### BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING NOVEMBER 1, 2018

### CASE No. 16476 AND 16477

HEIGHT CC 6-7 FED COM #31H-#33H AND TIME 41-42H WELLS HEIGHT CC 6-7 FED COM #34H-#36H AND TIME 43-44H WELLS

### EDDY COUNTY, NEW MEXICO



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

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

CASE NOS. 16476 and 16477

#### HEARING AFFIDAVIT OF JEREMY MURPHREY

Jeremy Murphrey, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Jeremy Murphrey and I am employed by OXY USA Inc. ("OXY") as a Land Negotiator.
- 2. I have previously testified before the Oil Conservation Division. My credentials as an expert in petroleum land matters have been accepted and made a matter of record.
- 3. I am familiar with the applications filed by OXY in these consolidated cases and I am familiar with the status of the lands in the subject area.
- 4. OXY seeks orders from the Division pooling the following standard horizonal well spacing units for development of the Wolfcamp formation underlying Sections 6 and 7 of Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico:

In Case No. 16476, the 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 6, and the W/2 of Section 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to five initial wells:

- The **Height CC 6-7 Federal Com No. 31H Well**, which will be drilled horizontally from a from a surface location in the NW/4NW/4 (Lot 4) of Section 6 to a standard bottom hole location in the SW/4SW/4 (Lot 4) of Section 7;
- The **Height CC 6-7 Federal Com No. 32H Well**, which will be drilled horizontally from a from a surface location in the NW/4NW/4 (Lot 4) of Section 6 to a standard bottom hole location in the SW/4SW/4 (Lot 4) of Section 7;

Case Nos. 16476 & 16477

- The **Height CC 6-7 Federal Com No. 33H Well,** which will be horizontally drilled from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to bottom hole location in the SE/4SW/4 (Unit N) of Section 7;
- The Time CC 6-7 Federal Com No. 41H Well, which will be horizontally drilled from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to bottom hole location in the SW/4SW/4 (Lot 4) of Section 7;
- The Time CC 6-7 Federal Com No. 42H Well, which will be horizontally drilled from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to bottom hole location in the SE/4SW/4 (Unit N) of Section 7.

In Case No. 16477, 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 6, and the E/2 of Section 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This spacing unit will be dedicated to five initial wells:

- The **Height CC 6-7 Federal Com No. 34H Well**, which will be drilled horizontally from a from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SW/4SE/4 (Unit O) of Section 7;
- The **Height CC 6-7 Federal Com No. 35H Well**, which will be drilled horizontally from a from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to a standard bottom hole location in the SW/4SE/4 (Unit O) of Section 7;
- The Height CC 6-7 Federal Com No. 36H Well, which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SE/4SE/4 (Unit P) of Section 7;
- The Time CC 6-7 Federal Com No. 43H Well, which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SW/4SE/4 (Unit O) of Section 7;
- The Time CC 6-7 Federal Com No. 44H Well, which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SE/4SE/4 (Unit P) of Section 7.
- 5. The parties that OXY seeks to pool to have been located and do not oppose these applications.
- 6. **OXY Exhibit No. 1A** contains draft Forms C-102 for the proposed well in each of the spacing units. OXY has been informed that these wells will be placed in the Purple Sage Wolfcamp Gas Pool (Pool Code 98220). These draft Forms C-102 reflect that the completed intervals will remain within the standard offsets required by the Special Rules pursuant to Order R-14262 for this pool. OXY seeks 320-acre building blocks for each horizontal spacing unit.
- 7. **OXY Exhibit 1B** identifies the tracts of land comprising the proposed spacing unit for Case No. 16476 and confirms the subject acreage consists of federal and fee lands. This

exhibit further identifies the interest ownership by tract and in the spacing units. OXY seeks to pool the working interest and unleased mineral interest owners on this exhibit.

- 8. **OXY Exhibit 1C** identifies the tracts of land comprising the proposed spacing unit for Case No. 16477 and confirms the subject acreage consists of federal and fee lands. This exhibit further identifies the interest ownership by tract and in the spacing units. OXY seeks to pool the working interest and unleased mineral interest owners on this exhibit.
- 9. In Case No. 16476, the five initial wells will be pad drilled and batch completed. The sequence of drilling is: Height CC 6-7 Fed Com #31H, Height CC 6-7 Fed Com #33H, Height CC 6-7 Fed Com #32H, Time CC 6-7 Fed Com #41H and Time CC 6-7 Fed Com #42H. At this time, OXY is not seeking an extension of the 120-day timeframe between drilling and completion of the initial well.
- 10. In Case No. 16477, the five initial wells will be pad drilled and batch completed. The sequence of drilling is: Height CC 6-7 Fed Com #35H, Height CC 6-7 Fed Com #34H, Height CC 6-7 Fed Com #36H, Time CC 6-7 Fed Com #43H and Time 6-7 Fed Com #44H. At this time, OXY is not seeking an extension of the 120-day timeframe between drilling and completion of the initial well.
  - 11. There are no ownership depth severances underlying the subject acreage.
  - 12. All remaining working interest owners that OXY seeks to pool are locatable.
- 13. **OXY Exhibits 1D** contain the well proposal letters along with an AFE for each of the subject wells that was provided to the parties OXY seeks to pool. In addition to this letter, I have discussed OXY's well proposals with each of the pooled parties in a good faith effort to reach a voluntary agreement.

- 14. The costs reflected on each of the AFE's are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.
- 15. OXY estimates the overhead and administrative costs for drilling each well and while producing are \$7,500.00 per month while drilling and \$750.00 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.
- 16. I provided the law firm of Holland & Hart LLP a list of names and addresses for the owners that OXY seeks to pool and instructed that they be notified of this hearing.
- 17. **OXY Exhibits 1A through 1D** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Jeremy Murphrey

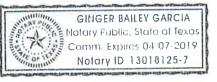
COUNTY OF Harris

SUBSCRIBED and SWORN to before me this 315+ day of October 2018 by Jeremy Murphrey.

NOTARY PUBLIC

My Commission Expires:

4/7/19



District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (375) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artocia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
Fixed St.

District III

1000 Rio Brazos Road, Aztec, NM 87410

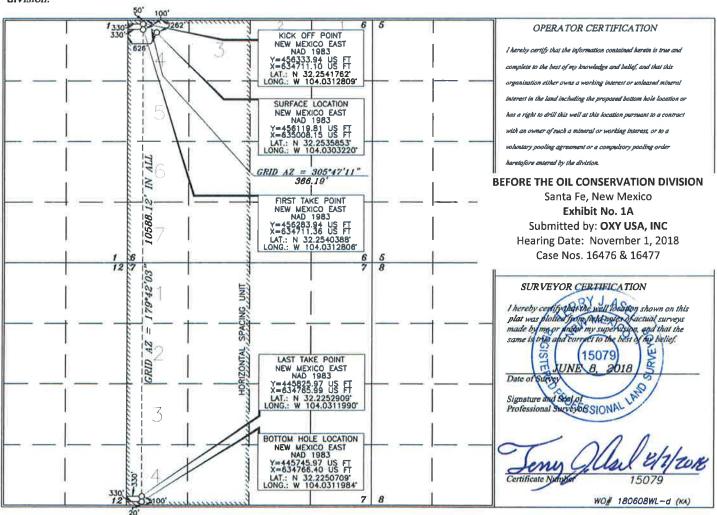
Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

#### 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

			ELL LUCA		AUI	EAUL D.	EDICATIO	NILAI				
	API Number Pool Code Pool Name											
Property	y Code				Property					Well Number		
			HEIG	HT $CC$ $"e$	3_7"	FEDERA	L COM				31H	
OGRII	D No.		Operator Name								Elevation	
			OXY USA INC.								2965.3'	
				Surfa	ice Lo	ocation						
L or lot no. S	ection	Township	Rang	re .	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
4	6	24 SOUTH	29 EAST,	N. M. P. M.		262'	NORTH	626'	WES	T	EDDY	
			Bottom F.	Iole Locatio	n If l	Different H	rom Surfac	e				
L or lot no. S	ection	Township	Rang	re .	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
4	7	24 SOUTH	29 EAST,	N. M. P. M.		20'	SOUTH	330'	WES	T	EDDY	
Dedicated A	cres	Joint or Infill	Consolidation Code	Order No.			· · · · · · · · · · · · · · · · · · ·					
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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		И	ELL LOCATION	ON AND	ACR	REAGE D	<i>EDICATIO</i>	N PLAT			
	API	Number	Pool	Code				Pool Name			
Prope	erty Code		HEIGH		Property	Name FEDERA	L COM				eli Number 32H
OGI	RID No.				Operator					Elevation 2964.6'	
				100		ocation				~	
L or lot no.	Section 6	Township 24 SOUTH	Range 29 EAST, N.			Feet from the 294'	North/South line NORTH	Feet from the	East/Wes		County EDDY
			Bottom Hol	e Locatio	n If I	Different F	From Surfac	e			
L or lot no.	Section 7	Township 24 SOUTH	Range 29 EAST, N.	М. Р. М.	Lot Idn	Feet from the	North/South line	Feet from the 1260'	East/Wes WES'I		County EDDY
Dedicated	Acres	Joint or Infill	Consolidation Code	Order No.							
o allowa ivision.	ıble wil	Il be assigned to	this completion un	til all intere	ests ha	ve been cons	solidated or a 1	non-standard	unit has be	ееп аррг	oved by the
		1 2942 639 1260 1260		KICK OFF NEW MEXICO NAD 19 Y=456327.2: X=635641.1S LAT.: N 32.2 LONG.: W 104	EAST 183 1 US FI	5		I hereby certy complete to ti organization	PERATOR Cl	tion contained ledge and beli ting interest or	herein is true and of, and that this unleased mineral
_		5 — 6	ALL	FIRST TAKE NEW MEXICO NAD 19 Y=456277.2 X=635641.4 LAT.: N 32.2 LONG.: W 104 GRID AZ = 6	0 EAST 183 1 US FI 1 US FI 540131 .028272			has a right to with an owner voluntary poo	_	his location pur l or working in a compulsory	
	<u>i</u> _	_	03. IN	SURFACE LO	O' OCATION			Signature			Date

10582 Y=456087.50 US FT X=635021.61 US FT LAT.: N 32.2534964\* LONG.: W 104.0302788\* Printed Name E-mail Address 1,24.61 SURVEYOR CERTIFICATION LNS I hereby certify the tribe well to entire Spown on this plat was platted from find notice of penuls surveys made by me or under my supervision, and that the same is tribe out for correction the box of my builtef. SPACING AZ 15079 LAST TAKE POINT NEW MEXICO EAST NAO 1983 Y=445825.33 US FT X=635696.00 US FT GRID Date of Se Signature and Seal OFESSIONAL HARD LAT.: N 32.2252819' LONG.: W 104.0281915' BOTTOM HOLE LOCATION NEW MEXICO EAST NAO 1983 Y=445745.33 US FT X=635696.42 US FT LAT.: N 32.2250620° LONG.: W 104.0281909° 1260 1260 7 8 100 WO# 180608WL-c (KA) District 1
1625 N. French Dr., Hobba, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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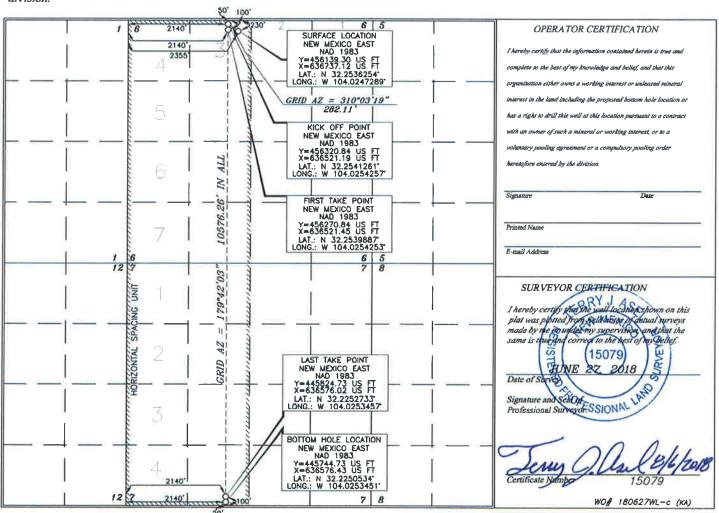
Phone: (305) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NIM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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WELL LOCATION	AND ACDEAGE	DEDICATION PLAT
WELL LUCATION	<i>AND AUREAUE</i>	DEDICATION PLAT

	AP	Number	P	ool Code	Pool Name						
Prope	erty Code		HEIG	HT CC "6	Property  6_7"		L COM				'ell Number 33H
OGA	RID No.		Operator Name Elevation OXY USA INC. 2958.2'								
				Surfa	ace L	ocation					
UL or lot no.	Section	Township	Rang	e	Lot Idn	Feet from the	North/South line	Feet from the	East/We.	st line	County
3	6	24 SOUTH	29 EAST,	N. M. P. M.		230'	NORTH	2355"	WES	r	EDDY
			Bottom H	ole Locatio	on If I	Different I	From Surfac	e			
UL or lot no.	Section	Township	Rang	•	Lot Idn	Feet from the	North/South line	Feet from the	East/We.	st line	County
N	7	24 SOUTH	29 EAST,	N. M. P. M.		20'	SOUTH	2140'	WES	T	<b>EDDY</b>
Dedicated	Dedicated Acres   Joint or Infill   Consolidation Code   Order No.										



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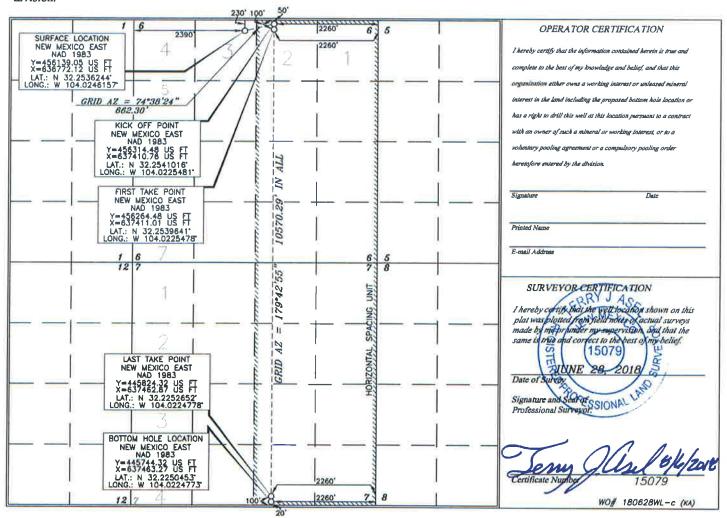
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WELL.	LOCATI	ON AN	DACREA	GF DFDIC	ATION PLAT
	LUCAII	CIA VIA	$D \cap C \cap C \cap C$		4 <i>1 1 1 1 1 1 1 1 1 1</i> 1 1 1

	API	Number		Pool Code				Pool Name		
Рторе	rty Code		HEIO	GHT CC "6	Property 5_7"		L COM			Well Number 34H
OGA	UD No.				Operator Name Elevation OXY USA INC. 2958.4'					
		171		Surfa	ace L	ocation				
UL or lot no.	Section 6	Township 24 SOUTH	ship Range Lot Idn Feet from the North/South line Feet from the East/West						East/West line WEST	County EDDY
			Bottom .	Hole Location	on If I	Different l	From Surfac	e		
JL or lot no.	Section	Township	Rai	ge	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Сошту
0	7	24 SOUTH	SOUTH 29 EAST, N.M.P.M. 20' SOUTH 2260' EAST						EDDY	
Dedicated Acres   Joint or Infill   Consolidation Code   Order No.								-		



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

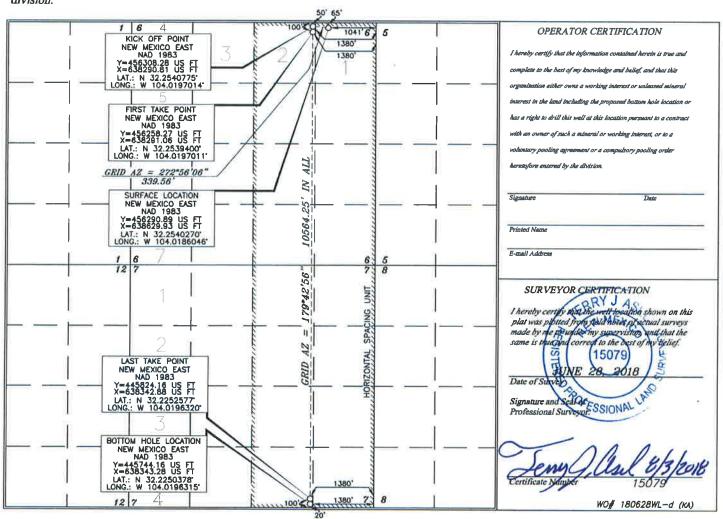
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API Number	Pool Code	Pool Na	me
Property Code		operty Name 7" FEDERAL COM	Well Number 35 H
OGRID No.	•	erator Name USA INC.	Elevation 2956.1'
	Surface	Location	

Burrace Location

UL or lot no.	Section	Township	Range		Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	6	24 SOUTH	29 EAST, N.	M. P. M.		65*	NORTH	1041'	EAST	EDDY
Bottom Hole Location If Different From Surface										
UL or lot no.	Section	Township	Range		Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	7	24 SOUTH	29 EAST, N.	М. Р. М.		20'	SOUTH	1380'	EAST	EDDY
Dedicated	Acres	Joint or Infill	Consolidation Code	Order No.						



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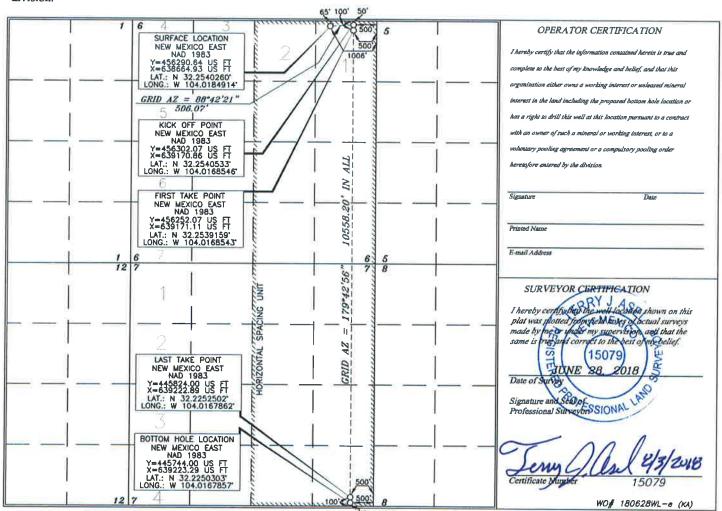
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WELL	LOCATION AND	ACREAGE DEDICATION PLAT
* * * * * * * * * * * * * * * * * * * *	20011110111111	

	API	Number	Po	ol Code				Pool Name			
Рторе	Property Code  Property Name  HEIGHT CC "6_7" FEDERAL COM									Well Number 36H	
OGRID No. Operator Name Elevation OXY USA INC. 2955.9'											
				Surfa	ace Lo	ocation					
UL or lot no.		Township	Range		Lot Idn	ot Idn Feet from the North/South line Feet from th			East/West	t line	County
1	6	24 SOUTH	29 EAST, 1	V. M. P. M.		65'	NORTH	1006'	EAS1	1	EDDY
			Bottom He	ole Location	on If I	Different I	From Surfac	e			
JL or lot no.	Section	Township	Range		Lot Idn	Feet from the	North/South line	Feet from the	East/West	line	County
P	7	24 SOUTH	29 EAST, 1	V. M. P. M.		20'	SOUTH	500'	EAST	·	<b>EDDY</b>
Dedicated Acres Joint or Infill Consolidation Code Order No.											



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

Titalia: (373) 393-010 Paiz. (373) 393-020 District III 811 S. First St., Artonia, NM 88210 Phone: (573) 748-1283 Pai: (375) 748-9720 District III 1000 Rio Braxos Road, Azino, NM 87410 Phone: (505) 334-6178 Faix: (505) 334-6170 District III

Planet: (303) 334-6178 Falt: (303) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (305) 476-3460 Fax: (505) 476-3462

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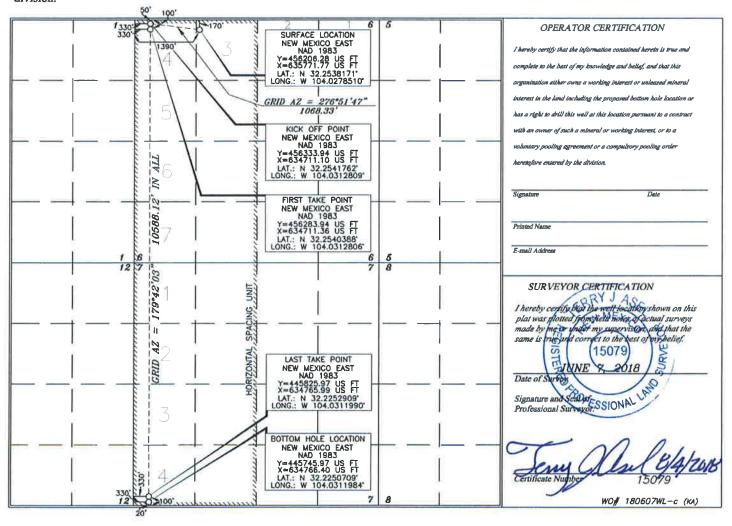
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WELL LOCATION AND ACREAGE DEDICATION DLAT

			ELL LUCATION	V AND ACI	CAUE D	EDICATIO	NPLAI				
	AP	I Number	Pool Co	ode			Pool Name				
Prope	rty Code	,	WINTER CO.	Property		2014			Well Number 41H		
			TIME C	C "6_7" 1	TEDERAL	СОМ				41 <i>1</i> 1	
OGRID No. Operator Name										Elevation	
			OXY USA INC.								
				Surface Lo	ocation						
TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	Соипту	
3	6	24 SOUTH	29 EAST, N.M.	Р. М.	170'	NORTH	1390'	WES	T	EDDY	
	-		Bottom Hole	Location If I	Different F	rom Surfac	e				
IL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	Соипту	
4	7	24 SOUTH	29 EAST, N.M.	P. M.	20'	SOUTH	330'	WES	T	EDDY	
Dedicated	Acres	Joint or Infill	Consolidation Code	Order No.							
No allowa	ble wi	Il be assigned to	this completion until	all interests ha	ve been cons	solidated or a 1	non-standard	unit has l	ееп аррг	oved by the	

division.



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		И	ELL LUCA	TION ANL	ACI	CEAGE D	<i>EDICATIO</i>	NPLAT			
	API	Number		Pool Code		Pool Name					
Рторе	rty Code		Property Name Well Num								
			TIME CC "6_7" FEDERAL COM 42H								42H
OGR	UD No.				Operato:	r Name					Elevation
				OXY	US.	4 INC.	_			29	958.6'
				Surfa	ace L	ocation					
UL or lot no.	Section	Township	Ran	ge	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	st line	County
3	6	24 SOUTH	29 EAST,	N. M. P. M.		170'	NORTH	1425'	WES	T	EDDY
			Bottom I	Hole Location	on If I	Different l	From Surfac	e			
UL or lot no.	Section	Township	Ran	ge	Lot Ida	Feet from the	North/South line	Feet from the	East/Wes	st line	County
N	7	24 SOUTH	29 EAST,	N. M. P. M.		20'	SOUTH	1700'	WES	T	EDDY
Dedicated	Acres	Joint or Infill	Consolidation Coo	le Order No.							
No allowa division.	ble wii	ll be assigned to	this completion	until all inter	ests ha	ve been con	solidated or a	on-standard	unit has b	een appr	oved by the
	7	- Tetteritie	170 100	V 0 T	_	6   6					
	J	1425 170	0	KICK OFF NEW MEXIC NAD 19	O EAST	6 5	Į. Ž		PERATOR C tify that the informa		ATION I herein is true and

Y=456324.03 US FT X=636081.17 US FT complete to the best of my knowledge and belief, and that this LAT.: N 32.2541383\* LONG.: W 104.0268491 st in the land including the proposed bottom hale location of FIRST TAKE POINT NEW MEXICO EAST NAD 1983 Y=456274.03 US FT X=636081.43 US FT LAT: N 32.2540009' LONG: W 104.0268487' ht to drill this well at this location pu mer of such a mineral or working interest, or to a ary pooling agree ment or a compulsory po ALL heretofore entered by the division GRID AZ = 66\*43'50" 298,70' 6 N Signature SURFACE LOCATION NEW MEXICO EAST NAD 1983 Y=456206.03 US FT X=635806.77 US FT LAT.: N 32.2538161 LONG.: W 104.0277378 10579. Printed Name SURVEYOR CERTIFICATION

hereby certify that we well to add shown on this that was plotted from the left move of actual surveys

" and in the the past of the best of my belief. E-mail Address 179.42,03 15 same is tribution I hereby co NG SPACI AZ HORIZONTAL 3 LAST TAKE POINT GRID NEW MEXICO EAST NAD 1983 Y=445825.03 US FT X=636136.01 US FT Signature and Scalot SSIONAL LAND Professional Surveyor. LAT.: N 32.2252776" LONG.: W 104.0267686" BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 Y=445745.03 US FT X=636136.43 US FT LAT.: N 32.2250577 LONG.: W 104.0267680 15079 1700 7 8 100 WO# 180626WL-d (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
Phane: (375) 393-6161 Fax: (375) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phane: (375) 748-1283 Fax: (575) 748-9720
Phinoid III

Pitanic: (373) 748-1283 Fax: (573) 748-9720
District III
1000 Rio Brazos Road, Azzlec, NM 87410
Phane: (505) 334-6178 Fax: (505) 334-6170
District IV

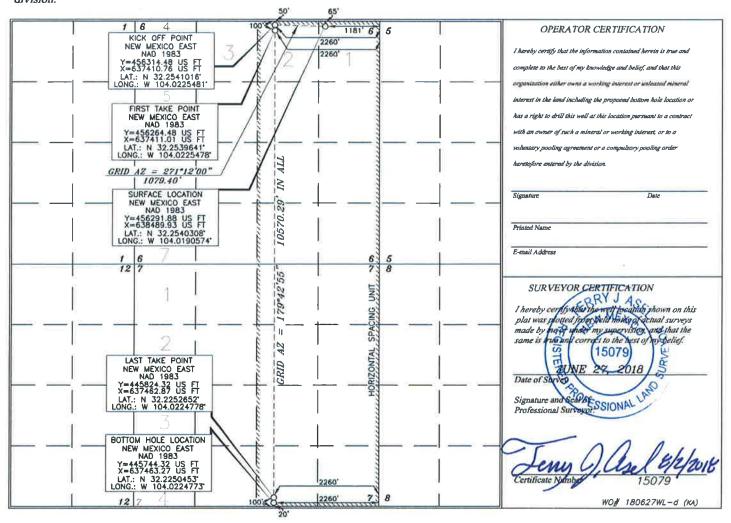
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

# 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

		V	<b>VELL LOCA</b>	ATIO	N AND	ACR	REAGE D	EDICATIO	NPLAT			
API Number Pool Code					Pool Name							
Property Code P						roperty Name Well Number						
			TII	ME C	C "6_	.7" F	<i>TEDERAL</i>	COM				43H
OGR	RID No.					Operator	Name				I	Elevation
			OXY USA INC. 2960.0'							960.0'		
0.					Surfa	ace Lo	ocation					
UL or lot no.	Section	Township	Ra	Range Lot			Feet from the	North/South line	Feet from the	East/Wes	st line	County
1	6	24 SOUTH	29 EAST,	<i>N. M.</i>	P. M.		65'	NORTH	1181'	EAS	T	EDDY
								From Surfac				
UL or lot no.	Section	Township	thip Range Lot Idn Feet from the North/South line Feet from the						Feet from the	East/Wes	st line	County
0	7	24 SOUTH	H 29 EAST, N.M.P.M. 20' SOUTH 2260' EAST EDI						EDDY			
Dedicated	Acres	Joint or Infill	or Infill Consolidation Code Order No.									



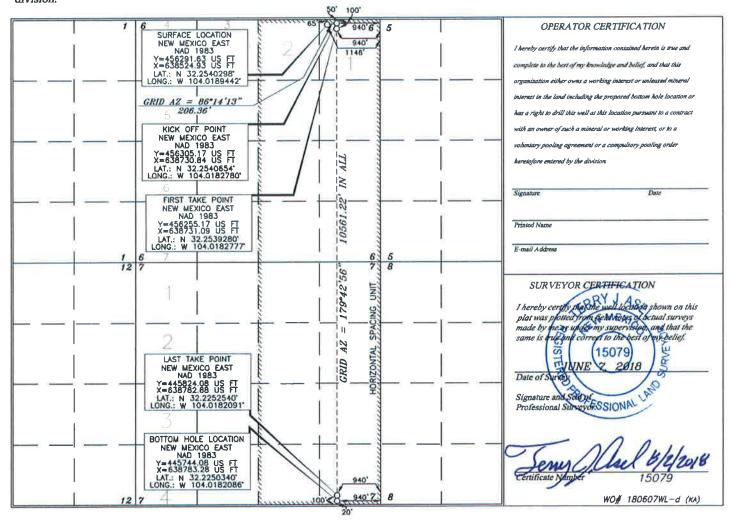
District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1281 Fax: (575) 748-9720
District III
1000 Rio Brazzos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis 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

			1	WELL .	LOCA	TIO.	N ANI	ACR	REAGE D	<i>EDICATIO</i>	N PLAT			
	API	Numb	mber Pool Code Pool Name											
Property Code  Property Name  TIME CC "6_7" FEDERAL COM									Well Number 44H					
OGR	No.		Operator Name Elevation OXY USA INC. 2958.6'											
							Surf	ace Lo	ocation					
UL or lot no.	Section	T	ownship		Range Lot Idn Feet from the North/South line Feet from the East/Wes						est line	County		
1	6	24	SOUTH	OUTH 29 EAST, N.M.P.M. 65' NORTH 1146' EAST EDD							EDDY			
-	-			Bo	ottom l	<i>Hole</i>	Locati	on If I	Different I	From Surfac	e			
UL or lot no.	Section	T	ownship	hip Range Lot Idn Feet from the North/South line Feet from the East/West line Co							County			
P	7	24	SOUTH	SOUTH 29 EAST, N.M.P.M. 20' SOUTH 940' EAST EDDY							EDDY			
Dedicated	Acres	Join	oint or Infill Consolidation Code Order No.											



	I		
33	4	0	16
32 <b>T23S R29E</b>	ις	8 <b>T24S R29E</b>	8.000 8.000 8.000
31	TIME CC 6_7 FED COM #41H  TIME CC 6_7 FED COM #42H  TIME CC 6_7 FED COM #41H		18 2,000 4,000
36	HIE#WOJ GAT Z 9 33 INJAN	12	13 0
35 <b>T23S R28E</b>	7	10 T245 R28E 11 11 Height CC 6-7 Fed Com #31H-33H Time CC 6-7 Fed Com #41H-32H	
34	M	10 Height CC Time CC	Legend:  Legend:  Well Tracks  Land  Comm

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1B
Submitted by: OXY USA, INC
Hearing Date: November 1, 2018
Case Nos. 16476 & 16477

Well Name: Height CC 6-7 Fed Com #31H-#33H & Time CC 6-7 Fed Com #41H-#42H

Spacing: W/2 Secs 6 & 7, T24S-R29E

Formation: Wolfcamp

Tract 1

Fee Lease

N/2 NW/4 & NW/4 SW/4 - Sec. 6, T24S-R29E

WI Parties

Occidental Permian Limited Partnership- 12.900394% WI

OXY USA Inc.- 12.820453% WI

COG Operating, LLC - 2.9782196% WI

Chevron USA Inc. - 71.144185% WI

Concho Oil and Gas, LLC - 0.1567484% WI

WI parties to be pooled

COG Operating, LLC - 2.9782196% WI

Chevron USA Inc. - 71.144185% WI

Concho Oil and Gas, LLC - 0.1567484% WI

MI Parties to be pooled

None

Tract 2

Fee Lease

SE/4 NW/4 -Sec. 6, T24S-R29E

WI parties

OXY USA Inc. - 100.00%

WI parties to be pooled

None

MI Parties to be pooled

None

Tract 3

NMNM 013996

Lot 7 (SW/4 SW/4) & E/2 SW/4 - Sec. 6, T24S-R29E

WI parties

OXY USA Inc.- 12.820453% WI

COG Operating, LLC - 2.9782196% WI

Chevron USA Inc. - 71.144185% WI

Concho Oil and Gas, LLC - 0.1567484% WI

WI parties to be pooled

COG Operating, LLC - 2.9782196% WI

Chevron USA Inc. - 71.144185% WI

Concho Oil and Gas, LLC - 0.1567484% WI

MI parties to be pooled

None

Tract 4

NMNM 077018

NE/4 NW/4- Sec. 7 ,T24S-R29E

WI parties

OXY USA Inc. - 86.300726%

Concho Oil and Gas, LLC- 12.525051%

Scott Wilson Trust- 1.174223%

WI parties to be pooled

Concho Oil and Gas, LLC- 12.525051%

MI parties to be pooled

None

Fee Lease

W/2 NW/4 & SE/4 NW/4 - Sec. 7, T24S-R29E

OXY USA Inc. - 86.300726%

Concho Oil and Gas, LLC- 12.525051%

Scott Wilson Trust- 1.174223%

WI parties to be pooled

Concho Oil and Gas, LLC- 12.525051%

MI parties to be pooled

None

Tract 5

Fee Lease

SW/4 - Sec. 7, T24S-R29E

WI parties

OXY USA Inc.- 91.54382%

Magnum Hunter Production Company- 7.5188%

Richard Barr - 0.46869%

Scott Wilson Trust- 0.46869

WI parties to be pooled

Magnum Hunter Production Company- 7.5188%

MI parties to be pooled

None

31 32 33 T23S R29E	SW/4 **34H 5 5 T245 R29E	TIME CC 6_7 FED COM #43F	18 17 16
31	LED COM #34H	TIME CC 6_7 FED COM #43H	81
35 T23S R28E	2	T24S R28E	Time CC 6-7 Fed Com #43H-44H  Eady County, New Mexico  Legend:  ———————————————————————————————————

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1C
Submitted by: OXY USA, INC
Hearing Date: November 1, 2018
Case Nos. 16476 & 16477

Well Name: Height CC 6-7 Fed Com #34H-#36H & Time CC 6-7 Fed Com #43H-#44H

Spacing: E/2 Secs 6 & 7, T24S-R29E

Formation: Wolfcamp

Tract 1

Fee Lease

N/2 NE/4 - Sec. 6, T24S-R29E

**WI Parties** 

Occidental Permian Limited Partnership- 12.900394% WI

OXY USA Inc.- 12.820453% WI

COG Operating, LLC - 2.9782196% WI

Chevron USA Inc. - 71.144185% WI

Concho Oil and Gas, LLC - 0.1567484% WI

WI parties to be pooled

COG Operating, LLC - 2.9782196% WI

Chevron USA Inc. - 71.144185% WI

Concho Oil and Gas, LLC - 0.1567484% WI

MI Parties to be pooled

None

Tract 2

Fee Lease

S/2 NE/4 & N/2 SE/4 -Sec. 6, T24S-R29E

WI parties

OXY USA Inc. - 43.6376533%

COG Operating, LLC - 3.1593067%

Devon Energy Production Company- 53.20304%

WI parties to be pooled

COG Operating, LLC - 3.1593067%

Devon Energy Production Company- 53.20304%

MI Parties to be pooled

None

Tract 3

NMNM 077018

SW/4 SE/4 - Sec. 6, T24S-R29E

WI parties

**OXY USA Inc.- 50.00% WI** 

**Devon Energy Production Company- 50.00%** 

WI parties to be pooled

**Devon Energy Production Company- 50.00%** 

MI parties to be pooled

None

Tract 4
NMNM 077018
SE/4 SE/4- Sec. 6, T24S-R29E
WI parties
OXY USA Inc. - 42.876%
COG Operating, LLC- 3.202%
Devon Energy Production Company- 53.922%
WI parties to be pooled
COG Operating, LLC- 3.202%
Devon Energy Production Company- 53.922%
MI parties to be pooled
None

Tract 5 NMNM 086905 N/2 NE/4 - Sec. 7, T24S-R29E WI parties OXY USA Inc.- 86.300726% Scott Wilson Trust- 1.174223% COG Oil & Gas, LLC- 12.525051% WI parties to be pooled COG Oil & Gas, LLC- 12.525051% MI parties to be pooled None S/2 NE/4 - Sec. 7, T24S-R29E NMLC 0065970C WI parties OXY USA Inc.- 86.300726% Scott Wilson Trust- 1.174223% COG Oil & Gas, LLC- 12.525051% WI parties to be pooled COG Oil & Gas, LLC- 12.525051% MI parties to be pooled None

Tract 6

NMNM 086905

N/2 SE/4 & SE/4 SE/4 - Sec. 7, T24S-R29E

WI parties

OXY USA Inc.- 86.30076%

Magnum Hunter Production Company- 7.5188%

Richard Barr - 0.46869%

Scott Wilson Trust- 0.46869

WI parties to be pooled

Magnum Hunter Production Company- 7.5188%

WI parties to be pooled

Magnum Hunter Production Company- 7.5188%

MI parties to be pooled

None

Fee Lease

SW/4 SE/4 - Sec. 7, T24S-R29E

WI parties

OXY USA Inc.- 86.30076%

Magnum Hunter Production Company- 7.5188%

Richard Barr - 0.46869%

Scott Wilson Trust- 0.46869

WI parties to be pooled

Magnum Hunter Production Company- 7.5188%

MI parties to be pooled

None



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Height CC 6-7 Fed Com #31H

SHL - 262' FNL and 626' FWL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 380' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

#### Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Height CC 6-7 Fed Com #31H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,720', and to an approximate measured depth of 19,720' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7. Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Height CC 6-7 Fed Com #31H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

OXY USA Inc.

Jeremy Murphrey, CPL Land Negotiator, Advisor

**Enclosures** 

Chevron U.S.A. Inc. elects to:

participate in the drilling of the Height CC 6-7 Fed Com #31H
non-consent the drilling of the Height CC 6-7 Fed Com #31H
Ву:
Name:
Title:
Date:

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Submitted by: OXY USA, INC Case Nos. 16476 & 16477 **Exhibit No. 1D** 



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Height CC 6-7 Fed Com #32H

SHL - 295' FNL and 639' FWL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 1700' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Height CC 6-7 Fed Com #32H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,720', and to an approximate measured depth of 19,720' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Height CC 6-7 Fed Com #32H well by executing and returning one copy of this letter within thirty (30) days.

Chevron U.S.A. Inc. elects to:

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

Sincerely,

OXY USA Inc.

participate in the drilling of the Height CC 6-7 Fed Com
#32H

Jeremy Murphrey, CPL
Land Negotiator, Advisor

By:
Name:
Date:
Date:



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Height CC 6-7 Fed Com #33H

SHL - 90' FNL and 2357' FWL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 2260' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Height CC 6-7 Fed Com #33H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,720', and to an approximate measured depth of 19,720' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Height CC 6-7 Fed Com #33H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

OXY USA Inc.

111	Chevron U.S.A. Inc. elects to:
Ay hop	${\#33}\text{H}$ participate in the drilling of the Height CC 6-7 Fed Com
Jeremy Murphrey, CPL Land Negotiator, Advisor	non-consent the drilling of the Height CC 6-7 Fed Com #33H
Enclosures	Ву:
	Name:
	Title:
	Date:



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Height CC 6-7 Fed Com #34H

SHL - 90' FNL and 2392' FWL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 940' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Height CC 6-7 Fed Com #34H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,720', and to an approximate measured depth of 19,720' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Height CC 6-7 Fed Com #34H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

**OXY USA Inc.** 



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RF.

Well Proposal - Height CC 6-7 Fed Com #35H

SHL - 740' FNL and 325' FEL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 380' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Height CC 6-7 Fed Com #35H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,720', and to an approximate measured depth of 19,720' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Height CC 6-7 Fed Com #35H well by executing and returning one copy of this letter within thirty (30) days.

Chevron U.S.A. Inc. elects to:

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

Sincerely,

OXY USA Inc.

\_\_\_\_\_participate in the drilling of the Height CC 6-7 Fed Com
#35H

Jeremy Murphrey, CPL
Land Negotiator, Advisor

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

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

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

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



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Height CC 6-7 Fed Com #36H

SHL - 740' FNL and 290' FEL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 500' FEL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Height CC 6-7 Fed Com #36H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,720', and to an approximate measured depth of 19,720' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Please indicate your election to participate in the drilling, completing, and equipping of the Height CC 6-7 Fed Com #36H well by executing and returning one copy of this letter within thirty (30) days.

Chevron U.S.A. Inc. elects to:

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

Sincerely,

OXY USA Inc.

\_\_\_\_ participate in the drilling of the Height CC 6-7 Fed Com
#36H

Jeremy Murphrey, CPL
Land Negotiator, Advisor

By: \_\_\_\_\_
Name: \_\_\_\_
Title: \_\_\_\_

Date: \_\_\_\_



### Occidental Oil and Gas Corporation 10k WC

RMT:	PRN
State & County:	NM, Eddy
Field:	Сопа
Well Type:	10k WC
Date	7/10/2017

Code	Element Name	Prep	1 Phase	Location	2 /Rig Move		3 Drilling		4 P&A	c	5 Completion	Artifi	6 cial Lift	7 Hookup			8 Facilities
	Mobilization, Rig Move							_									
3010	Major Mob / Demob	\$	2.	\$		-	\$ :==		\$ :-	\$		\$	33	\$	52	\$	- 5
3011	Location & Roads + Maintenance	\$	±2	\$	103,000	\$	3#3	\$		\$	3,500	S	94	\$	- 6	\$	
3021	Rig Move	\$	**	\$	75,000	\$	300	\$	2	\$	•	\$	39	\$	- 1	\$	•
Labor, Sei	rvices & Equipment Rentals																
1000	Employee Wages	\$		S	4,000	\$	141,000	\$		S	100,000	\$		s		\$	
1050	Location Services	\$	*:	\$		\$		\$		\$	+3	\$	16	\$		\$	
2004	Contractor Mainlenance/Roustabouts	\$	*:	\$		\$	7.53	\$	3.	5	1,500	\$		\$	6	\$	*
2017	Contract Supervision	\$	61	\$		5	3.000	\$		s	57,400	\$	8,678	\$	16.5	\$	
2019	Contractor HES	\$	- 1	\$		\$	3.00	\$		\$	10,931	\$	- 6	5	je:	\$	
2034	Labor services	S S	ē.	\$	1,000	\$	47,000	\$		\$		\$	3	\$	18	\$	25
3001	Services Hot Oiling	\$		\$		\$	(D)	\$	12	\$	12,500	\$	5,710	\$		\$	
3002	Services Misc Heavy Equipment	\$	P.	\$		\$	3.5	\$		\$	40,500	\$	1,713	\$	1.5	5	_ 2
3003	Fluid Haul	\$	147	s	7,000	\$	53,000	\$	¥	\$	- "	\$	- 3	\$		\$	
3005	Services Inspection	\$	- 1.	\$		\$	38,000	\$		\$	4,500	\$		\$		s	
3009	Services Wellhead	\$		\$		\$	16,000	\$	9	s	45,100	\$	5,710	\$		\$	
3012	Cased/Open Hole Logging	5		\$		\$		S		s	9,500	\$	*	\$		\$	
3013	Services Colled Tubing	\$	16:	\$		\$		\$	·	s	178,535	\$	:•	\$	161	s	
3014	Directional Drilling & LWD	\$	12.	\$	*	\$	486,000	\$	*	S	+:	\$	- 0	\$	(6:	\$	*
3015	Fishing	\$		s	*	8	2.0	5		s		\$	-	\$	(6)	s	
3016	Mud Logging	\$	187	\$		\$	30,000	\$		s	18	\$	3	\$	163	\$	- 2
3018	Services Perforating	\$	- 38	s	2	s	3-8	s	2	s	172,200	\$	- 2	s		s	22
3019	Wire line & Slick line	s	Ç	\$	· ·	s	- 30	\$	9	\$	42,000	\$	7,422	s		\$	
3020	Rig Work	s	-	\$		\$	727,000	\$		\$	42,000	\$	24,936	\$	-:	\$	
3022	Drilling & Completion Fluids	5		\$	6,000	\$	69,000	\$		S		\$	24,530	\$	-	\$	
3023	Cementing	s		s	0,000	\$	249,000	S		\$		\$	- 3	\$	190	\$	
3024	Services Stimulation	\$	100	\$		\$	240,000	\$	-	\$	3 188 848	\$		\$	(4)	S	
3025	Services Downhole Other	\$	165	\$	-	\$	13,000	\$		\$	53,550	\$	13,726	S		\$	
3026	Formation Testing and Coring	s	161	\$		\$	10,000	\$	-	\$	224,269	\$	13,720	\$	-	\$	-
3029	Camp & Catering	\$	323	\$	8,000	\$	38,000	\$	-	s	224,203	\$		\$	12	\$	
3032	Communications & IT	\$		s	1,000	\$	20,000	\$	-	S		\$	-	\$	-	\$	- 2
3035	Services Disposal	\$	100	S	1,000	S	135,000	S		S	179,000	S	4,111	\$		5	
3039	Services Fluid Hauling from Site	5	-	\$		\$	133,000	\$	-	s	175,000	s	7,111	\$		\$	
4005	Rental Downhole Equipment &Tools	s	-	s		S	4,000	\$		5		S	-:	\$		\$	
4005	HES & Industrial waste handling	s		s		\$	8,000	\$		\$	- :	s		s	-:	\$	
4013	Rental Surface Equipment & Tools	\$		\$	19,000	\$		\$	- :	\$	125,908	\$	7,177	5	-:-	\$	
		Ψ	_	1.0	19,000	Φ	104,000	Φ		Ф	125,906	Đ	1,177	Ф		1 4	
	onsumables					-		_		_						_	
5021	Malerial Surface Other	\$	(2)	\$	-	\$	-	\$		S	•			\$		\$	
5023	Wellhead & X-mas tree	\$	-	\$		\$	69,000	\$		\$	22,500	\$	-	\$		\$	
5027	Materal Subsurface Lift Equipment Other	\$		\$		\$	-	\$		\$		S	66,231	\$	- /*-	\$	
5028	Casing and Casing Accessories	S		S		\$	775,000	\$	•	\$		\$		\$	- 1.5	\$	
5029	Material Tubing and Accs	\$	323	\$	8	\$	(3)	\$	75	\$	λE	\$	39,967	\$	(€)	\$	
5500	Material Consumables	S	295	5	10,000	\$	107.077	\$	•	S	260,131	\$	*	\$		-\$	
5502	Drilling Fluids Products	5	260	\$	*	5	195,000	\$		S	100	\$	3	\$	(67)	\$	÷
5503	Bits, Reamers, Scrapers, HO's	\$	(*)	\$	8	\$	78,000	\$	ж.	\$	(2)	\$	- 2	\$	942	\$	6
5505	Fuel & Lubricants	\$	546	\$	2,000	\$	77,000	\$	F.	\$	740	\$	8	S	882	\$	
7004	Utilities: Electricity, Water & Sewers & Trast	. \$	200	\$	- 2	\$	12,000	S	× ,	\$	3,196	\$	1,440	\$	(*)	S	
Logistics,	Insurance & Tax																
8000	Land Transportation	\$	283	\$	1,000	\$		\$	×	5	10,000	S		S		S	
B102	Tax & contingency	\$	31	\$	12,000	\$	297,000	5		\$	220,686	\$	8,180	\$		\$	
8918	Permits/Settlements/Other	\$		\$	*	\$	39	\$		\$	2.0	\$	*	S	247	s	
8921	Waste Handling and Disp	S	34/	\$	- 45	5	40,000	S	*	\$	28	s	22	\$	240	\$	
8945	Loss & Loss Expenses Paid	\$	S20	\$	÷.	\$	14	\$	€.	\$	0.4	S	- 0	S	(%)	5	
9999	Other Costs	\$	(a)	\$	¥ ,	\$		\$		\$	:Ta-	\$	- 4	S		\$	
9999 Subtotal	Other Costs	\$		\$	249,000	\$	3,768,000	\$		\$	4,974,415	\$	195,000	\$		\$	

Drilling / Comp Engr	
Drilling Engr Supervisor - Diego Tellez	
Completions Engr Supervisor - Robert Rodriquez	
Drilling & Completions Manager - John Willis	

Total Drilling (1+2+3+4):	\$ 4,017,000
Total Completion (5+6+7):	\$ 5,169,415
Total Facilities (8):	\$
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,186,415
B annual in an a	

Assumptions:



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Time CC 6-7 Fed Com #41H

SHL - 170' FNL and 1390' FWL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 380' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Time CC 6-7 Fed Com #41H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,695', and to an approximate measured depth of 20,695' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Should you wish to participate, please indicate your election to participate in the drilling, completing, and equipping of the Time CC 6-7 Fed Com #41H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

OXY USA Inc.

\_\_\_\_ participate in the drilling of the Time CC 6-7 Fed Com #41H
\_\_\_\_ non-consent the drilling of the Time CC 6-7 Fed Com #41H

Jeremy Murphrey, CPL
Land Negotiator, Advisor

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

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

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

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

Chevron U.S.A. Inc. elects to:



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Time CC 6-7 Fed Com #42H

SHL - 170' FNL and 1425' FWL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 380' FWL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

#### Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Time CC 6-7 Fed Com #42H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,695', and to an approximate measured depth of 20,695' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Should you wish to participate, please indicate your election to participate in the drilling, completing, and equipping of the Time CC 6-7 Fed Com #42H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

OXY USA Inc.

Chevron U.S.A. Inc. elects to:

\_\_\_\_ participate in the drilling of the Time CC 6-7 Fed Com #42H
\_\_\_\_ non-consent the drilling of the Time CC 6-7 Fed Com #42H

Jeremy Murphrey, CPL
Land Negotiator, Advisor

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

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

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

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



August 2, 2018

#### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RE:

Well Proposal - Time CC 6-7 Fed Com #43H

SHL - 10' FNL and 890' FEL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 2260' FEL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Time CC 6-7 Fed Com #43H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,695', and to an approximate measured depth of 20,695' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Should you wish to participate, please indicate your election to participate in the drilling, completing, and equipping of the Time CC 6-7 Fed Com #43H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

OXY USA Inc.

Jeremy Murphrey, CPL Land Negotiator, Advisor

**Enclosures** 

Chevron U.S.A. Inc. elects to:
participate in the drilling of the Time CC 6-7 Fed Com #43H
non-consent the drilling of the Time CC 6-7 Fed Com #43H
By:
Name:
Title:
Date:



August 2, 2018

#### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

RF.

Well Proposal - Time CC 6-7 Fed Com #44H

SHL - 40' FNL and 850' FEL

Section 6, Township 24 South, Range 29 East, Eddy County, NM

BHL - 180' FSL and 940' FEL

Section 7, Township 24 South, Range 29 East, Eddy County, NM

#### Dear Sir/Madam:

OXY USA Inc. ("OXY") proposes the drilling of the Time CC 6-7 Fed Com #44H well at the referenced surface location in Section 6-24S-29E to its terminus at the referenced bottom hole location in Section 7-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,695', and to an approximate measured depth of 20,695' to evaluate the Wolfcamp formation. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill and complete this well under the terms of a modified 1989 AAPL form of Joint Operating Agreement, dated August 1, 2018, by and between OXY USA Inc., as Operator, and COG Operating, LLC, et al as Non-Operators, covering Section 6 and 7, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico ("JOA"). A copy of the JOA will be mailed to you in a separate mailing.

In addition, in a separate mailing, we will supply an estimate of facility costs to support the development of Sections 6 and 7, Township 24 South, Range 29 East, (the "Facility"), for which said estimate of costs does not require an election. The Facility will be used solely for wells drilled pursuant to the JOA. Therefore, in the event of obtaining voluntary support for the above JOA, OXY will calculate ownership in the Facility based upon a composite Division of Interest ("DOI") which will be based on the weighted average working interest before payout for the owners in the wells servicing the Facility. The ownership in the Facility would be adjusted as necessary based on the count of wells and OXY would communicate ownership in the facilities on a regular basis.

Should you wish to participate, please indicate your election to participate in the drilling, completing, and equipping of the Time CC 6-7 Fed Com #44H well by executing and returning one copy of this letter within thirty (30) days.

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

Sincerely,

**Enclosures** 

**OXY USA Inc.** 

Jeremy Murphrey, CPL Land Negotiator, Advisor

Chevron U.S.A. Inc. elects to:
participate in the drilling of the Time CC 6-7 Fed Com #44F
non-consent the drilling of the Time CC 6-7 Fed Com #44H
Ву:
Name:
Title:
Date:



### Occidental Oil and Gas Corporation CEDAR CANYON WCD 10K

RMT:	PRN
State & County:	NM, Eddy
Field:	Cedar Canyon
Well Type:	10k WCD
Deter	0.00.004.0

Code	Element Name	1 Prep Pl	hase	Loc	2 ation/Rig Move		3 Drilling		4 P&A		5 Completion	6 Artificial Lift	ŀ	7 lookup		8 Facilities
Location	n, Mobilization, Rig Move					_										
3010	Major Mob / Demob	\$		\$	)¥	\$	*	\$		\$	9,000		\$	*	\$	*
3011	Location & Roads + Maintenance	\$		\$	111,000	\$	**	\$		\$	4,000	\$	\$		\$	
3021	Rig Move	\$	2	\$	77,000	\$	23	\$	- Si	\$	€	\$	S		\$	
Labor, S	Services & Equipment Rentals															
1000	Employee Wages	S	*	S	5,000	\$	79,000	\$	- 1	S	100,000	\$	\$		\$	*
1050	Location Services	\$		\$	39	\$	*:	\$		\$	Ε.	\$	\$		\$	36
2004	Contractor Maintenance/Roustabouts	\$	-	\$	38	\$	*	\$	340	\$	2,000	\$	\$	•	\$	
2017	Contract Supervision	\$	7	\$	2,000	\$	29,000	\$	39	\$	79,000	\$ 9,000	\$		\$	
2019	Contractor HES	\$	2	\$	122	\$		\$	- 54	\$	13,000	\$	s		S	8
2034	Labor services	\$	2	\$	12,000	\$	70,000	\$	5	\$	- 5	\$	\$	2	\$	- 2
3001	Services Hot Oiling	\$	¥	\$	- 22	\$	17	\$	2.1	\$	13,000	\$ 5,000	\$	- 1	\$	- 2
3002	Services Misc Heavy Equipment	\$		\$		\$		\$		\$	50,000	\$ 2,000	\$		\$	3
3003	Fluid Haul	\$	- 5	\$		\$	41,000	\$		\$		\$ -	\$		\$	
3005	Services Inspection	\$	*	\$	1,000	\$	54,000	\$		\$	5,000	\$ -	\$		\$	
3009	Services Wellhead	\$		S	i.e	\$	15,000	\$	12	\$	45,000	\$	\$		\$	
3012	Cased/Open Hole Logging	\$		\$	12	\$		5	- 2	\$	10,000	\$	S	*	\$	
3013	Services Coiled Tubing	\$	*	\$		\$		\$		\$	179,000	\$	S		\$	*
3014	Directional Drilling & LWD	\$		\$	3€	\$	438,000	\$		\$	8	\$ -	\$	8	\$	*
3015	Fishing	\$		\$	- 54	\$	÷2	\$	- 5	\$	· ·	\$	\$	÷	\$	161
3016	Mud Logging	\$	¥.	\$	8	\$	21,000	\$		\$	2.	\$	\$	2	\$	
3018	Services Perforating	\$	-3	\$		\$		\$		\$	256,000	\$ -	\$		\$	2
3019	Wire line & Slick line	\$	- 8	\$	25	\$	*:	\$		\$	53,000	\$ 7,000	\$		\$	
3020	Rig Work	\$		\$	96	\$	658,000	\$		\$		\$ 22,000	s		\$	
3022	Drilling & Completion Fluids	s		\$	3,000	\$	75,000	\$	))	\$		\$	\$	8	\$	*
3023	Cementing	s	-	\$	-	\$	182,000	\$		\$	8	\$	\$		\$	
3024	Services Stimulation	\$		\$		\$	•7	\$		\$	3,804,000	\$	\$	÷	\$	9:
3025	Services Downhole Other	\$	-	\$	- 5	\$	24,000	\$	3.4	\$	80,000	\$ 12,000	\$	2	\$	9
3026	Formation Testing and Coring	s	- 2	\$	W.	\$	30,000	\$		\$	62,000	\$	\$	\$	\$	35,000
3029	Camp & Calering	\$	- 2	\$	4,000	\$	16,000	\$	1/2	\$	12	S -	S	- 1	\$	
3032	Communications & IT	\$		\$	1,000	\$	16,000	\$		\$		\$	\$		\$	<u>_</u>
3035	Services Disposal	\$	-	\$		\$	83,000	\$		\$	9,000	\$ 4,000	\$		\$	450,000
3039	Services Fluid Hauling from Site	\$		\$		\$	+	\$		\$		\$ -	\$		\$	
4005	Rental Downhole Equipment &Tools	\$		\$		\$	47,000	\$		\$		\$	\$		\$	180,000
4007	HES & Industrial waste handling	\$	82	\$	1,000	5	10,000	\$		\$		\$	S	*	\$	
4013	Rental Surface Equipment & Tools	\$	- 8	\$	22,000	\$	82,000	\$		\$	193,000	\$ 6,000	S		\$	*
Consun	Consumables									^						
5021	Material Surface Other	\$		\$		S		S		\$		\$ -	8	125,000	\$	
5023	Wellhead & X-mas Iree	\$		\$	-	\$	84,000	\$		\$	75,000	\$ 58,000	\$		\$	
5027	Materal Subsurface Lift Equipment Other	s		\$		\$	*	\$		\$		\$ 58,000	\$		\$	
5028	Casing and Casing Accessories	\$		\$		s	806,000	\$	-	\$		\$ 250	\$	-	\$	
5029	Material Tubing and Accs	\$	8	\$		\$	*(	\$	-	\$		\$ 35,000	\$		\$	
5500	Material Consumables	s		s	-	s	11,000	\$		\$	251,000	\$ -	\$	*	\$	
5502	Drilling Fluids Products	\$	- 4:	\$		S	257,000	\$	(a	\$	*	\$	\$		\$	
5503	Bils, Reamers, Scrapers, HO's	\$	2	\$	22	\$	41,000	\$	3.4	\$	8	\$	\$		\$	*
5505	Fuel & Lubricants	\$	27	\$	4,000	S	67,000	\$	- 1	\$	<b>4</b>	\$	\$	2	\$	-
7004	Utilities: Electricity, Water & Sewers & Trast		-	\$	1,000	\$	21,000	\$	- 6	s	3,000	\$ 1,000	\$	- 1	\$	
	s, Insurance & Tax									-						- T
8000	Land Transportation	s	-	s	1,000	\$	43,000	\$	14	\$	10,000	\$ -	\$		\$	
8102	Tax & contingency	\$	- 2	\$	12,000	\$	534,000	S	- 3	s	254,000	\$ 11,000	\$		\$	
8918	Permits/Settlements/Other	\$		\$	12,000	\$	334,000	\$	-	\$	234,000	\$ -	\$		\$	
8918	Waste Handling and Disp	s	-	s		\$	11,000	\$		\$		\$	\$	\$	\$	-
8921	Loss & Loss Expenses Paid	\$		\$	- 2	\$	11,000	S	7.	S	0	\$	s		\$	-
9999	Other Costs	\$	-:-	\$		\$		5		\$		\$	\$		\$	-
2222	Ottici Costs	9	- 7	Ψ.		Ψ				\$		\$ 230,000	\$	125,000	\$	665,000

	Total Drilling (1+2+3+4):	\$	4,102,000
	Total Completion (5+6+7):	\$	5,914,000
	Total Facilities (8):	\$	665,000
Т-	otal Well Cost (1+2+3+4+5+6+7+8):	S	10,681,000
Assumptions:			

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

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

CASE NOS. 16476 and 16477

**HEARING AFFIDAVIT OF TONY TROUTMAN** 

Tony Troutman, being of lawful age and being first duly sworn, declares as follows:

1. My name is Tony Troutman and I work for OXY USA Inc. ("OXY") as a geologist.

I have previously testified before the New Mexico Oil Conservation Division as an expert witness

in petroleum geology and my credentials have been accepted by the Division and made a matter

of public record.

2. I am familiar with the applications filed by OXY in these consolidated cases and I

have conducted a geologic study of the Wolfcamp formation underlying the subject acreage.

3. OXY has two targets in the Wolfcamp formation: the Wolfcamp XY interval and

the Wolfcamp D interval. The Height 31H, 32H, 33H, 34H, 35H and 36H Wells target the

Wolfcamp XY interval. The Time 41H, 42H, 43H, and 44H Wells target the Wolfcamp D interval.

4. OXY Exhibit 2A contains a subsea structure map that I prepared for Wolfcamp

XY interval with contour lines every 50 feet. The proposed wellbore paths for the Height wells are

denoted by red lines on each map. Structure control points are shown with a red diamond. The

Wolfcamp XY in this area is gently dipping to the East and I do not observe any faulting, pinchouts,

or other geologic impediments to developing this targeted interval with horizontal wells.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. 2

Submitted by: **OXY USA, INC** Hearing Date: November 1, 2018 Case Nos. 16476 & 16477

- 5. **OXY Exhibit 2A** also identifies the wells that I used to construct a stratigraphic cross-section map for the Wolfcamp XY interval. I created a N-S cross section, the wells for which are show in green. I also created a W-E cross section, the wells for which are shown in pink. I chose these wells because they are representative of the geology of the area.
- 6. **OXY Exhibit 2B** contains a stratigraphic W-E cross section for the Wolfcamp XY interval using the representative wells depicted in pink on Exhibit 2A. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp XY interval for the Height wells is identified with a black bracket. This cross-section demonstrates that the targeted interval extends across the subject acreage.
- 7. OXY Exhibit 2C contains a stratigraphic N-S cross section for the Wolfcamp XY interval using the representative wells depicted in green on Exhibit 2A. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp XY interval for the Height wells is identified with a black bracket. This cross-section demonstrates that the targeted interval extends across the subject acreage.
- 8. The north to south orientation for the proposed wells in the Wolfcamp XY interval will place the wells perpendicular to the known stress direction in the subject area and is appropriate to efficiently and effectively develop the targeted interval under the subject acreage.
- 9. **OXY Exhibit 2D** contains a subsea structure map that I prepared for Wolfcamp D interval with contour lines every 50 feet. The proposed wellbore paths for the Time wells are denoted by red lines on each map. Structure control points are shown with a red diamond. The Wolfcamp D in this area is gently dipping to the East and I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval with horizontal wells.

- 10. OXY Exhibit 2D also identifies the wells that I used to construct a stratigraphic cross-section map for the Wolfcamp D interval. I created a N-S cross section, the wells for which are show in green. I also created a W-E cross section, the wells for which are shown in pink. I chose these wells because they are representative of the geology of the area.
- 11. **OXY Exhibit 2E** contains a stratigraphic W-E cross section for the Wolfcamp D interval using the representative wells depicted in pink on Exhibit 2D. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp D interval for the Time wells is identified with a black bracket. This cross-section demonstrates that the targeted interval extends across the subject acreage.
- 12. **OXY Exhibit 2F** contains a stratigraphic N-S cross section for the Wolfcamp D interval using the representative wells depicted in green on Exhibit 2D. Each well in the cross-section contains gamma ray, resistivity, and porosity logs. The proposed target interval in the Wolfcamp D interval for the Time wells is identified with a black bracket. This cross-section demonstrates that the targeted interval extends across the subject acreage.
- 13. The north to south orientation for the proposed wells in the Wolfcamp D interval will place the wells perpendicular to the known stress direction in the subject area and is appropriate to efficiently and effectively develop the targeted interval under the subject acreage.
- 14. My geologic study demonstrates that both the Wolfcamp XY and the Wolfcamp D intervals underlying the subject acreage is suitable for development with horizontal wells, that the acreage comprising the proposed horizontal spacing units will contribute more-or-less equally to the production from the wellbores, and the granting of these consolidated applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

FURTHER AFFIANT SAYETH NOT.

Topy Troutman

COUNTY OF Harris

SUBSCRIBED and SWORN to before me this 31st day of October 2018 by

Tony Troutman.

NOTARY PUBLIC

My Commission Expires:

4/7/19

GINGER BAILEY GARCIA

Notary Public, State of Texas

Comm. Expires 04-07-2019

Notary ID 13018125-7



Height CC 6\_7 Fed Com 31H, 32H, 33H, 34H, 35H, 36H Wolfcamp Structure Map

Author: Tony Troutman, Geological Advisor, Oxy USA

Dimensions Area
Top of Wolfcamp Structure
Depths Subsea
50 ft. C.I.

Structure Control Points

--- N-S Cross-section

— W-E Cross-section

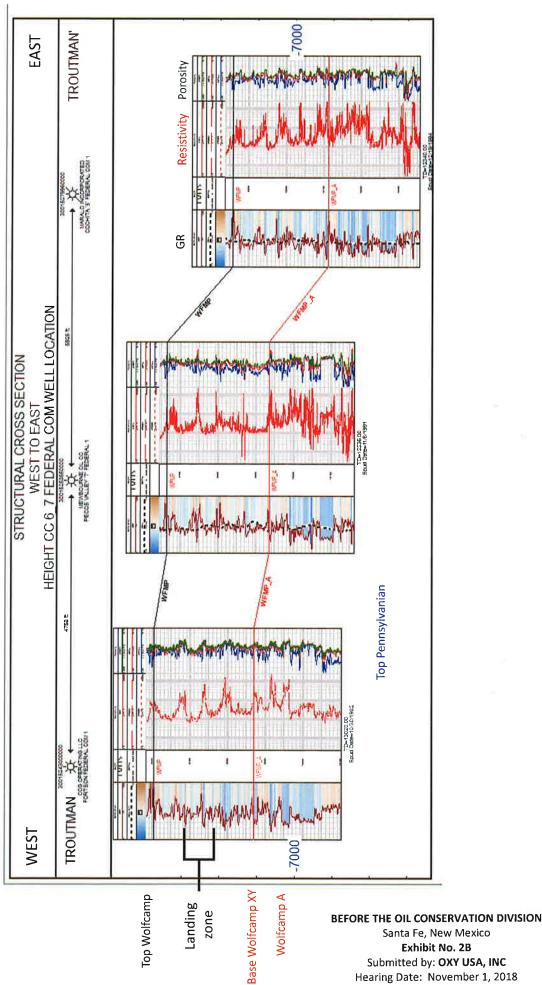
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#### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. 2A

HEIGHT CC 6\_7 Fed Com 31H, 32H, 33H, 34H, 35H, 36H WEST TO EAST CROSS-SECTION Wolfcamp XY

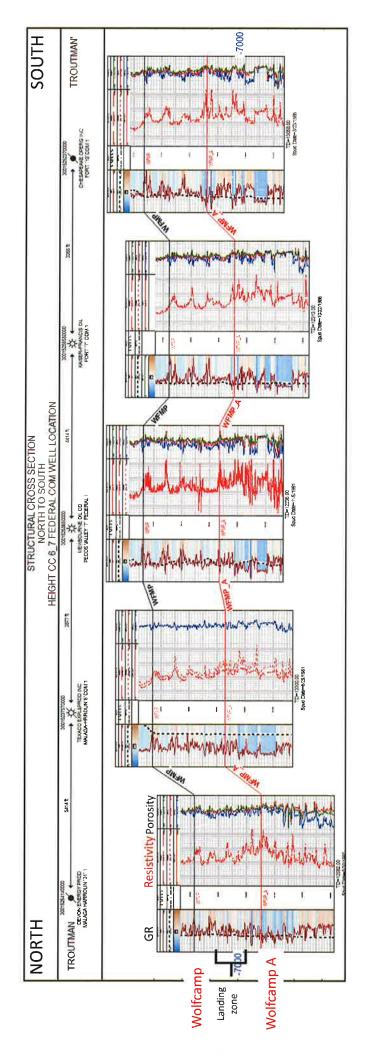
Geological Advisor, Oxy USA Author: Tony Troutman



Hearing Date: November 1, 2018 Case Nos. 16476 & 16477

HEIGHT CC 6\_7 Fed Com 31H, 32H, 33H, 34H, 35H, 36H NORTH TO SOUTH CROSS-SECTION Wolfcamp XY





# BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. 2C

Submitted by: **OXY USA, INC**Hearing Date: November 1, 2018

Case Nos. 16476 & 16477

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Time CC 6\_7 Fed Com 41H, 42H, 43H, 44H Wolfcamp D Structure Map

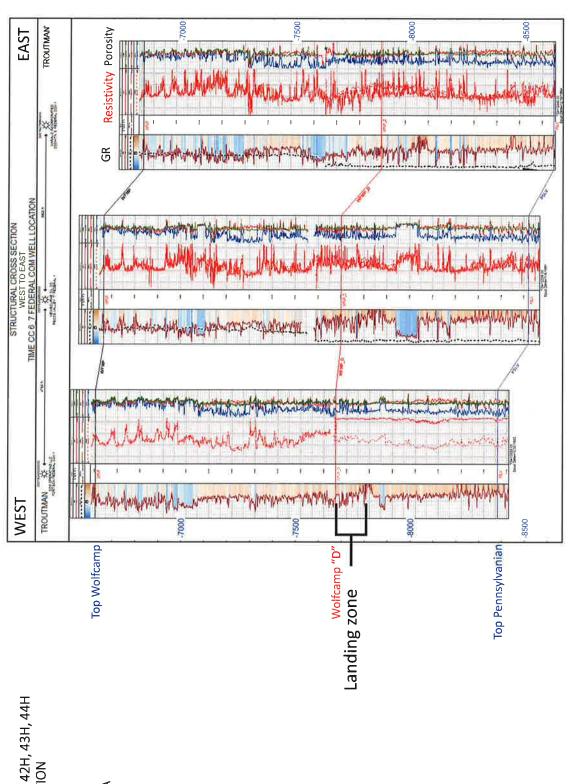
Author: Tony Troutman, Geological Advisor, Oxy USA

Top of Wolfcamp D Structure Dimensions Area Depths Subsea 50 ft. C.I. Structure Control Points

— N-S Cross-section

— W-E Cross-section

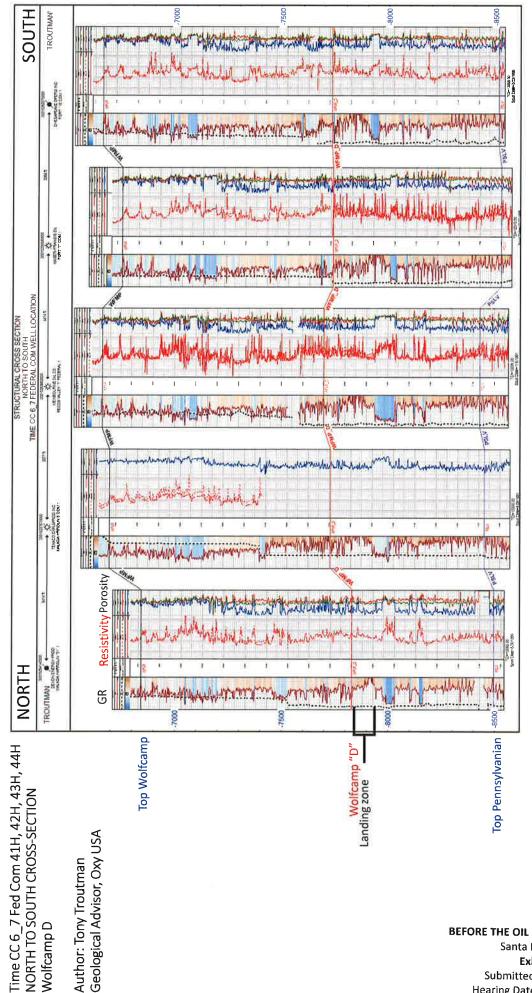
BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 2D



Time CC 6\_7 Fed Com 41H, 42H, 43H, 44H
WEST TO EAST CROSS-SECTION
Wolfcamp D
Author: Tony Troutman
Geological Advisor, Oxy USA

#### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. 2E



#### BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. 2F

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

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

**CASE NO. 16476** 

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

**CASE NO. 16477** 

#### **AFFIDAVIT**

STATE OF NEW MEXICO	)	
	)	SS
COUNTY OF SANTA FE	)	

Jordan L. Kessler, attorney in fact and authorized representative of OXY USA Inc., the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 31st Day of October 2018 by Jordan L. Kessler.

OFFICIAL SEAL

CLARINDA L. WETZSTEON

NOTARY PUBLIC

STATE OF NEW MEXICO

My Commission Expires

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico
Exhibit No. 3

Submitted by: OXY USA, INC Hearing Date: November 1, 2018 Case Nos. 16476 & 16477

Notary Public



Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 ilkessler@hollandhart.com

October 12, 2018

### VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OXY USA Inc. for compulsory pooling, Eddy County, New

Mexico.

Height CC 6-7 Federal Com No. 31H Well Height CC 6-7 Federal Com No. 32H Well Height CC 6-7 Federal Com No. 33H Well Time CC 6-7 Federal Com No. 41H Well Time CC 6-7 Federal Com No. 42H Well

#### Ladies & Gentlemen:

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 a.m. on November 1, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

If you have any questions about this matter please contact Jeremy Murphrey at (713) 350-4816 or Jeremy murphrey@oxy.com

Sincerely.

Jordan L. Kessler

ATTORNEY FOR OXY USA INC.



#### **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

OXY UDS Inc - Height, Time, Width Length CM#44506.0005 20181012 PP List

Shipment Date:	10/10/2018
Shipped From:	
Name:	HOLLAND & HART LLP
Address:	110 N GUADALUPE ST # 1
	SANTA FE
State:	NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	9
Total	9

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

#### B. USPS Action

Note to RSS Clerk:

- 1. Home screen > Mailing/Shipping > More
  2. Select Shipment Confirm
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  4. Confirm the volume count message by selecting Yes or No
  5. Select Pay and End Visit to complete transaction Scan or enter the barcode/label number from PS Form 5630

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Jordan L. Kessler Associate Phone (505) 988-4421 Fax (505) 983-6043 jlkessler@hollandhart.com

October 12, 2018

## VIA CERTIFIED MAIL CERTIFIED RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of OXY USA Inc. for compulsory pooling, Eddy County, New

Mexico.

Height CC 6-7 Federal Com No. 34H Well Height CC 6-7 Federal Com No. 35H Well Height CC 6-7 Federal Com No. 36H Well Time CC 6-7 Federal Com No. 43H Well Time CC 6-7 Federal Com No. 44H Well

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If you have any questions about this matter please contact Jeremy Murphrey at (713) 350-4816 or Jeremy murphrey@oxy.com

Sincerely,

Jordan L. Kessler

ATTORNEY FOR OXY USA INC.



#### **Shipment Confirmation Acceptance Notice**

Note to Mailer: The labels and volume associated to this form online, must match the labeled packages being presented to the USPS® employee with this form.

OXY UDS Inc - Height, Time, Width Length CM#44506.0005 20181012 PP List

Shipment Date: 10/10/2018 Shipped From: Name: HOLLAND & HART LLP Address: 110 N GUADALUPE ST # 1 City: SANTA FE State: NM ZIP+4® 87501

Type of Mail	Volume
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Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	9
Total	9

<sup>\*</sup>Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

#### B. USPS Action

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  1. Home screen > Mailing/Shipping > More
  2. Select Shipment Confirm
  3. Scan or enter the barcode/label number from PS Form 5630
  4. Confirm the volume count message by selecting Yes or No
  5. Select Pay and End Visit to complete transaction

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USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code <sup>TM</sup> )	Postage (E	(Extra Handling Service) Charge Fee	Actual Value if Registered	Insured	Due Sender if COD	ASR Fee	ASRD Fee
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Signature Confirmation

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Well Spacing: E/2 Secs. 6 & 7, T24S-R29E

Well Name: Height CC 6-7 Fed Com #34H-#36H & Time CC 6-7 Fed Com #43H-#44H

Formation: Wolfcamp

#### **Notice Pooling List**

COG Operating, LLC One Concho Center 600 West Illinois Avenue Midland, TX 79701

Concho Oil & Gas LLC One Concho Center 600 West Illinois Avenue Midland, TX 79701

Devon Energy Production Company 333 West Sheridan Avenue Oklahoma City, OK 73102-5010

Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002

M. Brad Bennett
P. O. Box 51510
Midland, TX 79710-1510

Scott Wilson Trust 4601 Mirador Drive Austin, Texas 78735 Att: Shelby Stratman

Hayes Land & Production Company P. O. Box 51408 Midland, TX 79710

Hayes Land Corp P. O. Box 51510 Midland, TX 79710

Richard K. Barr Family Trust 8027 Chalk Knoll Dr. Austin, TX. 78735

#### **Notice Parties within Well Spacing**

COG Operating, LLC One Concho Center 600 West Illinois Avenue Midland, TX 79701

Concho Oil & Gas LLC One Concho Center 600 West Illinois Avenue Midland, TX 79701

Devon Energy Production Company 333 West Sheridan Avenue Oklahoma City, OK 73102-5010

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Hayes Land Corp P. O. Box 51510 Midland, TX 79710

Richard K. Barr Family Trust 8027 Chalk Knoll Dr. Austin, TX. 78735

# JRRENT-ARGUS

#### **AFFIDAVIT OF PUBLICATION**

Ad No. 0001265205

DAVID WASHINGTON 110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

SANTA FE NM 87504

I, a legal clerk of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

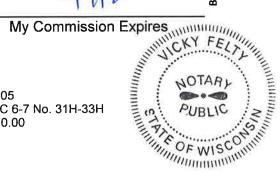
10/16/18

Subscribed and sworn before me this 16th of October 2018.

State of WI, County of Brown NOTARY PUBLIC

Again 100 Miles of William 100 M

Ad#:0001265205 P O: Height CC 6-7 No. 31H-33H # of Affidavits: 0.00



Hearing Date: November 1, 2018 Submitted by: OXY USA, INC

Santa Fe, New Mexico

Case Nos. 16476 & 16477

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **November 1, 2018**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by October 22, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

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

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

TO:All offset owners, overriding royalty interest owners, and pooled parties, including: COG Operating, LLC; Concho Oil & Gas LLC Devon Energy Production Company; Chevrol U.S.A. Inc.; M. Brad Bennett, his heirs and devisees; Scott Wilson Trust, Attn: Shelby Stratman; Hayes Land & Production Company Hayes Land Corp; Richard K. Barr Family Trus

Case No. 16476:Application of OXY USA Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 6 and the W/2 of Section 7, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to five proposed horizontal wells:

oThe Height CC 6-7 Federal Com No. 31H Well which will be drilled horizontally from a surface location in the NW/4NW/4 (Lot 4) of Section 6 to a standard bottom hole location in the SW/4SW/4 (Lot 4) of Section 7; oThe **Height CC 6-7 Federal Com No. 32H Well** which will be drilled horizontally from a surface

location in the NW/4NW/4 (Lot 4) of Section 6 to a standard bottom hole location in the SW/4SW/4 (Lot 4) of Section 7; oThe Height CC 6-7 Federal Com No. 33H Well which will be horizontally drilled from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to bottom hole location in the SE/4SW/4 (Unit N) of Section 7; oThe Time CC 6-7 Federal Com No. 41H Well which will be horizontally drilled from a surface location in the NE/4NW/4 (Lot 3) of Section 6

4) of Section 7; oThe **Time CC 6-7 Federal Com No. 42H Well** which will be horizontally drilled from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to bottom hole location in the SE/4SW/4 (Unit N) of Section 7.

to bottom hole location in the SW/4SW/4 (Lot

The completed interval for each well will comply with the setback requirements set forth in the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 3 miles west of northeast of Malaga, New Mexico.

October 16, 2018

# JRRENT-ARGUS

#### AFFIDAVIT OF PUBLICATION

Ad No. 0001265206

DAVID WASHINGTON 110 NORTH GUADALUPE, SUITE 1 PO BOX 2208

SANTA FE NM 87504

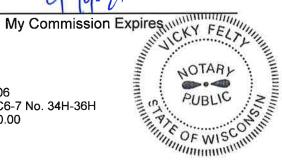
I, a legal clerk of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

10/16/18

Subscribed and sworn before me this 16th of October 2018.

> State of WI, County of Brown NOTARY PUBLIC

Ad#:0001265206 PO: Height CC6-7 No. 34H-36H # of Affidavits: 0.00



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

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TO:All offset owners, overriding royalty interest owners, and pooled parties, including: COG Operating, LLC; Concho Oil & Gas LLC Devon Energy Production Company; Chevrol U.S.A. Inc.; M. Brad Bennett, his heirs and devisees; Scott Wilson Trust, Attn: Shelby Stratman; Hayes Land & Production Company Haves Land Corp; Richard K. Barr Family Trus

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oThe Height CC 6-7 Federal Com No. 34H Well, which will be drilled horizontally from a surface location in the NE/4NW/4 (Lot 3) of Section 6 to a standard bottom hole location in the SW/4SE/4 (Unit 0) of Section 7; oThe **Height CC 6-7 Federal Com No. 35H Well** which will be drilled horizontally from a surface

location in the NE/4NE/4 (Lot 1) of Section 6 to a standar' Nottom hole location in the SW/4. 4 (Unit O) of Section 7; oThe Height CC 6-7 Federal Com No. 36H Well, which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SE/4SE/4 (Unit P) of Section 7; oThe Time CC 6-7 Federal Com No. 43H Well which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SW/4SE/4 (Unit O)

of Section 7; oThe **Time CC 6-7 Federal Com No. 44H Well**, which will be horizontally drilled from a surface location in the NE/4NE/4 (Lot 1) of Section 6 to bottom hole location in the SE/4SE/4 (Unit P) of Section 7.

The completed interval for each well will comply with the setback requirements set forth in the Special Rules for the Purple Sage Pool. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 3 miles west of northeast of Malaga, New Mexico.

October 16, 2018