

RECEIVED <u>5-1-2017</u>	REVIEWER <u>LRL</u>	TYPE <u>NSL</u>	APP NO. <u>PKBC 1712241253</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA Inc. OGRID Number: 16696
 Well Name: Palladium MDP1 7-6 Federal Conn #2H API: 30-015-Pending
 Pool: Cotton Draw Bone Spring Pool Code: 13367

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

NSL-75481) **TYPE OF APPLICATION:** Check those which apply for [A]

A Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which applyA ☒ Offset operators or lease holders, WFOB ☐ Royalty, overriding royalty owners, revenue ownersC ☐ Application requires published noticeD ☐ Notification and/or concurrent approval by SLOE ☒ Notification and/or concurrent approval by BLMF ☐ Surface ownerG ☐ For all of the above, proof of notification or publication is attached, and/or,H ☐ No notice required**FOR OCD ONLY**☐ Notice Complete
☐ Application
 Content
 Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for
 administrative approval is **accurate** and **complete** to the best of my knowledge. I also
 understand that **no action** will be taken on this application until the required information and
 notifications are submitted to the Division

~~Note: Statement must be completed by an individual with managerial and/or supervisory capacity.~~

David Stewart

Print or Type Name

Date

4/26/17432-685-5717

Phone Number

david_stewart@oxy.com
 e-mail Address

Signature



OXY USA Inc

**PO Box 50250
Midland, TX 79710-0250**

April 26, 2017

New Mexico Oil Conservation Division
1220 South St Francis Dr
Santa Fe, NM 87505

Attention Leonard Lowe

Re ***Application for Administrative Approval of Non-Standard Location –
Palladium MDP1 7-6 Federal Com #2H – Cotton Draw Bone Spring
Surface – 609 FSL 742 FWL Lot 4 (M) Sec 7 T24S R31E
Top Perforation – 340 FSL 1260 FWL Lot 4 (M) Sec 7 T24S R31E
Bottom Perforation – 340 FNL 1260 FWL Lot 4 (D) Sec 6 T24S R31E
Bottom Hole – 180 FNL 1260 FWL Lot 4 (D) Sec 6 T24 R31E
Eddy County, New Mexico***

Dear Mr Lowe

OXY USA Inc respectfully requests administrative approval of a non-standard location on the Palladium MDP1 7-6 Federal #2H well, API Number-30-015-Pending, Property Code Pending. The #2H well is proposed to be completed in the Cotton Draw Bone Spring, Pool Code 13367. This will be a horizontal well in a pool with no special rules for setback, so the setback requirements under Rule 19 15 15 9 (A) and 19 15 16 15 (B) would apply. The proposed producing interval is outside of the proposed Producing Area but within the proposed Project Area and will be drilled as follows:

Surface – 609 FSL 742 FWL Lot 4 (M) Sec 7 T24S R31E
Top Perforation – 340 FSL 1260 FWL Lot 4 (M) Sec 7 T24S R31E
Bottom Perforation – 340 FNL 1260 FWL Lot 4 (D) Sec 6 T24S R31E
Bottom Hole – 180 FNL 1260 FWL Lot 4 (D) Sec 6 T24 R31E

The adjoining spacing units are located in T23S R30E, Section 36-Unit P, T23S R31E, Section 31-Units M, N, T24S R30E, Section 1-Units A, H, I, P, Section 12-Units A, H, I, P, Section 13-Unit A, T24S R31E, Section 6-Units 3(C), 4(D), 5(E), F, K, 6(L), 7(M), N, Section 7-Units C, 1(D), 2(E), F, K, 3(L), 4(M), N, Section 18-Units C, D.

Approval of the unorthodox producing interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

To support this request, the following information has been submitted for your review:

- 1 Application for Permit to Drill
- 2 C-102 Plat for the proposed well and additional plats with offsetting well and affected spacing units
- 3 List of affected offset parties that adjoin the non-standard, copies of the signed certified return receipts will be furnished upon request
- 4 Proposed Directional Survey

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart
Sr Regulatory Advisor
OXY USA Inc

Attachments

CC NMOCD-Artesia, BLM-Carlsbad, Service List



OXY USA Inc.

**PO Box 50250
Midland, TX 79710-0250**

April 26, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re ***Application for Administrative Approval of Non-Standard Location –
Palladium MDP1 7-6 Federal Com #2H – Cotton Draw Bone Spring
Surface – 609 FSL 742 FWL Lot 4 (M) Sec 7 T24S R31E
Top Perforation – 340 FSL 1260 FWL Lot 4 (M) Sec 7 T24S R31E
Bottom Perforation – 340 FNL 1260 FWL Lot 4 (D) Sec 6 T24S R31E
Bottom Hole – 180 FNL 1260 FWL Lot 4 (D) Sec 6 T24 R31E
Eddy County, New Mexico***

Ladies and Gentlemen

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval for a non-standard location. As an affected party, notice is being provided to you pursuant to Rule 19 15 15 9 (A) and 19 15 16 15 (B). The well is located as follows:

Surface – 609 FSL 742 FWL Lot 4 (M) Sec 7 T24S R31E
Top Perforation – 340 FSL 1260 FWL Lot 4 (M) Sec 7 T24S R31E
Bottom Perforation – 340 FNL 1260 FWL Lot 4 (D) Sec 6 T24S R31E
Bottom Hole – 180 FNL 1260 FWL Lot 4 (D) Sec 6 T24 R31E

If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505, Attention: Leonard Lowe).

If you need any additional information, you can contact John Schneider, CPL at 713-366-5330 or myself at 432-685-5717.

Sincerely,

David Stewart
Sr. Regulatory Advisor
OXY USA Inc.

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires October 31, 2014

5 Lease Serial No
NMNM57273

6 If Indian, Allottee or Tribe Name

1a Type of work ☒ DRILL ☐ REENTER

1b Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2 Name of Operator
OXY USA INC

7 If Unit or CA Agreement, Name and No

8 Lease Name and Well No
PALLADIUM MDP1-7-6 FEDERAL 2H

9 API Well No

3a Address
5 Greenway Plaza, Suite 110 Houston TX 770

3b Phone No (include area code)
(713)366-5716

10 Field and Pool, or Exploratory
COTTON DRAW BONE SPRING / 2ND I

4 Location of Well (Report location clearly and in accordance with any State requirements *)

At surface LOT 4 / 609 FSL / 742 FWL / LAT 32 2262659 / LONG -103 8232657

At proposed prod zone LOT 4 / 180 FNL / 1260 FWL / LAT 32 2531575 / LONG -103 8215667

11 Sec, T R M or Blk and Survey or Area

SEC 7 / T24S / R31E / NMP

14 Distance in miles and direction from nearest town or post office*
15 miles

12 County or Parish
EDDY

13 State
NM

15 Distance from proposed*
location to nearest 100 feet
property or lease line, ft
(Also to nearest drg unit line, if any)

16 No of acres in lease
607 16

17 Spacing Unit dedicated to this well
320

18 Distance from proposed location*
to nearest well, drilling, completed, 30 feet
applied for, on this lease, ft

19 Proposed Depth
10024 feet / 20150 feet

20 BLM/BIA Bond No on file
FED ESB000226

21 Elevations (Show whether DF, KDB, RT, GL, etc)
3531 feet

22 Approximate date work will start*
12/04/2017

23 Estimated duration
25 days

24 Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must be attached to this form

1 Well plat certified by a registered surveyor

2 A Drilling Plan

3 A Surface Use Plan (if the location is on National Forest System Lands, the
SUPO must be filed with the appropriate Forest Service Office)

4 Bond to cover the operations unless covered by an existing bond on file (see
Item 20 above)

5 Operator certification

6 Such other site specific information and/or plans as may be required by the
BLM

25 Signature
(Electronic Submission)

Name (Printed/Typed)
David Stewart / Ph (713)366-5716

Date
02/01/2017

Title
Sr Regulatory Advisor

Approved by (Signature)

Name (Printed/Typed)

Date

Title

Office
CARLSBAD

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to
conduct operations thereon
Conditions of approval, if any, are attached

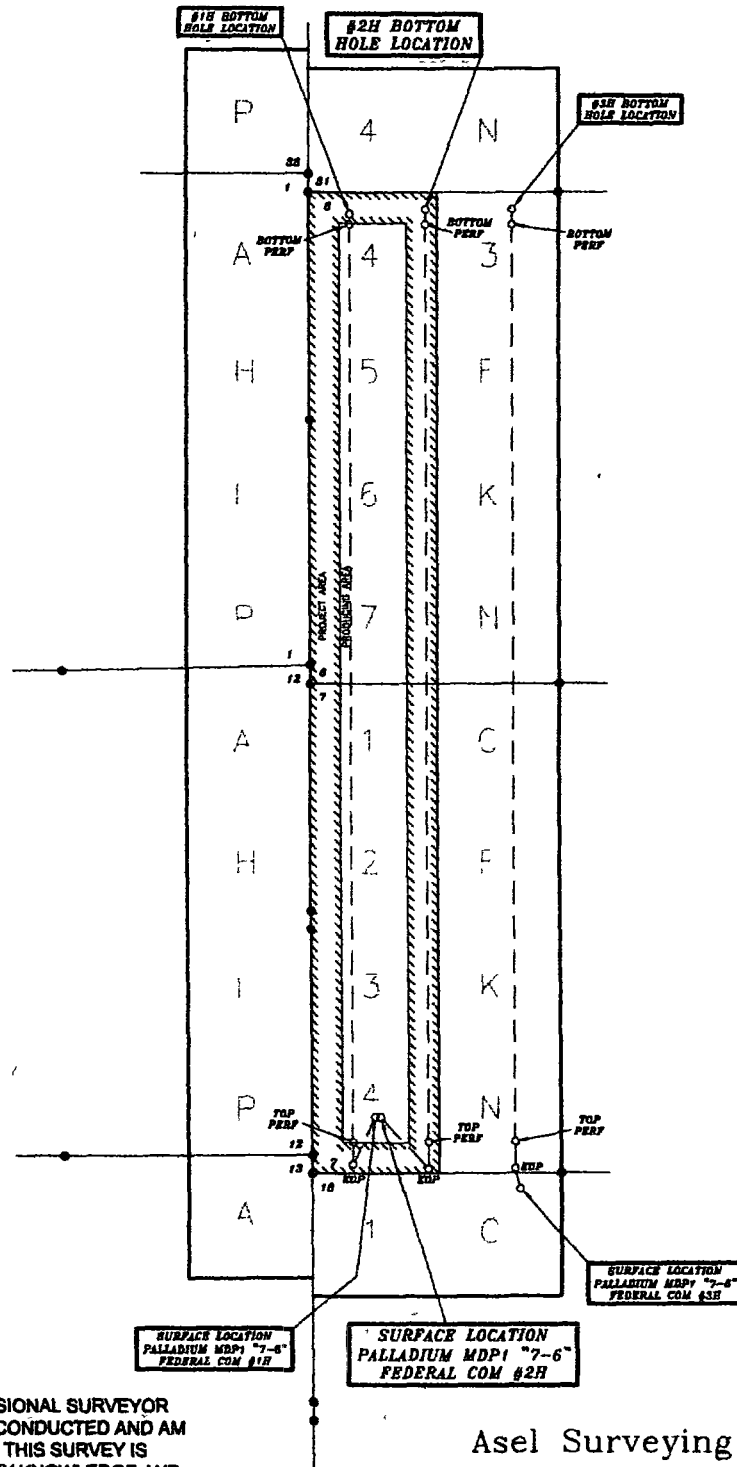
Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

(Continued on page 2)

*(Instructions on page 2)

OXY USA INC.

PALLADIUM MDP1 "7-6" FEDERAL COM #2H
SECTION 36, T23S, R30E, SECTION 31, T23S, R31E,
SECTIONS 1, 12 & 13, T24S, R30E, SECTIONS 6, 7 & 18,
T24S, R31E, N.M.P.M., EDDY COUNTY, NEW MEXICO



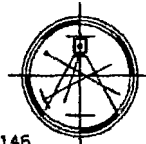
SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS

Terry J. Asel 4/25/2017
Terry J. Asel, N.M. R.P.L.S. No. 15079

Asel Surveying

P.O. BOX 393 - 310 W TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



2000' 0 2000' 4000' FEET
SCALE 1"=2000'

Division I
1623 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-0161 Fax: (575) 393-0720
Division II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
Division III
1000 Rio Grande Road, Aztec, NM 87410
Phone: (505) 334-0178 Fax: (505) 334-0170
Division 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

API Number 30-015-	Pool Code 13367	Pool Name Cottonwood Bone Springs
Property Code	Property Name PALLADIUM MDP1 "7-6" FEDERAL COM	Well Number 2H
OGRID No 16696	Operator Name OXY USA INC	Elevation 3530 9'

Surface Location

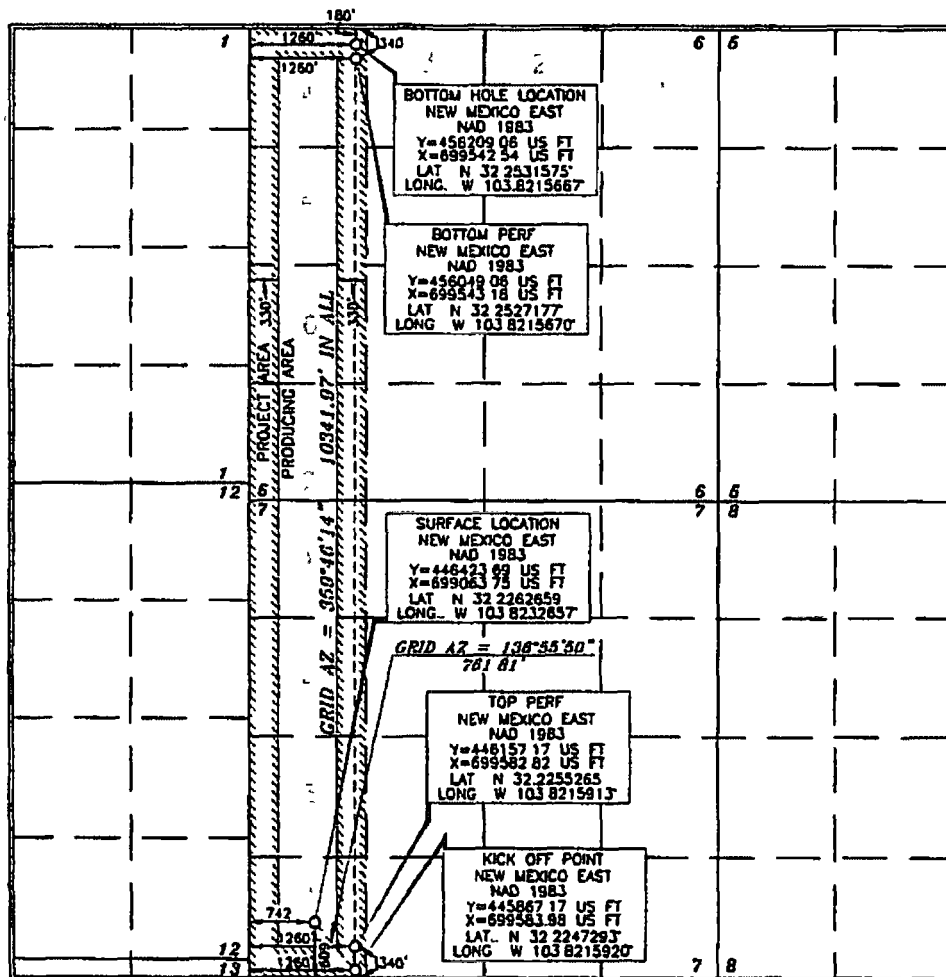
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	7	24 SOUTH	31 EAST, N M P M		609'	SOUTH	742'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	6	24 SOUTH	31 EAST, N M P M		180'	NORTH	1260'	WEST	EDDY

Dedicated Acres 320	Joint or Infill Y	Consolidation Code	Order No. NSL will be filed
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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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that the organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right in the well or the 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.

Signature: *David Stewart* Date: **1/30/17**
Printed Name: **David Stewart-Sperry, ALC**
E-mail Address: **David.Stewart@oay.com**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted by the use of accurate surveying methods made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: **JUNE 28, 2016**
Signature and Seal: *James J. Sperry*
Professional Surveyor: **15079**
Certificate Number: **15079**



Occidental Oil and Gas Corporation
ATTN: Kacie Cruz
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-350-4889
kacie_cruz@oxy.com

June 22, 2017

Mr Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE Application for Administrative Approval of Nonstandard Location—Engineering Justification
OXY USA Inc
Palladium MDP1 7-6 Federal Com #2H – Cotton Draw Bone Spring
Surface – 609 FSL 742 FWL Lot 4 (M) Sec 7 T24S R31E
Top Perforation – 340 FSL 1260 FWL Lot 4 (M) Sec 7 T24S R31E
Bottom Perforation – 340 FNL 1260 FWL Lot 4 (D) Sec 6 T24S R31E
Bottom Hole – 180 FNL 1260 FWL Lot 4 (D) Sec 6 T24 R31E
Eddy County, New Mexico

Dear Mr Lowe

Oxy USA Inc respectfully seeks approval for non-standard locations, increasing horizontal well spacing from 4 wells per section ("wps") to 6 wps to effectively develop the Bone Spring and Wolfcamp formations. It is Oxy's responsibility as a prudent operator to optimize well spacing for horizontal development and minimize reserves left in the ground. Increasing horizontal well spacing from 4 wps to 6 wps will optimize recoverable reserves. Any reduction in well spacing will result in untapped reserves being left in the reservoir resulting in waste of a resource that will not be developed otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Kacie Cruz".

Kacie Cruz
Development Production Engineer
Oxy USA Inc

Application Non-Standard Location - Service List - Amended
OXY USA Inc.
Palladium MDP1 7-6 Federal #2H

New Mexico Oil Conservation Division
811 S. First St
Artesia, NM 88210
7015-0640-0005-1003-4062

New Mexico Oil Conservation Division
1220 South St. Francis Dr
Santa Fe, NM 87505
7015-0640-0005-1003-4079

United States Dept of Interior
Bureau of Land Management
620 E Greene Street
Carlsbad, NM 88220
7015-0640-0005-1003-4086

T23S R30E
Section 36 - Unit P

BMT O&G NM, LLC
201 Main St, Ste 2700
Fort Worth, TX 76102
7015-0640-0005-1003-4093

T23S R31E
Section 31 - Unit M, N

ConocoPhillips Co.
3401 30th St.
Farmington, NM 87402
7015-0640-0005-1003-4109

T24S R30E
Section 1 - Units A, H, I, P

Devon Energy Production CO, LP
333 W Sherdan Ave,
Oklahoma City, OK 73102
7015-0640-0005-1003-4178

Section 12 - Units A, H, P

OXY USA Inc - 60%
P O Box 50250
Midland, TX 79710

EOG Resources, Inc - 40%
P. O. Box 2267
Midland, TX 79702
7015-0640-0005-1003-4130

Section 12 - Unit I

OXY USA Inc - 10%
P.O. Box 50250
Midland, TX 79710

EOG A Resources, Inc. - 10%
P O. Box 900
Artesia, NM 88211
7015-0640-0005-1003-4147

EOG M Resources, Inc. - 10%
P O. Box 840
Artesia, NM 88211
7015-0640-0005-1003-4154

EOG Y Resources, Inc. - 70%
105 S 4th St
Artesia, NM 88210
7015-0640-0005-1003-4161

Section 13 - Unit A

OXY USA Inc - 60%
P.O. Box 50250
Midland, TX 79710

EOG Resources, Inc - 40%
P O Box 2267
Midland, TX 79702
7015-0640-0005-1003-4130

T24S R31E

Section 6 - Unit 3(C), 4(D), 5(E), F, K, 6(L), 7(M), N

OXY USA Inc - 32%
P.O. Box 50250
Midland, TX 79710

EOG A Resources, Inc - 32%
P. O. Box 900
Artesia, NM 88211
7015-0640-0005-1003-4147

EOG M Resources, Inc - 32%
P O Box 840
Artesia, NM 88211
7015-0640-0005-1003-4154

EOG Y Resources, Inc. - 4%
105 S 4th St
Artesia, NM 88210
7015-0640-0005-1003-4161

Section 7 - Unit C, 1 (D), 2 (E), F, K, 3(L), 4(M), N

OXY USA Inc - 100%
P.O. Box 50250
Midland, TX 79710

Section 18 - Units C, D

OXY USA Inc - 60%
P O Box 50250
Midland, TX 79710

EOG Resources, Inc. - 20%
P. O. Box 2267
Midland, TX 79702
7015-0640-0005-1003-4130

McCombs Energy, Ltd - 20%
750 E Mulberry Ave., Ste 403
San Antonio, TX 78212
7015-0640-0005-1003-4185

Copies of this application were mailed to the following individuals, companies and organizations on or before

4/26/17

David Stewart - OXY USA Inc.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

BLM
670 E. Greene St.
Carrizobad, NM
88820

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4086

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

NMOCB
1220 South St Francis Dr.
Santa Fe, NM
87505

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4079

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

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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:

NMOCB
8115 First St.
Artesia, NM
88210

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4062

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

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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:

Devco Energy Prod. Co. LP
333 W. Shawnee Ave.
Oklahoma City, OK
73102

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4178

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Conoco Phillips Co.
3401 30th St.
Farmington, NM
87402

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4109

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

UT O&G NM LLC
Main St., Ste. 2700
Worth, TX
76102

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4093

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

EOG-M Resources Inc.
P.O. Box 840
Artesia, NM
88211

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4154

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

EOG-A Resources Inc.
P.O. Box 700
Artesia, NM
88211

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4147

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

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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:

EOG-Resources Inc.
P.O. Box 2267
Midland, TX
79702

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4130

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *[Signature]*☐ Agent☐ Address

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

3. Service Type

☐ Certified Mail®☐ Registered☐ Insured Mail☐ Restricted Delivery? (Extra Fee)☐ Priority Mail Express®☐ Return Receipt for Merchandise☐ Collect on Delivery☐ Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

✓ McCoubys Energy Ltd.
750 E. McCombs Ave., Ste. 403
San Antonio, TX 78212

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4185

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail® ☐ Priority Mail Express®
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

EOG Resources Inc.
105 S. 4th St.
Antonia, NM 88210

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4161

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail® ☐ Priority Mail Express®
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Chevron USA Inc.
6301 Deauville
Midland, TX 79706

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4116

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail® ☐ Priority Mail Express®
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- 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:

Hayes Properties Inc.
500 W. Texas Ave.
Midland, TX 79701

2. Article Number

(Transfer from service label)

7015 0640 0005 1003 4123

PS Form 3811, July 2013

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X [Signature]

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Certified Mail® ☐ Priority Mail Express®
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

Lowe, Leonard, EMNRD

From: David_Stewart@oxy.com
Sent: Tuesday, June 27, 2017 8 28 AM
To: Lowe, Leonard, EMNRD
Cc: McMillan, Michael, EMNRD, Jones, William V, EMNRD, Kelley_Montgomery@oxy.com
Subject: RE NSL APPLICATION FOR_Palladium MDP1 7-6 Federal Com No 2H - 5H
Attachments: PalladiumMDP1-7-6Fd2H-NSLEngrJustification pdf, PalladiumMDP1-7-6Fd5H-NSLEngrJustification pdf, PalladiumMDP1-7-6Fd2H-NSLSLAmCRR pdf, PalladiumMDP1-7-6Fd5H-NSLSLAmCRR pdf

Mr Lowe, please see attached for the requested information, this includes an amended service list with the working interest percentages listed, the certified return receipts and the engineering justification letter. If you need anything else, please let me know and I appreciate the help.

Thanks,
David Stewart
Sr. Regulatory Advisor
OXY Permian
Wk-432-685-5717
Cell-432-634-5688
david_stewart@oxy.com

From: Stewart, David R
Sent: Wednesday, May 24, 2017 12 53 PM
To: 'Lowe, Leonard, EMNRD' <Leonard.Lowe@state.nm.us>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>, Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>, Montgomery, Kelley A <Kelley_Montgomery@oxy.com>, Mitchell, Sarah H <Sarah.Mitchell@oxy.com>
Subject: RE NSL APPLICATION FOR_Palladium MDP1 7-6 Federal Com No 2H

Mr Lowe, we'll start working on the additional information and will get it sent to you ASAP on the current applications. We will also start adding this information to future applications. Thank You and we appreciate your time and all the help.

Thanks,
David Stewart
Sr. Regulatory Advisor
OXY Permian
Wk-432-685-5717
Cell-432-634-5688
david_stewart@oxy.com

From: Lowe, Leonard, EMNRD [<mailto:Leonard.Lowe@state.nm.us>]
Sent: Wednesday, May 24, 2017 12 36 PM
To: Stewart, David R <David_Stewart@oxy.com>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>, Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>, Montgomery, Kelley A <Kelley_Montgomery@oxy.com>, Mitchell, Sarah H <Sarah.Mitchell@oxy.com>

Lowe, Leonard; EMNRD

From: David_Stewart@oxy.com
Sent: Wednesday, May 24, 2017 11:53 AM
To: Lowe, Leonard; EMNRD
Cc: McMillan, Michael; EMNRD; Jones, William V; EMNRD; Kelley_Montgomery@oxy.com; Sarah_Mitchell@oxy.com
Subject: RE: NSL APPLICATION FOR Palladium MDP1 7-6 Federal Com No 2H

Mr. Lowe, we'll start working on the additional information and will get it sent to you ASAP on the current applications. We will also start adding this information to future applications. Thank You and we appreciate your time and all the help.

Thanks,
David Stewart
Sr. Regulatory Advisor
OXY Permian
Wk-432-685-5717
Cell-432-634-5688
david_stewart@oxy.com

From: Lowe, Leonard; EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Wednesday, May 24, 2017 12:36 PM
To: Stewart, David R <David_Stewart@oxy.com>
Cc: McMillan, Michael; EMNRD <Michael.McMillan@state.nm.us>; Jones, William V; EMNRD <WilliamV.Jones@state.nm.us>; Montgomery, Kelley A <Kelley_Montgomery@oxy.com>; Mitchell, Sarah H <Sarah_Mitchell@oxy.com>
Subject: [EXTERNAL] RE: NSL APPLICATION FOR Palladium MDP1 7-6 Federal Com No 2H
Importance: High

Mr. David Stewart,

See reply below

1. Are there new guidelines that we should be following? We want to make sure that everything is in the application (less the signed certified return receipts) when we file it? The Director will not approve an NSL application with encroachment area of less than 100 feet until detail information is received and reviewed at the administrative level for OCD review.
2. Do we need to start providing a letter/description from our engineer with the engineering reason for each application? Only for the areas that are encroaching areas that are less than 100 feet. Do you want more detail/explanation than what we have been putting in the cover letter? *"Approval of the unorthodox producing interval will allow for efficient spacing of horizontal wells and thereby prevent waste"* An Engineering reason from your engineer.
3. OXY is the affected offset operator in the E/2 E/2 of Section 6 & 7. I didn't show the working interest owners on the service list since they were the same, do we need to start notifying all the working interests even when the interest are the same? This needs to be stated within your application explicitly.
4. I will start having our land group provide us the working interest percentage for the affected areas that we operate, but not sure if they can get that information if we don't operate one of the affected areas (Section 1). Only in the area that you are encroaching that are less than 100 feet.

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, May 24, 2017 11:36 AM
To: 'David_Stewart@oxy.com'
Cc: McMillan, Michael, EMNRD, Jones, William V, EMNRD, Kelley_Montgomery@oxy.com, Sarah_Mitchell@oxy.com
Subject: RE: NSL APPLICATION FOR Palladium MDP1 7-6 Federal Com No 2H
Importance: High

Mr. David Stewart,

See reply below

1. Are there new guidelines that we should be following? We want to make sure that everything is in the application (less the signed certified return receipts) when we file it? The Director will not approve an NSL application with encroachment area of less than 100 feet until detail information is received and reviewed at the administrative level for OCD review
2. Do we need to start providing a letter/description from our engineer with the engineering reason for each application? Only for the areas that are encroaching areas that are less than 100 feet. Do you want more detail/explanation than what we have been putting in the cover letter? *"Approval of the unorthodox producing interval will allow for efficient spacing of horizontal wells and thereby prevent waste"* An Engineering reason from your engineer.
3. OXY is the affected offset operator in the E/2 E/2 of Section 6 & 7. I didn't show the working interest owners on the service list since they were the same, do we need to start notifying all the working interests even when the interest are the same? This needs to be stated within your application explicitly.
4. I will start having our land group provide us the working interest percentage for the affected areas that we operate, but not sure if they can get that information if we don't operate one of the affected areas (Section 1). Only in the area that you are encroaching that are less than 100 feet.
5. Are you working on the Palladium MDP1 7-6 Federal Com #5H, it was filed at the same time as the #2H? If so, do we need to provide the same information as this application? Yes, I am working on that application. The same information is needed for that application. Please provide.
6. On the return receipts, do you want a scanned copy or the original? Yes, a scanned copy is fine. **PLEASE INDICATE WHEN SUBMITTING ADDITIONAL INFORMATION, THAT IT PERTAINS TO A PENDING APPLICATION IN WORK. DO NOT SEND THE ENTIRE APPLICATION AGAIN ALONG WITH THE ADDITIONAL INFORMATION. THIS WILL SLOW DOWN YOUR APPLICATION PROCESS**

The Engineering Bureau needs explicit information within applications in order to defend exception request's presented to the OCD Director

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office 505-476-3492

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, May 23, 2017 3 26 PM
To: 'David_Stewart@oxy.com'
Cc: McMillan, Michael, EMNRD, Jones, William V, EMNRD
Subject: NSL APPLICATION FOR_Palladium MDP1 7-6 Federal Com No 2H

Importance: High

David Stewart,

Your application referenced above, needs a few more information to process

- 1 The entire encroaching area of the E/2 W/2 of Section 6 and Section 7 are less than 100 feet to the boundary line for your intended project area. Return receipts need to be provided for all offset operators in that affected tract
- 2 The director will not sign an unorthodox location application unless a letter/description is provided by your engineer of an engineering reason
- 3 A list of all working interest with percentages in the affected areas shall be provided.

The director will not approve any unorthodox location until the above is provided

Continued processing of your application is pending the above information

Thank you,

Leonard Lowe
Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/oed/>

Application Non-Standard Location - Service List

OXY USA Inc.

Palladium MDP1 7-6 Federal #2H

1

New Mexico Oil Conservation Division
811 S First St
Artesia, NM 88210
7015-0640-0005-1003-4062

New Mexico Oil Conservation Division
1220 South St Francis Dr
Santa Fe, NM 87505
7015-0640-0005-1003-4079

United States Dept of Interior
Bureau of Land Management
620 E Greene Street
Carlsbad, NM 88220
7015-0640-0005-1003-4086

T23S R30E
Section 36 - Unit P

BMT O&G NM, LLC
201 Main St , Ste 2700
Fort Worth, TX 76102
7015-0640-0005-1003-4093

T23S R31E
Section 31 - Unit M, N

ConocoPhillips Co
3401 30th St
Farmington, NM 87402
7015-0640-0005-1003-4109

T24S R30E
Section 1 - Units A, H, I, P

Devon Energy Production CO, LP
333 W Shendan Ave,
Oklahoma City, OK 73102
7015-0640-0005-1003-4178

Section 12 - Units A, H, I, P

OXY USA Inc
P O Box 50250
Midland, TX 79710

EOG Resources, Inc
P O Box 2267
Midland, TX 79702
7015-0640-0005-1003-4130

EOG A Resources, Inc
P O Box 900
Artesia, NM 88211
7015-0640-0005-1003-4147

EOG M Resources, Inc
P O Box 840
Artesia, NM 88211
7015-0640-0005-1003-4154

EOG Y Resources, Inc
105 S 4th St
Artesia, NM 88210
7015-0640-0005-1003-4161

Section 13 - Unit A

OXY USA Inc
P O Box 50250
Midland, TX 79710

EOG Resources, Inc
P O Box 2267
Midland, TX 79702
7015-0640-0005-1003-4130

T24S R31E
Section 6 - Unit 3(C), 4(D), 5(E), F, K, 6(L), 7(M), N

OXY USA Inc
P O Box 50250
Midland, TX 79710

Section 7 - Unit C, 1 (D), 2 (E), F, K, 3(L), 4(M), N

OXY USA Inc
P O Box 50250
Midland, TX 79710

Section 18 - Units C, D

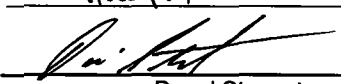
OXY USA Inc
P O Box 50250
Midland, TX 79710

EOG Resources, Inc
P O Box 2267
Midland, TX 79702
7015-0640-0005-1003-4130

McCombs Energy, Ltd
750 E Mulberry Ave , Ste 403
San Antonio, TX 78212
7015-0640-0005-1003-4185

Copies of this application were mailed to the following individuals, companies and organizations on or before

4/26/17

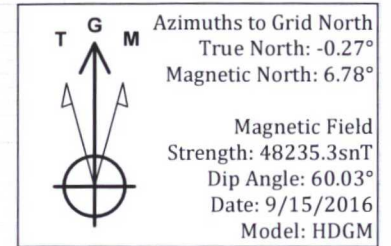
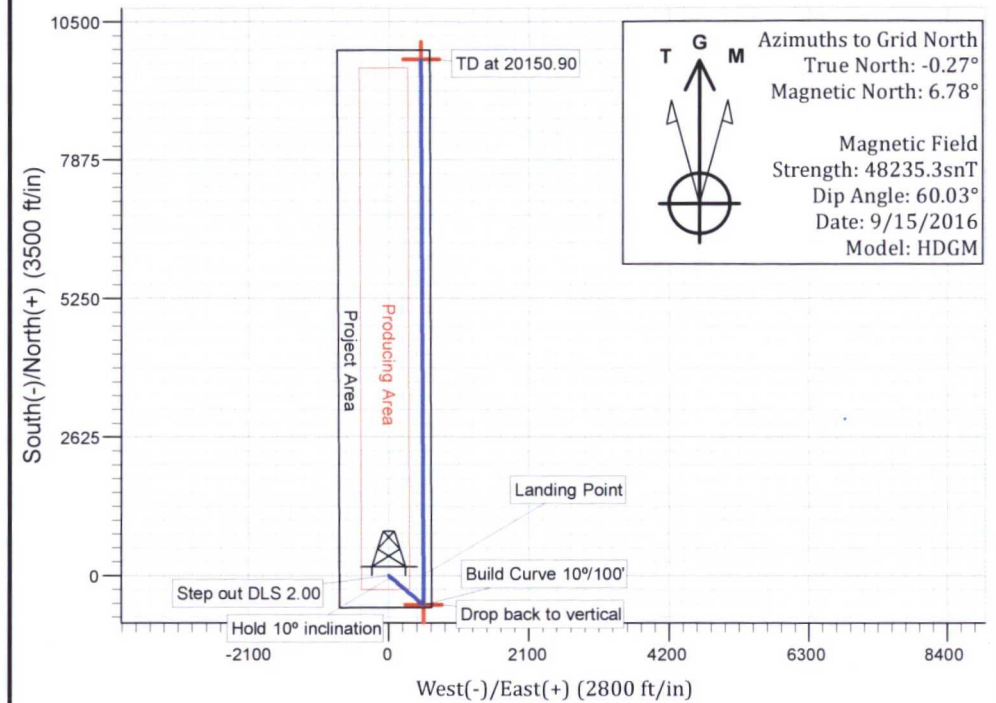
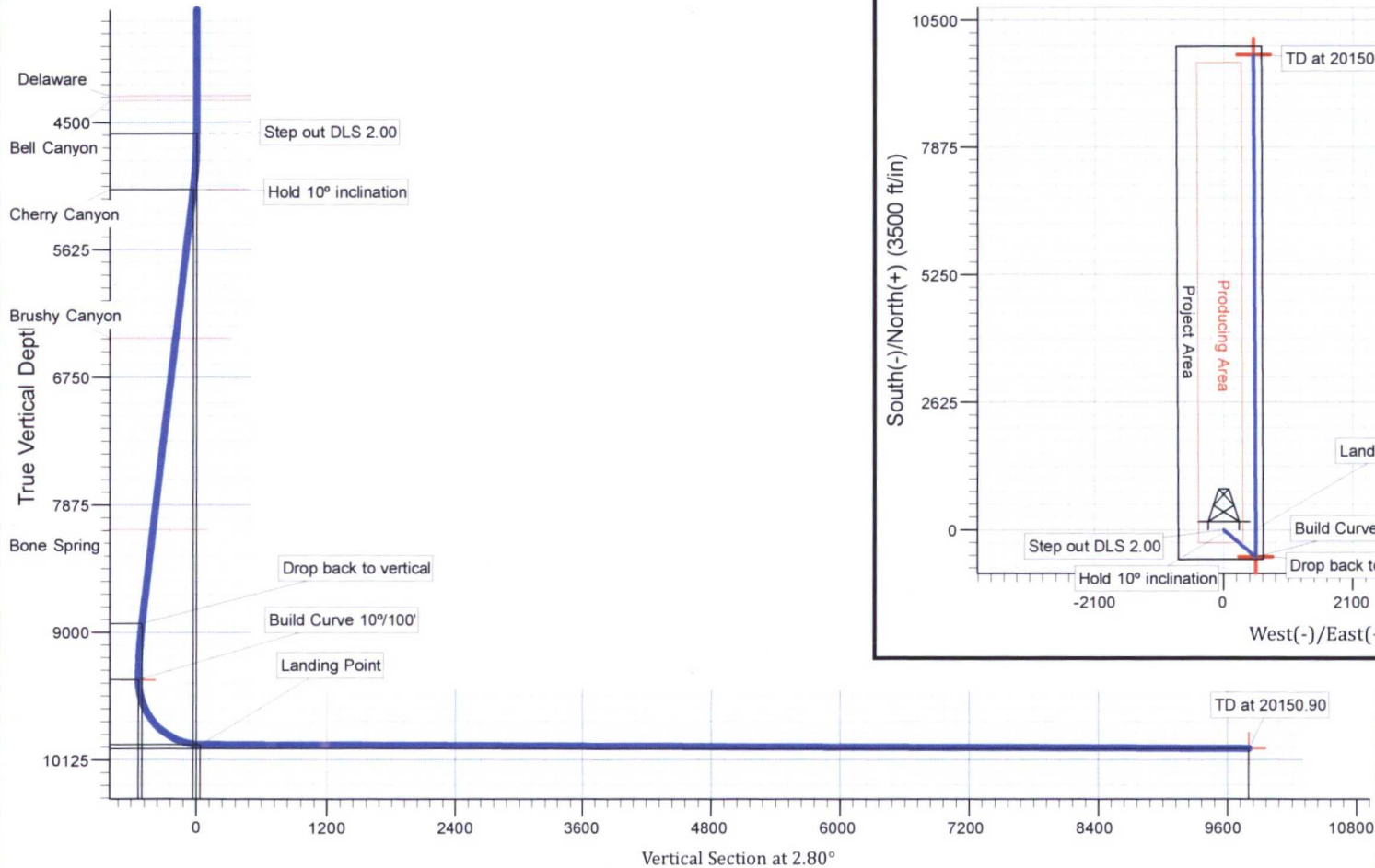

David Stewart
OXY USA Inc



Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: Palladium 7/6
Well: Palladium MDP1 7/6 Federal Com 2H
Wellbore: WB00
Design: Permitting Plan

WELL DETAILS: Palladium MDP1 7/6 Federal Com 2H

Ground Level: 3530.90	DFE @ 3557.40ft			
+N/-S	+E/-W	Northing	Easting	Latitude
0.00	0.00	446423.69	699063.75	32° 13' 34.557083 N
				Longitude
				103° 49' 23.756636 W



PROJECT DETAILS: PRD NM DIRECTIONAL PLANS (NAD 1983)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

ANNOTATIONS

TVD	MD	Inc	Azi	+N/-S	+E/-W	Vsect	Departure	Annotation
4595.00	4595.00	0.00	0.00	0.00	0.00	0.00	0.00	Step out DLS 2.00
5092.46	5094.99	10.00	136.93	-31.79	29.72	-30.30	43.52	Hold 10° inclination
8919.59	8981.16	10.00	136.93	-524.76	490.54	-500.16	718.34	Drop back to vertical
9417.05	9481.16	0.00	359.77	-556.56	520.26	-530.47	761.86	Build Curve 10°/100'
9990.00	10379.16	89.80	359.77	14.40	517.94	39.69	1332.82	Landing Point
10024.00	20150.90	89.80	359.77	9786.00	478.82	9797.71	11104.50	TD at 20150.90

Oxy Planning Report

Database	HOPSPP	Local Co-ordinate Reference	Well Palladium MDP1,7/6 Federal Com 2H
Company	OXY	TVD Reference	DFE @ 3557 40ft
Project	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference	DFE @ 3557 40ft
Site	Palladium 7/6	North Reference	Grid
Well	Palladium MDP1 7/6 Federal Com 2H	Survey Calculation Method	Minimum Curvature
Wellbore	WB00		
Design	Permitting Plan		

Project	PRD NM DIRECTIONAL PLANS (NAD 1983)		
Map System	US State Plane 1983	System Datum	Mean Sea Level
Geo Datum	North American Datum 1983		
Map Zone	New Mexico Eastern Zone		Using geodetic scale factor

Site	Palladium 7/6		
Site Position		Northing	446,423 41 usft
From	Map	Easting	699,003 75 usft
Position Uncertainty	0 00 ft	Slot Radius	13 200 in
		Latitude	32° 13' 34 557131 N
		Longitude	103° 49' 24 455146 W
		Grid Convergence	0 27 °

Well	Palladium MDP1 7/6 Federal Com 2H		
Well Position	+N/-S	0 28 ft	Northing
	+E/-W	60 00 ft	Easting
Position Uncertainty	0 00 ft	Wellhead Elevation	3,530 90 ft
		Latitude	32° 13' 34 557083 N
		Longitude	103° 49' 23 756636 W
		Ground Level	3,530 90 ft

Wellbore	WB00		
Magnetics	Model Name	Sample Date	Declination (°)
	HDGM	9/15/2016	7 05
			Dip Angle (°)
			60 03
			Field Strength (nT)
			48,235

Design	Permitting Plan		
Audit Notes			
Version	Phase	PROTOTYPE	Tie On Depth
			0 00
Vertical Section	Depth From (TVD)	+N/-S (ft)	+E/-W (ft)
	0 00	0 00	0 00
			Direction (°)
			2 80

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	
4,595 00	0 00	0 00	4,595 00	0 00	0 00	0 00	0 00	0 00	0 00	
5,094 99	10 00	136 93	5,092 46	-31 79	29 72	2 00	2 00	0 00	136 93	
8,981 17	10 00	136 93	8,919 59	-524 76	490 54	0 00	0 00	0 00	0 00	
9,481 16	0 00	359 77	9,417 05	-556 56	520 26	2 00	-2 00	0 00	180 00	Palladium7-6_22H_
10,379 16	89 80	359 77	9,990 00	14 40	517 94	10 00	10 00	0 00	-0 23	
20,150 90	89 80	359 77	10,024 00	9,786 00	478 82	0 00	0 00	0 00	79 18	Palladium7-6_22H_

Oxy Planning Report

Database	HOPSP	Local Co-ordinate Reference	Well Palladium MDP1-7/6 Federal Com 2H
Company	OXY	TVD Reference	DFE @ 3557 40ft
Project	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference	DFE @ 3557 40ft
Site	Palladium 7/6	North Reference	Grid
Well	Palladium MDP1 7/6 Federal Com 2H	Survey Calculation Method	Minimum Curvature
Wellbore	WB00		
Design	Permitting Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
592 00	0 00	0 00	592 00	0 00	0 00	0 00	0 00	0 00	0 00
Rustler									
947 00	0 00	0 00	947 00	0 00	0 00	0 00	0 00	0 00	0 00
Salado									
3,047 00	0 00	0 00	3,047 00	0 00	0 00	0 00	0 00	0 00	0 00
Castile									
4,261 00	0 00	0 00	4,261 00	0 00	0 00	0 00	0 00	0 00	0 00
Delaware									
4,304 00	0 00	0 00	4,304 00	0 00	0 00	0 00	0 00	0 00	0 00
Bell Canyon									
4,595 00	0 00	0 00	4,595 00	0 00	0 00	0 00	0 00	0 00	0 00
Step out DLS 2 00									
4,600 00	0 10	136 93	4,600 00	0 00	0 00	0 00	2 00	2 00	0 00
4,700 00	2 10	136 93	4,699 98	-1 41	1 31	-1 34	2 00	2 00	0 00
4,800 00	4 10	136 93	4,799 83	-5 36	5 01	-5 10	2 00	2 00	0 00
4,900 00	6 10	136 93	4,899 42	-11 85	11 08	-11 29	2 00	2 00	0 00
5,000 00	8 10	136 93	4,998 65	-20 88	19 52	-19 90	2 00	2 00	0 00
5,094 53	9 99	136 93	5,092 00	-31 73	29 67	-30 25	2 00	2 00	0 00
Cherry Canyon									
5,094 99	10 00	136 93	5,092 46	-31 79	29 72	-30 30	2 00	2 00	0 00
Hold 10° inclination									
5,100 00	10 00	136 93	5,097 39	-32 43	30 31	-30 91	0 00	0 00	0 00
5,200 00	10 00	136 93	5,195 87	-45 11	42 17	-43 00	0 00	0 00	0 00
5,300 00	10 00	136 93	5,294 35	-57 80	54 03	-55 09	0 00	0 00	0 00
5,400 00	10 00	136 93	5,392 83	-70 48	65 89	-67 18	0 00	0 00	0 00
5,500 00	10 00	136 93	5,491 31	-83 17	77 75	-79 27	0 00	0 00	0 00
5,600 00	10 00	136 93	5,589 79	-95 85	89 60	-91 36	0 00	0 00	0 00
5,700 00	10 00	136 93	5,688 27	-108 54	101 46	-103 45	0 00	0 00	0 00
5,800 00	10 00	136 93	5,786 76	-121 23	113 32	-115 54	0 00	0 00	0 00
5,900 00	10 00	136 93	5,885 24	-133 91	125 18	-127 63	0 00	0 00	0 00
6,000 00	10 00	136 93	5,983 72	-146 60	137 04	-139 72	0 00	0 00	0 00
6,100 00	10 00	136 93	6,082 20	-159 28	148 89	-151 81	0 00	0 00	0 00
6,200 00	10 00	136 93	6,180 68	-171 97	160 75	-163 90	0 00	0 00	0 00
6,300 00	10 00	136 93	6,279 16	-184 65	172 61	-176 00	0 00	0 00	0 00
6,400 00	10 00	136 93	6,377 64	-197 34	184 47	-188 09	0 00	0 00	0 00
6,427 78	10 00	136 93	6,405 00	-200 86	187 76	-191 44	0 00	0 00	0 00
Brushy Canyon									
6,500 00	10 00	136 93	6,476 12	-210 02	196 33	-200 18	0 00	0 00	0 00
6,600 00	10 00	136 93	6,574 60	-222 71	208 18	-212 27	0 00	0 00	0 00
6,700 00	10 00	136 93	6,673 08	-235 39	220 04	-224 36	0 00	0 00	0 00
6,800 00	10 00	136 93	6,771 56	-248 08	231 90	-236 45	0 00	0 00	0 00
6,900 00	10 00	136 93	6,870 04	-260 76	243 76	-248 54	0 00	0 00	0 00
7,000 00	10 00	136 93	6,968 53	-273 45	255 62	-260 63	0 00	0 00	0 00
7,100 00	10 00	136 93	7,067 01	-286 13	267 47	-272 72	0 00	0 00	0 00
7,200 00	10 00	136 93	7,165 49	-298 82	279 33	-284 81	0 00	0 00	0 00
7,300 00	10 00	136 93	7,263 97	-311 50	291 19	-296 90	0 00	0 00	0 00
7,400 00	10 00	136 93	7,362 45	-324 19	303 05	-308 99	0 00	0 00	0 00
7,500 00	10 00	136 93	7,460 93	-336 87	314 91	-321 08	0 00	0 00	0 00
7,600 00	10 00	136 93	7,559 41	-349 56	326 76	-333 17	0 00	0 00	0 00
7,700 00	10 00	136 93	7,657 89	-362 24	338 62	-345 26	0 00	0 00	0 00
7,800 00	10 00	136 93	7,756 37	-374 93	350 48	-357 35	0 00	0 00	0 00
7,900 00	10 00	136 93	7,854 85	-387 61	362 34	-369 44	0 00	0 00	0 00

Oxy Planning Report

Database	HOPSPP	Local Co-ordinate Reference	Well Palladium MDP1 7/6 Federal Com 2H
Company	OXY	TVD Reference	DFE @ 3557 40ft
Project	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference	DFE @ 3557 40ft
Site	Palladium 7/6	North Reference	Grid
Well	Palladium MDP1 7/6 Federal Com 2H	Survey Calculation Method	Minimum Curvature
Wellbore	WB00		
Design	Permitting Plan		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,000.00	10.00	136.93	7,953.33	-400.30	374.20	-381.54	0.00	0.00	0.00
8,100.00	10.00	136.93	8,051.81	-412.98	386.05	-393.63	0.00	0.00	0.00
8,141.82	10.00	136.93	8,093.00	-418.29	391.01	-398.68	0.00	0.00	0.00
Bone Spring									
8,200.00	10.00	136.93	8,150.30	-425.67	397.91	-405.72	0.00	0.00	0.00
8,300.00	10.00	136.93	8,248.78	-438.36	409.77	-417.81	0.00	0.00	0.00
8,400.00	10.00	136.93	8,347.26	-451.04	421.63	-429.90	0.00	0.00	0.00
8,500.00	10.00	136.93	8,445.74	-463.73	433.49	-441.99	0.00	0.00	0.00
8,600.00	10.00	136.93	8,544.22	-476.41	445.34	-454.08	0.00	0.00	0.00
8,700.00	10.00	136.93	8,642.70	-489.10	457.20	-466.17	0.00	0.00	0.00
8,800.00	10.00	136.93	8,741.18	-501.78	469.06	-478.26	0.00	0.00	0.00
8,900.00	10.00	136.93	8,839.66	-514.47	480.92	-490.35	0.00	0.00	0.00
8,981.17	10.00	136.93	8,919.59	-524.76	490.54	-500.16	0.00	0.00	0.00
Drop back to vertical									
9,000.00	9.62	136.93	8,938.15	-527.11	492.74	-502.40	2.00	-2.00	0.00
9,100.00	7.62	136.93	9,037.02	-538.06	502.97	-512.84	2.00	-2.00	0.00
9,200.00	5.62	136.93	9,136.34	-546.49	510.85	-520.87	2.00	-2.00	0.00
9,300.00	3.62	136.93	9,236.01	-552.37	516.35	-526.48	2.00	-2.00	0.00
9,400.00	1.62	136.93	9,335.90	-555.72	519.48	-529.67	2.00	-2.00	0.00
9,481.16	0.00	359.77	9,417.05	-556.56	520.26	-530.47	2.00	-2.00	0.00
Build Curve 10°/100' - Palladium 7-6 22H KOP									
9,500.00	1.88	359.77	9,435.89	-556.25	520.26	-530.16	10.00	10.00	0.00
9,600.00	11.88	359.77	9,535.04	-544.27	520.21	-518.20	10.00	10.00	0.00
9,700.00	21.88	359.77	9,630.61	-515.27	520.10	-489.24	10.00	10.00	0.00
9,800.00	31.88	359.77	9,719.69	-470.11	519.91	-444.14	10.00	10.00	0.00
9,900.00	41.88	359.77	9,799.57	-410.16	519.67	-384.28	10.00	10.00	0.00
10,000.00	51.88	359.77	9,867.83	-337.26	519.37	-311.48	10.00	10.00	0.00
10,100.00	61.88	359.77	9,922.40	-253.61	519.03	-227.94	10.00	10.00	0.00
10,200.00	71.88	359.77	9,961.61	-161.75	518.66	-136.22	10.00	10.00	0.00
10,300.00	81.88	359.77	9,984.27	-64.49	518.26	-39.08	10.00	10.00	0.00
10,379.16	89.80	359.77	9,990.00	14.40	517.94	39.69	10.00	10.00	0.00
Landing Point									
10,400.00	89.80	359.77	9,990.08	35.24	517.86	60.50	0.00	0.00	0.00
10,500.00	89.80	359.77	9,990.43	135.24	517.45	160.36	0.00	0.00	0.00
10,600.00	89.80	359.77	9,990.78	235.24	517.05	260.22	0.00	0.00	0.00
10,700.00	89.80	359.77	9,991.12	335.24	516.64	360.08	0.00	0.00	0.00
10,800.00	89.80	359.77	9,991.47	435.23	516.23	459.94	0.00	0.00	0.00
10,900.00	89.80	359.77	9,991.82	535.23	515.83	559.80	0.00	0.00	0.00
11,000.00	89.80	359.77	9,992.17	635.23	515.42	659.66	0.00	0.00	0.00
11,100.00	89.80	359.77	9,992.52	735.23	515.02	759.52	0.00	0.00	0.00
11,200.00	89.80	359.77	9,992.87	835.23	514.61	859.38	0.00	0.00	0.00
11,300.00	89.80	359.77	9,993.22	935.23	514.21	959.24	0.00	0.00	0.00
11,400.00	89.80	359.77	9,993.57	1,035.23	513.80	1,059.10	0.00	0.00	0.00
11,500.00	89.80	359.77	9,993.92	1,135.22	513.39	1,158.96	0.00	0.00	0.00
11,600.00	89.80	359.77	9,994.26	1,235.22	512.99	1,258.82	0.00	0.00	0.00
11,700.00	89.80	359.77	9,994.61	1,335.22	512.58	1,358.68	0.00	0.00	0.00
11,800.00	89.80	359.77	9,994.96	1,435.22	512.18	1,458.53	0.00	0.00	0.00
11,900.00	89.80	359.77	9,995.31	1,535.22	511.78	1,558.39	0.00	0.00	0.00
12,000.00	89.80	359.77	9,995.66	1,635.22	511.37	1,658.25	0.00	0.00	0.00
12,100.00	89.80	359.77	9,996.01	1,735.22	510.97	1,758.11	0.00	0.00	0.00
12,200.00	89.80	359.77	9,996.36	1,835.21	510.56	1,857.97	0.00	0.00	0.00
12,300.00	89.80	359.77	9,996.71	1,935.21	510.16	1,957.83	0.00	0.00	0.00
12,400.00	89.80	359.77	9,997.05	2,035.21	509.75	2,057.69	0.00	0.00	0.00

Oxy Planning Report

Database	HOPSPP	Local Co-ordinate Reference	Well Palladium MDP1 7/6 Federal Com 2H
Company	OXY	TVD Reference	DFE @ 3557 40ft
Project	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference	DFE @ 3557 40ft
Site	Palladium 7/6	North Reference	Gnd
Well	Palladium MDP1 7/6 Federal Com 2H	Survey Calculation Method	Minimum Curvature
Wellbore	WB00		
Design	Permitting Plan		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
12,500 00	89 80	359 77	9,997 40	2,135 21	509 35	2,157 55	0 00	0 00	0 00
12,600 00	89 80	359 77	9,997 75	2,235 21	508 95	2,257 41	0 00	0 00	0 00
12,700 00	89 80	359 77	9,998 10	2,335 21	508 54	2,357 27	0 00	0 00	0 00
12,800 00	89 80	359 77	9,998 45	2,435 21	508 14	2,457 13	0 00	0 00	0 00
12,900 00	89 80	359 77	9,998 80	2,535 20	507 74	2,556 99	0 00	0 00	0 00
13,000 00	89 80	359 77	9,999 14	2,635 20	507 33	2,656 85	0 00	0 00	0 00
13,100 00	89 80	359 77	9,999 49	2,735 20	506 93	2,756 71	0 00	0 00	0 00
13,200 00	89 80	359 77	9,999 84	2,835 20	506 53	2,856 57	0 00	0 00	0 00
13,300 00	89 80	359 77	10,000 19	2,935 20	506 12	2,956 43	0 00	0 00	0 00
13,400 00	89 80	359 77	10,000 54	3,035 20	505 72	3,056 28	0 00	0 00	0 00
13,500 00	89 80	359 77	10,000 89	3,135 20	505 32	3,156 14	0 00	0 00	0 00
13,600 00	89 80	359 77	10,001 23	3,235 19	504 92	3,256 00	0 00	0 00	0 00
13,700 00	89 80	359 77	10,001 58	3,335 19	504 51	3,355 86	0 00	0 00	0 00
13,800 00	89 80	359 77	10,001 93	3,435 19	504 11	3,455 72	0 00	0 00	0 00
13,900 00	89 80	359 77	10,002 28	3,535 19	503 71	3,555 58	0 00	0 00	0 00
14,000 00	89 80	359 77	10,002 63	3,635 19	503 31	3,655 44	0 00	0 00	0 00
14,100 00	89 80	359 77	10,002 98	3,735 19	502 91	3,755 30	0 00	0 00	0 00
14,200 00	89 80	359 77	10,003 32	3,835 19	502 50	3,855 16	0 00	0 00	0 00
14,300 00	89 80	359 77	10,003 67	3,935 18	502 10	3,955 02	0 00	0 00	0 00
14,400 00	89 80	359 77	10,004 02	4,035 18	501 70	4,054 88	0 00	0 00	0 00
14,500 00	89 80	359 77	10,004 37	4,135 18	501 30	4,154 74	0 00	0 00	0 00
14,600 00	89 80	359 77	10,004 72	4,235 18	500 90	4,254 60	0 00	0 00	0 00
14,700 00	89 80	359 77	10,005 06	4,335 18	500 50	4,354 46	0 00	0 00	0 00
14,800 00	89 80	359 77	10,005 41	4,435 18	500 10	4,454 32	0 00	0 00	0 00
14,900 00	89 80	359 77	10,005 76	4,535 18	499 69	4,554 18	0 00	0 00	0 00
15,000 00	89 80	359 77	10,006 11	4,635 17	499 29	4,654 04	0 00	0 00	0 00
15,100 00	89 80	359 77	10,006 46	4,735 17	498 89	4,753 90	0 00	0 00	0 00
15,200 00	89 80	359 77	10,006 80	4,835 17	498 49	4,853 76	0 00	0 00	0 00
15,300 00	89 80	359 77	10,007 15	4,935 17	498 09	4,953 62	0 00	0 00	0 00
15,400 00	89 80	359 77	10,007 50	5,035 17	497 69	5,053 47	0 00	0 00	0 00
15,500 00	89 80	359 77	10,007 85	5,135 17	497 29	5,153 33	0 00	0 00	0 00
15,600 00	89 80	359 77	10,008 20	5,235 17	496 89	5,253 19	0 00	0 00	0 00
15,700 00	89 80	359 77	10,008 54	5,335 16	496 49	5,353 05	0 00	0 00	0 00
15,800 00	89 80	359 77	10,008 89	5,435 16	496 09	5,452 91	0 00	0 00	0 00
15,900 00	89 80	359 77	10,009 24	5,535 16	495 69	5,552 77	0 00	0 00	0 00
16,000 00	89 80	359 77	10,009 59	5,635 16	495 29	5,652 63	0 00	0 00	0 00
16,100 00	89 80	359 77	10,009 93	5,735 16	494 89	5,752 49	0 00	0 00	0 00
16,200 00	89 80	359 77	10,010 28	5,835 16	494 49	5,852 35	0 00	0 00	0 00
16,300 00	89 80	359 77	10,010 63	5,935 16	494 10	5,952 21	0 00	0 00	0 00
16,400 00	89 80	359 77	10,010 98	6,035 16	493 70	6,052 07	0 00	0 00	0 00
16,500 00	89 80	359 77	10,011 33	6,135 15	493 30	6,151 93	0 00	0 00	0 00
16,600 00	89 80	359 77	10,011 67	6,235 15	492 90	6,251 79	0 00	0 00	0 00
16,700 00	89 80	359 77	10,012 02	6,335 15	492 50	6,351 65	0 00	0 00	0 00
16,800 00	89 80	359 77	10,012 37	6,435 15	492 10	6,451 51	0 00	0 00	0 00
16,900 00	89 80	359 77	10,012 72	6,535 15	491 70	6,551 37	0 00	0 00	0 00
17,000 00	89 80	359 77	10,013 06	6,635 15	491 31	6,651 23	0 00	0 00	0 00
17,100 00	89 80	359 77	10,013 41	6,735 15	490 91	6,751 09	0 00	0 00	0 00
17,200 00	89 80	359 77	10,013 76	6,835 14	490 51	6,850 95	0 00	0 00	0 00
17,300 00	89 80	359 77	10,014 11	6,935 14	490 11	6,950 81	0 00	0 00	0 00
17,400 00	89 80	359 77	10,014 45	7,035 14	489 71	7,050 67	0 00	0 00	0 00
17,500 00	89 80	359 77	10,014 80	7,135 14	489 32	7,150 53	0 00	0 00	0 00
17,600 00	89 80	359 77	10,015 15	7,235 14	488 92	7,250 39	0 00	0 00	0 00
17,700 00	89 80	359 77	10,015 50	7,335 14	488 52	7,350 25	0 00	0 00	0 00
17,800 00	89 80	359 77	10,015 84	7,435 14	488 12	7,450 11	0 00	0 00	0 00

Oxy Planning Report

Database	HOPSP	Local Co-ordinate Reference	Well Palladium MDP1 7/6 Federal Com 2H
Company	OXY	TVD Reference	DFE @ 3557 40ft
Project	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference	DFE @ 3557 40ft
Site	Palladium 7/6	North Reference	Gnd
Well	Palladium MDP1 7/6 Federal Com 2H	Survey Calculation Method	Minimum Curvature
Wellbore	WB00		
Design	Permitting Plan		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
17,900 00	89 80	359 77	10,016 19	7,535 13	487 73	7,549 97	0 00	0 00	0 00
18,000 00	89 80	359 77	10,016 54	7,635 13	487 33	7,649 83	0 00	0 00	0 00
18,100 00	89 80	359 77	10,016 88	7,735 13	486 93	7,749 69	0 00	0 00	0 00
18,200 00	89 80	359 77	10,017 23	7,835 13	486 54	7,849 55	0 00	0 00	0 00
18,300 00	89 80	359 77	10,017 58	7,935 13	486 14	7,949 40	0 00	0 00	0 00
18,400 00	89 80	359 77	10,017 93	8,035 13	485 74	8,049 26	0 00	0 00	0 00
18,500 00	89 80	359 77	10,018 27	8,135 13	485 35	8,149 12	0 00	0 00	0 00
18,600 00	89 80	359 77	10,018 62	8,235 12	484 95	8,248 98	0 00	0 00	0 00
18,700 00	89 80	359 77	10,018 97	8,335 12	484 55	8,348 84	0 00	0 00	0 00
18,800 00	89 80	359 77	10,019 31	8,435 12	484 16	8,448 70	0 00	0 00	0 00
18,900 00	89 80	359 77	10,019 66	8,535 12	483 76	8,548 56	0 00	0 00	0 00
19,000 00	89 80	359 77	10,020 01	8,635 12	483 37	8,648 42	0 00	0 00	0 00
19,100 00	89 80	359 77	10,020 36	8,735 12	482 97	8,748 28	0 00	0 00	0 00
19,200 00	89 80	359 77	10,020 70	8,835 12	482 58	8,848 14	0 00	0 00	0 00
19,300 00	89 80	359 77	10,021 05	8,935 11	482 18	8,948 00	0 00	0 00	0 00
19,400 00	89 80	359 77	10,021 40	9,035 11	481 78	9,047 86	0 00	0 00	0 00
19,500 00	89 80	359 77	10,021 74	9,135 11	481 39	9,147 72	0 00	0 00	0 00
19,600 00	89 80	359 77	10,022 09	9,235 11	480 99	9,247 58	0 00	0 00	0 00
19,700 00	89 80	359 77	10,022 44	9,335 11	480 60	9,347 44	0 00	0 00	0 00
19,800 00	89 80	359 77	10,022 78	9,435 11	480 21	9,447 30	0 00	0 00	0 00
19,900 00	89 80	359 77	10,023 13	9,535 11	479 81	9,547 16	0 00	0 00	0 00
20,000 00	89 80	359 77	10,023 48	9,635 11	479 42	9,647 02	0 00	0 00	0 00
20,100 00	89 80	359 77	10,023 82	9,735 10	479 02	9,746 88	0 00	0 00	0 00
20,150 90	89 80	359 77	10,024 00	9,786 00	478 82	9,797 71	0 00	0 00	0 00
TD at 20150 90 - Palladium7-6 22H BHL									

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Palladium7-6_22H_KO - plan hits target center - Point	0 00	0 07	9,417 05	-556 56	520 26	445,867 17	699,583 98	32° 13' 29 025467 N	103° 49' 17 731202
Palladium7-6_22H_BH - plan hits target center - Point	0 00	0 07	10,024 00	9,786 00	478 82	456,209 06	699,542 54	32° 15' 11 367099 N	103° 49' 17 639953

Oxy Planning Report

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Company	OXY	TVD Reference	DFE @ 3557 40ft
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Site	Palladium 7/6	North Reference	Gnd
Well	Palladium MDP1 7/6 Federal Com 2H	Survey Calculation Method	Minimum Curvature
Wellbore	WB00		
Design	Permitting Plan		

Formations					
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
592 00	592 00	Rustler			
947 00	947 00	Salado			
3,047 00	3,047 00	Castile			
4,261 00	4,261 00	Delaware			
4,304 00	4,304 00	Bell Canyon			
5,094 53	5,092 00	Cherry Canyon			
6,427 78	6,405 00	Brushy Canyon			
8,141 82	8,093 00	Bone Spring			

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates			
		+N/-S (ft)	+E/-W (ft)	Comment	
4,595 00	4,595 00	0 00	0 00	Step out DLS 2 00	
5,094 99	5,092 46	-31 79	29 72	Hold 10° inclination	
8,981 17	8,919 59	-524 76	490 54	Drop back to vertical	
9,481 16	9,417 05	-556 56	520 26	Build Curve 10°/100'	
10,379 16	9,990 00	14 40	517 94	Landing Point	
20,150 90	10,024 00	9,786 00	478 82	TD at 20150 90	