110300% OXY USA INC.		
	42.500000% COG Operating, LLC		
	100.000000%		
	Total Committed Interest		100.000000%
	Total Uncommitted Interest		0.000000%



OXY USA WTP Limited Partnership
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 27570, Houston, Texas 77227-7570

June 14, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

WORKING INTEREST PARTIES
(see attached list)

Re: Paw Swap 12-36 Fed Com #11H
Township 22 South, Range 32 East
Sections 1 and 12
Township 21 South, Range 32 East
Section 36
Lea County, New Mexico

Dear WI Owner,

OXY USA Inc. ("OXY") hereby proposes the drilling of the Paw Swap 12-36 Fed Com #11H well at the following location:

- Paw Swap 12-36 Fed Com 11H- Avalon
 - SHL: 219' FNL, 1642' FWL (Section 13)
 - BLH: 20' FNL, 390' FWL (Section 36)
 - Approximate TVD: 9,510'

The proposed operations include drilling and completing the well at the above stated locations, subject to modification, as an approximate 15,000' lateral in the Avalon formation. A detailed description of the total estimated cost to drill and complete the well, as well as the facilities costs is provided in the enclosed AFE.

Simultaneously with this letter, OXY is proposing to drill these wells under the terms of a modified 1989 AAPL form of Operating Agreement, enclosed herewith and dated June 1, 2022 with OXY USA Inc., as Operator, covering the all of Sections 1 and 12, Township 22 South, Range 32 East, and all of Section 36, Township 21 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This proposed Operating Agreement will supersede any and all existing Operating Agreements as to all depths below the Delaware formation on all horizontal wells drilled after the effective date of the Operating Agreement.

If we do not reach an agreement within 30 days of the date of this letter, OXY will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

Please indicate your elections to participate in the drilling, completing, and equipping of the proposed wells by executing and returning one copy of this letter and the enclosed AFEs in the self-addressed stamped envelope provided.

In the event you do not wish to participate in this development, OXY is willing to discuss a deal to either trade for, or purchase your interest in the proposed development area.

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

OXY USA Inc.

Amber Delach
713.552.8502
Amber_delach@oxy.com

Enclosures

WIO elects to:

___ participate in the drilling of the Paw Swap 12-36 Fed Com 11H

___ non-consent the drilling of the Paw Swap 12-36 Fed Com 11H

By: _____

Name: _____

Title: _____

Date: _____

Working Interest Owners

OXY USA INC.
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Attn: Permian Land Manager

OXY Y-1 COMPANY
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Attn: Permian Land Manager

OXY USA WTP LIMITED PARTNERSHIP
5 Greenway Plaza, Suite 110
Houston, Texas 77046
Attn: Permian Land Manager

Chevron Midcontinent, LP
1400 Smith St.
Houston, Texas 77002

COG Operating LLC
600 W. Illinois Ave.
Midland, Texas 79701

Concho Oil & Gas LLC
600 W. Illinois Ave.
Midland, Texas 79701

The Allar Company
PO BOX 1567
Graham, Texas 76450

Highland Texas Energy Company
11886 Greenville Avenue, Suite 106D
Dallas, Texas 75243

Strategic Energy Income Fund IV LP
1521 North Cooper Street, Suite 400
Arlington, Texas 76011

Axis Energy Corporation
121 W 3rd Street
Roswell, New Mexico 88201



**Occidental Oil and Gas Corporation
PAW SWAP 12_36 FED COM 11H**

RMT:	PERMIAN RESOURCES NEW MEXICO
State & County:	NEW MEXICO, EDDY
Field:	TANKS
Well Type:	TANKS AVL 15K
Date:	5/9/2022

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 87,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 86,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 8,000	\$ 165,000	\$ -	\$ 118,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 145,000	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 6,000	\$ 106,000	\$ -	\$ -	\$ 239,000	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 54,000	\$ -	\$ 143,000	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 76,000	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 19,000	\$ -	\$ 15,000	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 221,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 611,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 512,000	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 602,000	\$ -	\$ -	\$ 52,000	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 4,000	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 224,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,536,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 5,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 97,000	\$ -	\$ -	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 216,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 30,000	\$ 123,000	\$ -	\$ 1,062,000	\$ 8,000	\$ -	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 45,000	\$ -	\$ 87,000	\$ 40,000	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 922,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 13,000	\$ -	\$ 1,108,000	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 311,000	\$ -	\$ 4,000	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 114,000	\$ -	\$ -	\$ -	\$ -	\$ -
5506	Fuel & Lubricants	\$ -	\$ 7,000	\$ 148,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ 1,000	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 3,000	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 443,000	\$ -	\$ 17,000	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 250,000	\$ 4,647,000	\$ -	\$ 7,037,000	\$ 634,000	\$ -	\$ -

Signature: _____

Company: _____

Printed Name: _____

Title: _____

Date: _____ Approval

This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred

Total Drilling (1+2+3):	\$	4,897,000
Total Completion (5+6):	\$	7,671,000
Total Facilities (7+8):	\$	-
Total Well Cost (1+2+3+4+5+6+7+8):	\$	12,568,000

Company Approval: _____ Date: 6/13/22

Prepared By: Amber Delach - Land Negotiator

	Correspondence Status
COG Operatin LLC	Elected to Consent -Signed JOA
Chevron Midcontinent, LP	Corresponding- Answered questions submitted by CMLP
Highland (Texas) Energy Company	Elected to Consent-Waiting on signed JOA
Strategic Income Fund IV, LP	Elected to Consent-Waiting on signed JOA
The Allar Company	Elected to Consent-Waiting on signed JOA

EXHIBIT D

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

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

CASE NO. 22928

AFFIDAVIT OF DANIEL BURNETT

Daniel Burnett, of lawful age and being first duly sworn, states the following:

1. My name is Daniel Burnett and I am employed by OXY USA Inc. ("OXY") as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by OXY in this case and have conducted a geologic study of lands in the subject area.
4. In **Case No. 22928**, OXY is targeting the Bone Spring Formation.
5. **OXY Exhibit D-1** is a locator map depicting OXY's proposed spacing unit in this case. Existing producing wells in the Bone Spring formation are also depicted. The approximate wellbore path for the proposed initial well is shown with dashed lines.
6. **OXY Exhibit D-2** shows a subsea structure map that I prepared for the top of the Bone Spring formation (**Exhibit D-2a**). The contour intervals are at 50-foot intervals. The approximate wellbore path for the proposed initial well is depicted with dashed lines. This map shows that the Bone Spring formation gently dips from West to East. I do not observe any

faulting, pinchouts, or other geologic impediments to developing the targeted intervals with horizontal wells in the area of the proposed spacing unit.

7. **OXY Exhibit D-3** overlays a cross-section line consisting of 4 wells penetrating the Bone Spring formation (**Exhibit D-3a**) that I used to construct a structural cross section from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the subject area.

8. **OXY Exhibit D-4** is a stratigraphic cross-section using the representative wells depicted in the previous exhibit. Each well in the cross-section contains gamma ray and resistivity logs. The proposed target interval within the Bone Spring formation is labeled on the exhibit. The cross-section demonstrates that the targeted interval is continuous and consistent in thickness across the proposed spacing units.

9. Based on my geologic study of the area, I have not identified any geologic impediments to drilling horizontal wells in the area of the proposed spacing unit. Horizontal drilling will be the most efficient method to develop this acreage to prevent the drilling of unnecessary wells and will result in the greatest ultimate recovery.

10. In my opinion, the orientation of the proposed well is the preferred orientation for horizontal well development in the area and is appropriate to efficiently and effectively develop the subject acreage.

11. Based on my geologic study, the targeted interval underlying the subject area is suitable for development by horizontal wells, and the acreage comprising the proposed spacing unit will contribute more-or-less equally to production from wellbores.

12. Approving OXY's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. Approving OXY's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. OXY Exhibits D-1 through D-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.


DANIEL BURNETT

STATE OF TEXAS)

COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me on this 28th day of July 2022 by Daniel Burnett.


NOTARY PUBLIC

My Commission Expires:

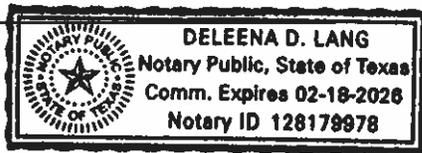
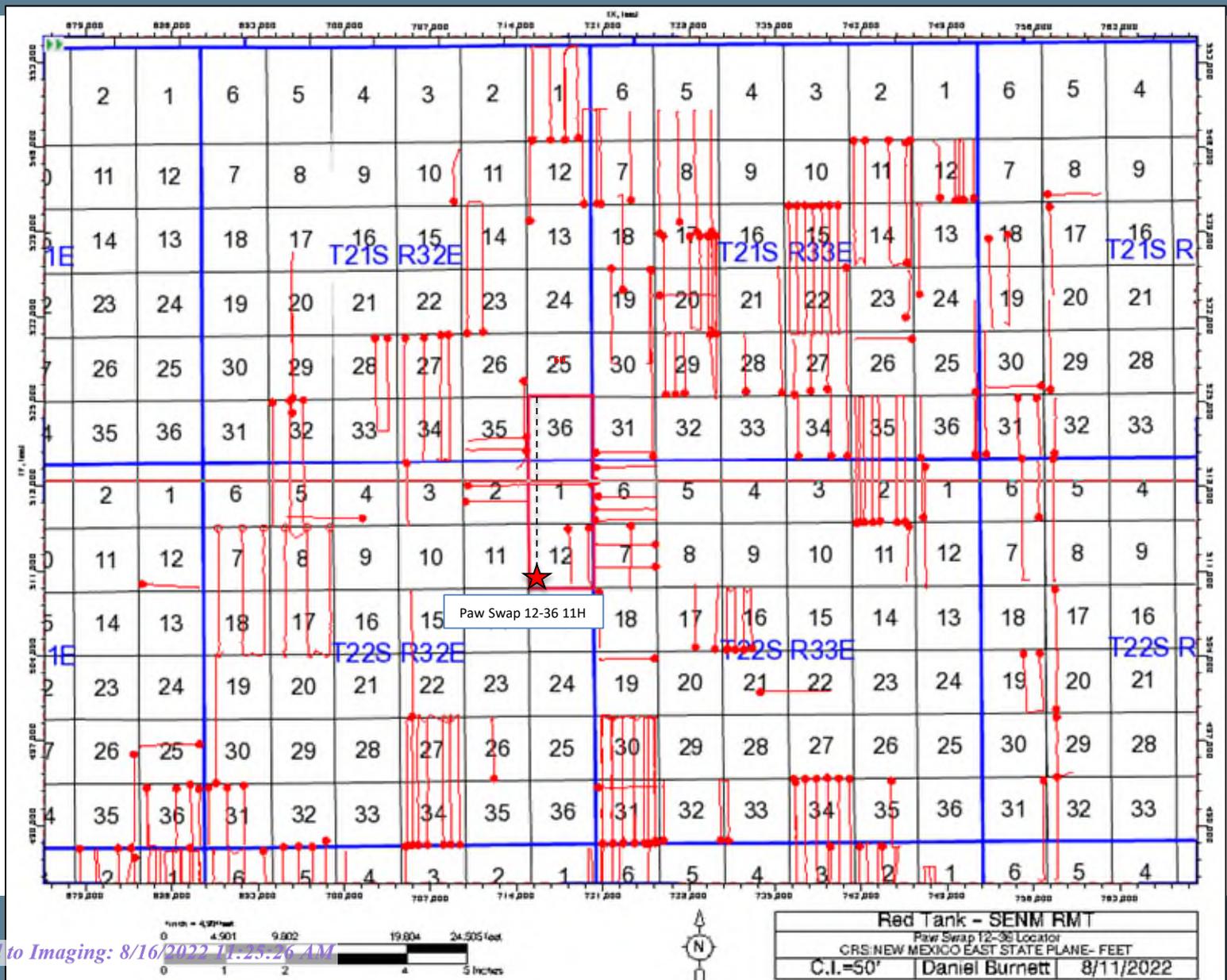




Exhibit D-1: Paw Swap 12-36 Locator



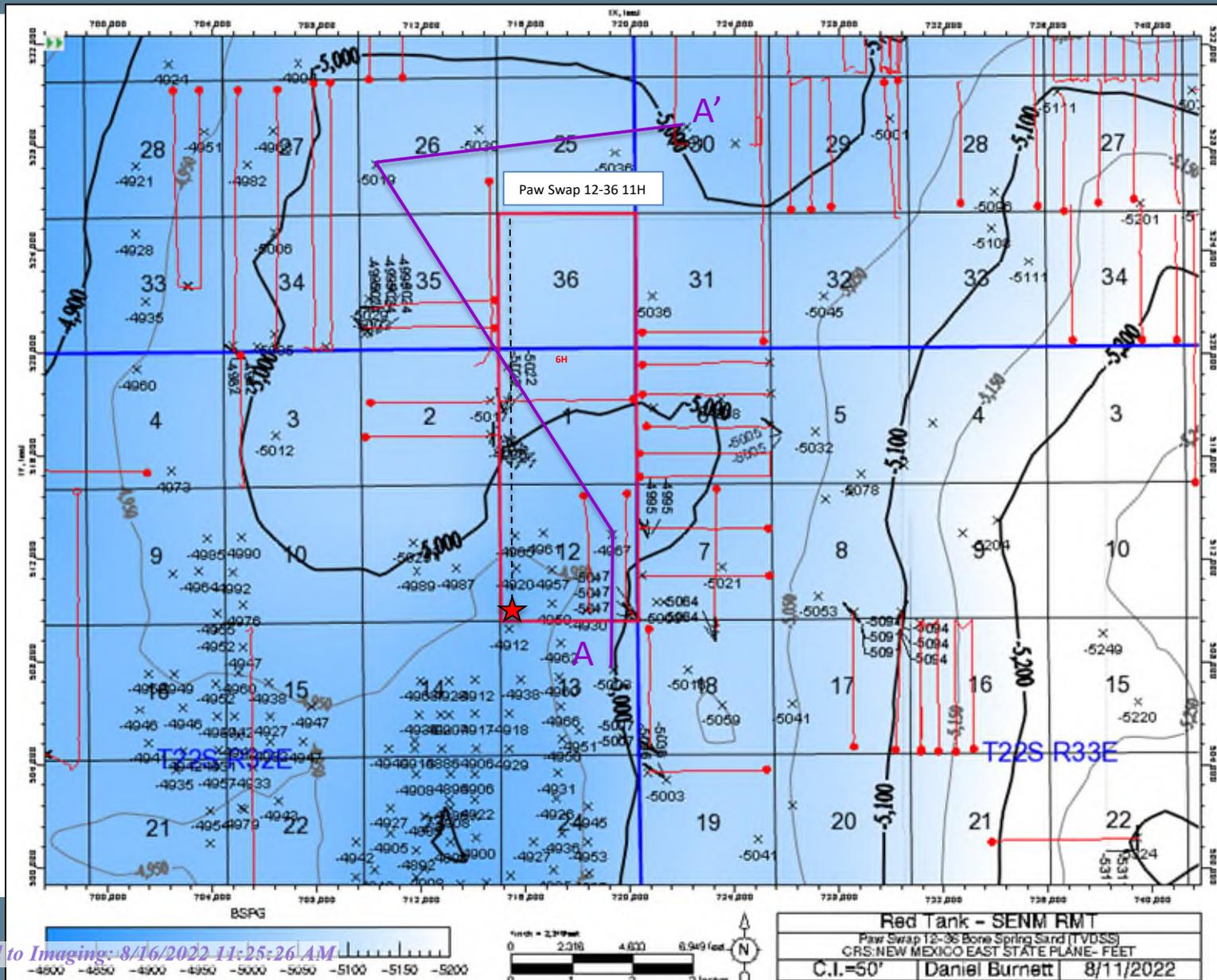
OXY, USA,
INC.
Case NO.
22928

Ex. D-1

- BSPG Pool Horizontals
- Paw Swap 12-36 11H



Exhibit D-2: BSPG TVDSS Structure Paw Swap 12-36



OXY, USA, INC.
Case NO. 22928
Ex. D-2

Legend

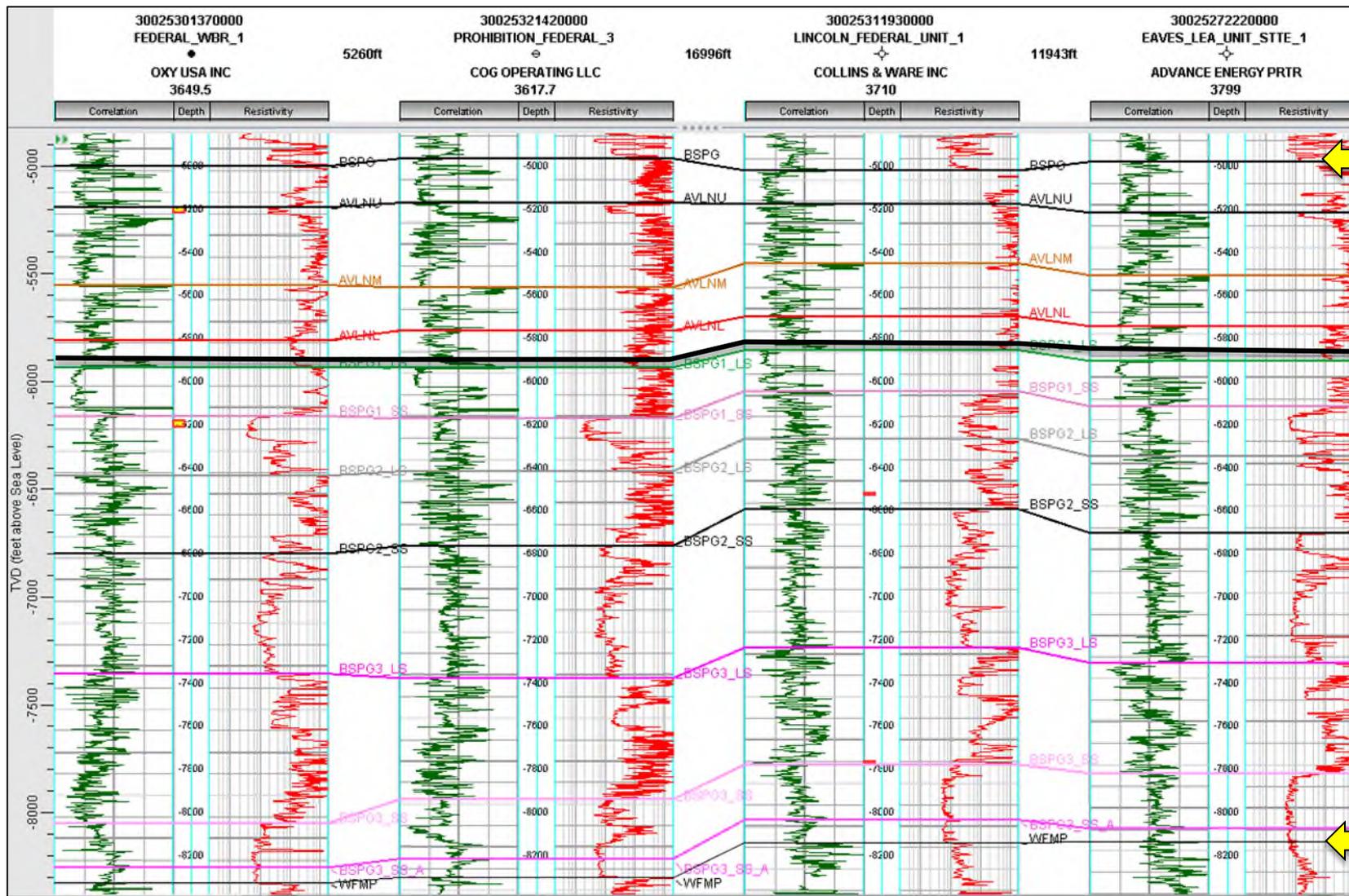
- X BSPG Picked wells
- TVDSS
- BSPG Pool Horizontals



Exhibit D-3: Structural Cross Section Paw Swap 12-36

A

A'



Bone Spring Top

Landing Depth Paw Swap 11H

OXY, USA, INC. Case No. 22928 Ex. D-3

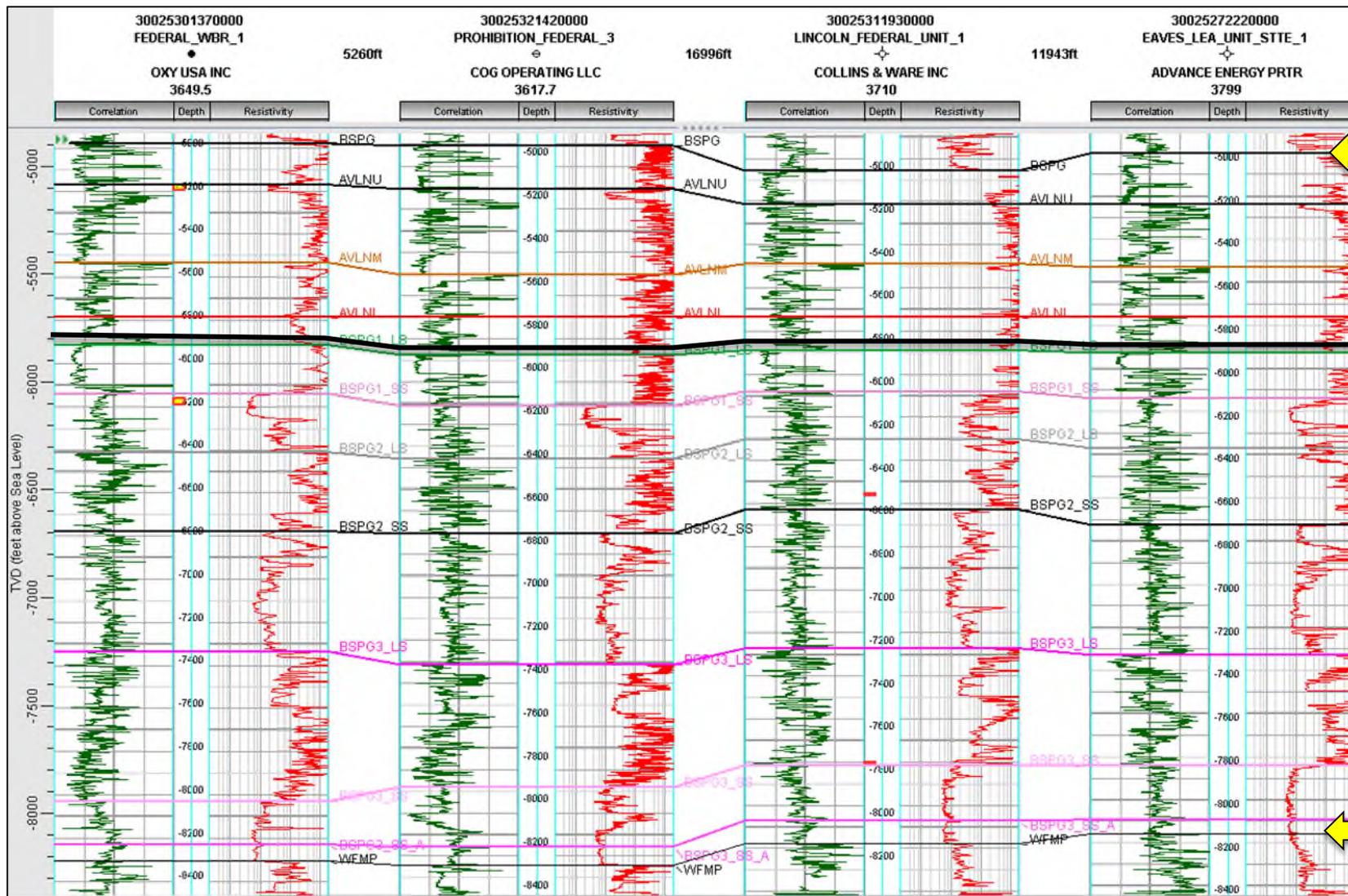
Wolfcamp Top



Exhibit D-4. Avalon Flattened Stratigraphic Cross Section Paw Swap 12-36

A

A'



Bone Spring Top

Landing Depth Paw Swap 11H

OXY, USA, INC. Case NO. 22928 Ex. D-4

Wolfcamp Top



EXHIBIT E

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

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

CASE NO. 22928

AFFIDAVIT

STATE OF NEW MEXICO)

COUNTY OF SANTA FE)

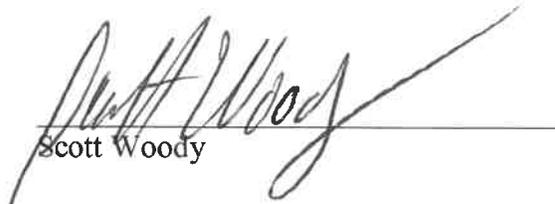
Scott Woody, attorney in fact and authorized representative of the Applicant herein,
being first duly sworn, upon oath, states:

1. The above-referenced application and notice of the hearing on this application
was sent by certified mail to the affected parties on the date set forth in the letters attached
hereto.

2. The spreadsheet attached hereto contains the names of the parties to whom notice
was provided.

3. The spreadsheet attached hereto contains the information provided by the United
States Postal Service on the status of the delivery of this notice as of August 11, 2022.

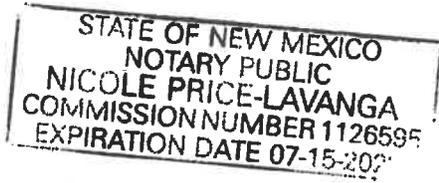
4. I caused a notice to be published to all parties subject to these compulsory pooling
on July 12, 2022. An affidavit of publication from the publication's legal clerk with a copy of
the notice publication is attached as Exhibit F.



Scott Woody

SUBSCRIBED and SWORN to before me on this 15th day of August 2022 by Scott

Woody.



Nicole Price-Lavanga
NOTARY PUBLIC

My Commission Expires:

7/15/23



Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

COG Operating, LLC
600 W. Illinois Ave.
Midland, TX 79701-4882

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfdyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. If you are an individual who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us or through the New Mexico Relay Network, (800) 659-1779 no later than July 24, 2022.

Parties appearing in cases are required by Rule 19.15.4.13.B NMAC to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing (normally by the Thursday the week before the hearing). This statement must be filed at the Division's Santa Fe office, by mail at 1220 S. St. Francis Dr., Santa Fe, New Mexico 87505 or by email at OCD.Hearings@state.nm.us; and should include: the names of the parties and their attorneys; a concise statement of the case; the extent to which you support or oppose the issuance of the order the applicant seeks and the reasons for such support or opposition; the names of all witnesses the party will call to testify at the hearing and in the case of expert witnesses, their fields of expertise; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. A copy of the Pre-Hearing State also must be provided to the undersigned. You should carefully read the applicable rules to ensure compliance.

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



COG Operating LLC
600 W Illinois Ave
Midland, TX 79701-4882

7019 0700 0001 9941 4268

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Return Receipt (electronic)

Certified Mail Restricted Delivery

Adult Signature Required

Adult Signature Restricted Delivery \$

Postage \$ 0.73

Total Postage and Fees \$ 7.53

Sent To
Street and City, State
COG Operating LLC
600 W Illinois Ave
Midland, TX 79701-4882

PS Form 3811, July 2015 PSN 7530-02-000-9053

Postmark Here

STATE OF TEXAS
MIDLAND POST OFFICE 8666-1-9051
JUL 7 2022

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Danese King</u> C. Date of Delivery <u>7/12/22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES</p>
<p>1. Article Addressed to:</p> <p>COG Operating LLC 600 W Illinois Ave Midland, TX 79701-4882</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7019 0700 0001 9941 4268</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>



Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Concho Oil & Gas, LLC
600 W. Illinois Ave.
Midland, TX 79701-4882

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



Concho Oil & Gas LLC
600 W Illinois Ave
Midland, TX 79701-4882

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Adult Signature Restricted Delivery \$

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<p>1. Article Addressed to:</p> <p>Concho Oil & Gas LLC 600 W Illinois Ave Midland, TX 79701-4882</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Registered Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7019 0700 0001 9736 9461</p>	<p>Domestic Return Receipt</p>

PS Form 3811, July 2015 PSN 7530-02-000-9053



Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Strategic Energy Income Fund IV, LP
1521 North Cooper ST, STE 400
Arlington, TX 76011

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



Strategic Energy Income Fund IV LP

1521 North Cooper ST, STE 400

Arlington, TX 76011

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 Fund IV LP
 1521 North Cooper ST, STE 400
 Arlington, TX 76011

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7019 0700 0001 9736 7511

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<p>1. Article Addressed to:</p> <p>Strategic Energy Income Fund IV LP 1521 North Cooper ST, STE 400 Arlington, TX 76011</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p>
<p>2. Article Number (Transfer from service label) 7019 0700 0001 9736 7511</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input checked="" type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input checked="" type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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July 11, 2022 at 12:43 pm
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Scott Woody
 Attorney
 Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

The Allar Company
 PO Box 1567
 Graham, TX 76450-7567

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency.

Persons may view and participate in the hearing via the following link:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfdyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. If you are an individual who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us or through the New Mexico Relay Network, (800) 659-1779 no later than July 24, 2022.

Parties appearing in cases are required by Rule 19.15.4.13.B NMAC to file a Pre-Hearing Statement at least four business days in advance of a scheduled hearing (normally by the Thursday the week before the hearing). This statement must be filed at the Division's Santa Fe office, by mail at 1220 S. St. Francis Dr., Santa Fe, New Mexico 87505 or by email at OCD.Hearings@state.nm.us; and should include: the names of the parties and their attorneys; a concise statement of the case; the extent to which you support or oppose the issuance of the order the applicant seeks and the reasons for such support or opposition; the names of all witnesses the party will call to testify at the hearing and in the case of expert witnesses, their fields of expertise; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing. A copy of the Pre-Hearing State also must be provided to the undersigned. You should carefully read the applicable rules to ensure compliance.

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



The Allar Company
PO BOX 1567
Graham, TX 76450-7567

7019 0700 0001 9736 7535

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Extra Services & Fees (check box, add fees to postage)

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Adult Signature Required

Adult Signature Restricted Delivery

Postage \$.73

Total Postage and Fees \$ 7.53

Sent To
Street and PO BOX 1567
City, State, Graham, TX 76450-7567

PS Form 3811, July 2015 PSN 7530-02-000-9053

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JUL 11 2022
OFFICE R666-1052

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<p>1. Article Addressed to:</p> <p>The Allar Company PO BOX 1567 Graham, TX 76450-7567</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7019 0700 0001 9736 7535</p>	<p>Restricted Delivery</p> <p>Domestic Return Receipt</p>

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PS Form 3811, July 2015 PSN 7530-02-000-9053



Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Highland Texas Energy Co.
11886 Greenville Ave., STE 106D
Dallas, TX 75243

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



Highland Texas Energy Co
11886 Greenville Ave., STE 106D
Dallas, TX 75243

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<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$ 1.73
Total Postage and Fees	\$ 7.53

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Highland Texas Energy Co
 11886 Greenville Ave., STE 106D
 Dallas, TX 75243

PS Form 3811, July 2015 PSN 7530-02-000-9053

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<p>1. Article Addressed to:</p> <p>Highland Texas Energy Co 11886 Greenville Ave., STE 106D Dallas, TX 75243</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Registered Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Return Receipt for Merchandise</p> <p><input checked="" type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7019 0700 0001 9736 9478</p>		<p>Domestic Return Receipt</p>	

PS Form 3811, July 2015 PSN 7530-02-000-9053



Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Chevron Midcontinent, LP
1400 Smith St.
Houston, TX 77002

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfdyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



Chevron Midcontinent LP

1400 Smith St

Houston, TX 77002

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Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$.73

Total Postage and Fees \$ 7.53

Sent To
Street and City, State
**Chevron Midcontinent LP
1400 Smith St
Houston, TX 77002**

PS Form 3811, July 2015 PSN 7530-02-000-9053

Postmark Here
OFFICE 8666-9601 NM 87501-9601 NM 7-14-22

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 		<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Amey Reddy</u> C. Date of Delivery <u>7-14-22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes</p>	
<p>1. Article Addressed to:</p> <p>Chevron Midcontinent LP 1400 Smith St Houston, TX 77002</p>		<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input checked="" type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input checked="" type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	
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Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Axis Energy Corp.
PO Box 219303.
Houston, TX 77218

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



er&Kennedy

o de Peralta
aw Mexico 87501-2758

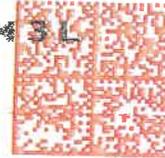


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Axis Energy Corp
PO BOX 219303
Houston, TX 77218

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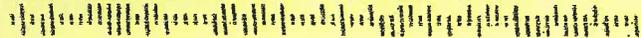
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BC: 87501275839

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87501275839



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PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, FOLD AT DOTTED LINE

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Axis Energy Corp
PO BOX 219303
Houston, TX 77218



9590 9402 5049 9092 4469 58

7019 0700 0001 9736 7559

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Agent

Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? Yes
If YES, print name and address below

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- Collect on Delivery

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- Registered Mail™
- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



Scott Woody
Attorney
Direct: (505) 989-7299
Email: scott.woody@gknet.com

July 27, 2022

VIA CERTIFIED MAIL AND EMAIL - KEN@MANZANOENERGY.COM

Ken Barbe
Axis Energy Company
121 W. 3rd Street
Roswell, NM 88201

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928.

Dear Mr. Barbe:

On July 6, 2022 we sent a notice of application packet regarding the above case before the New Mexico Oil Conservation Division to Axis Energy Company's address of record (PO Box 219303 Houston, TX 77218). The packet was returned to us as undeliverable.

As a courtesy please find enclosed another packet that includes both the letter and a copy of Oxy USA Inc.'s application in Case No. 22928.

It is our understanding that you have already spoke with Amber Delach regarding this matter, but if you have any additional questions please contact Ms. Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Scott Woody

Enclosures



Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

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PO Box 219303.
Houston, TX 77218

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfdyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

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1239 Paseo de Peralta | Santa Fe, NM 87501-2758 | P: 505-982-9523 | F: 505-983-8160 | www.gknet.com

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM

G|K

er&Kennedy

o de Peralta
aw Mexico 87501-2758

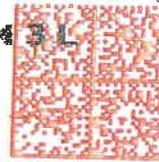


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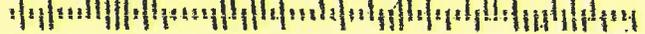
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1. Article Addressed to:
Axis Energy Corp
PO BOX 219303
Houston, TX 77218



9590 9402 5049 9092 4469 58

7019 0700 0001 9736 7559

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X Agent Addressee

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PS Form 3811, July 2015 PSN 7530-02-000-9053

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

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

CASE NO. 22928

APPLICATION

Oxy USA, Inc. ("Applicant"), OGRID No. 16696, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests in the Bone Spring formation in a horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Applicant states as follows:

1. Applicant is an interest owner in the proposed horizontal spacing unit and has a right to drill a well thereon.
2. Applicant seeks to dedicate the W/2 W/2 of Sections 1 and 2, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico to form a standard 480-acre, more or less, horizontal spacing unit.
3. Applicant proposes to drill the **PAW SWAP 12-36 FED COM #11H** well to a depth sufficient to test the Bone Spring formation. This well is a horizontal well with a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East, NMPM, Lea County, and an intended bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East,

NMPM, Lea County. A portion of the well location is within the potash development area.

4. This well is proposed to be drilled vertically to a depth of approximately 9,510' to the Bone Spring formation and laterally in a northerly direction within the formation to the referenced bottom hole location.
5. This well will be located within the Red Tank; Bone Spring Pool (Pool Code 51683) and will comply with the Division's statewide setback requirements.
6. Applicant has in good faith sought, but has been unable to obtain, a voluntary agreement from all other interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interest to the well.
7. The creation of a horizontal spacing unit and the pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2022, and after notice and hearing as required by law, the Division enter an order:

- A. Creating an approximately 480-acre horizontal spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico;
- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the W/2 W/2 of Sections 1 and 12,

Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico;

- C. Designating Applicant as the operator of this unit and the well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- E. Approving the actual operating charges and costs charged for supervision, together with a provision adjusting the rate pursuant to COPAS accounting procedures; and
- F. Setting a 200% charge for the risk in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully Submitted,

GALLAGHER & KENNEDY, P.A.

By: /s/ Dalva Moellenberg
Dalva L. Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
1239 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 982-9523 (Telephone)
(505) 983-8160 (Fax)

[PROPOSED LEGAL NOTICE FOR PUBLICATION]

Case No. _____ : Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed Paw Swap 12-36 Fed Com #11H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East, NMPM, Lea County. The completed interval of the well will comply with statewide setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs, and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling and completing said well. Said area is located approximately 28 miles west of Eunice, New Mexico.

NOTICE OF HEARINGS

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely.

The hearings will be conducted on Thursday, August 4, 2022, beginning at 8:15 a.m.

To participate in the hearings, see the instructions posted below.

The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us.

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Persons may view and participate in the hearings through the following link:
<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8>
Event number: 2495 753 5306
Event password: T7ybfdyU8S3

Join by video: 24957535306@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number
Numeric Password: 533394

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 2495 753 5306

Note: All land descriptions refer to the New Mexico Principal Meridian.

1. Case No. 22924: Application of Invito Operating, LLC for Compulsory Pooling, Lea County, New Mexico.
Applicant applies for an order pooling all uncommitted mineral interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of Lot 1, SE/4 NE/4 and E/2 SE/4 (E/2 E/2 equivalent) of Section 1, Township 9 South, Range 33 East, Lea County, New Mexico. The Unit will be dedicated to the Palisade #1H well ("Well") to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 12, Township 9 South, Range 33 East, to a bottom hole location in Lot 1 of Section 1, Township 9 South, Range 33 East. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 10.35 miles west of Crossroads, New Mexico.

2. Case No. 22925: Application of Invito Operating, LLC for Compulsory Pooling, Lea County, New Mexico.
Applicant applies for an order pooling all uncommitted mineral interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit ("Unit") comprised of the E/2 E/2 of Section 12, Township 9 South, Range 33 East, Lea County, New Mexico. The Unit will be dedicated to the Wagoneer #1H well ("Well") to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 9 South, Range 33 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 12, Township 9 South, Range 33 East. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well are located approximately 10.35 miles west of Crossroads, New Mexico.

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Axis Energy Company
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Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Bureau of Land Management
320 E. Greene St.
Carlsbad, NM 88220-6292

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July 6, 2022
Page 2

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Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



BLM
320 E Greene St
Carlsbad, NM 88220-6292

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Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Intrepid Potash
320 E. Greene St.
Carlsbad, NM 88220-6292

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Intrepid Potash
July 6, 2022
Page 2

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Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM





Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Intrepid Potash
July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM





Scott Woody
Attorney
Direct: (505) 982-9523

July 6, 2022

VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Intrepid Potash
707 17th St. STE 4200
Denver, CO 80202

Re: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico; Case No. 22928

Dear Sir or Madam:

This letter is to advise you that Oxy USA, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 am on August 4, 2022. The hearing will be held remotely due to the COVID-19 Public Health Emergency. Persons may view and participate in the hearing via the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> using Event Number 2495 753 5306 and Event Password T7ybfyU8S3. Persons can join by video at 24957535306@nmemnrd.webex.com (numeric password: 533394) or by audio at 1-844-992-4726 (US toll free) using Access Code 2495 753 5306. The hearing information is also available at <https://www.emnrd.nm.gov/ocd/hearing-info/> or can be obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in this case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. If you are an individual who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us or through the New Mexico Relay Network, (800) 659-1779 no later than July 24, 2022.

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VIA U.S. CERTIFIED MAIL; RETURN RECEIPT REQUESTED

Intrepid Potash
July 6, 2022
Page 2

If you have any questions about this matter, please contact Amber Delach at (713) 552-8502 or at Amber_delach@oxy.com.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: /s/ Scott Woody
Dalva Moellenberg
DLM@gknet.com
Christina Wisdom
Christina.Wisdom@gknet.com
Scott Woody
Scott.Woody@gknet.com
Attorneys for
Oxy USA, Inc.

Oxy USA, Inc.'s Application for Compulsory Pooling in Lea County, NM



Intrepid
707 17th St, STE 4200
Denver, CO 80202

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EXHIBIT F

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
July 12, 2022
and ending with the issue dated
July 12, 2022.



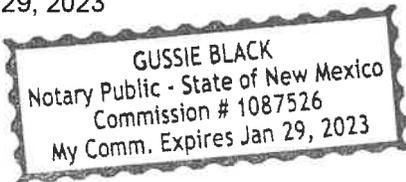
Publisher

Sworn and subscribed to before me this
12th day of July 2022.



Business Manager

My commission expires
January 29, 2023
(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

**LEGAL NOTICE
JULY 12, 2022**

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearings will be conducted on **Thursday, August 4, 2022**, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than July 24, 2022. Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=e31b6024829fa0829142b9c9807b258c8> Event number: 2495 753 5306 Event password: T7ybfdyU8S3 Join by video: 24957535306@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your meeting number Numeric Password: 533394 Join by audio: 1-844-992-4726 United States Toll Free Access code: 2495 753 5306.

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

Note: All land descriptions refer to the New Mexico Principal Meridian.

To: Notice to all affected parties subject to pooling proceedings, as well as their heirs and devisees, including: **COG Operating LLC; Concho Oil & Gas LLC; Strategic Energy Income Fund IV LP; The Allar Company; Highland Texas Energy Co.; Chevron Midcontinent, LP; Axis Energy Corp; U.S. Bureau of Land Management; and Intrepid Potash.**

CASE NO. 22928: Application of Oxy USA, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of Sections 1 and 12, Township 22 South, Range 32 East, and the W/2 W/2 of Section 36, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed Paw Swap 12-36 Fed Com #11H well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 13, Township 22 South, Range 32 East to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 36, Township 21 South, Range 32 East, NMPM, Lea County. The completed interval of the well will comply with statewide setback requirements for oil wells. Also, to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs, and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling and completing said well. Said area is located approximately 28 miles west of Eunice, New Mexico.
#37838

67115920

00268773

GALLAGHER & KENNEDY
1239 PASEO DE PERALTA
SANTA FE, NM 87501

OXY, USA, INC.
CASE NO. 22928
EXHIBIT F