

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 13, 2019**

CASE No. 20447

AVOGATO 30 31 STATE COM 11H – 13H

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 20447

AFFIDAVIT OF AMBER DELACH

Amber Delach, being of lawful age and being first duly sworn, states as follows:

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

2. I am familiar with the application filed by OXY in this matter and familiar with the status of the lands in the subject area.

3. None of the mineral owners to be pooled in this case or in the vertical offsets within the pool have expressed opposition to this proceeding, so I do not expect any opposition at the hearing.

4. OXY seeks an order pooling all uncommitted interests in the Bone Spring formation (Red Tank; Bone Spring, East [Pool Code 51687]) from a depth of 9,100 feet to a depth of 10,591 feet within a proposed 613.28-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 30 and 31, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. This standard horizontal spacing unit will be dedicated to the following initial wells:

- **Avogato 30 31 State Com 11H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 30 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 31;
- **Avogato 30 31 State Com 12H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 30 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 31; and
- **Avogato 30 31 State Com 13H Well** which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 30 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 31.

5. **OXY Exhibit A-1** contains the Form C-102 plats for the proposed wells.

The subject acreage is comprised of state lands.

6. The completed interval for the **Avogato 30 31 State Com 12H Well** will remain within 330 feet of the W/2 W/2 of Section 30, and the W/2 W/2 of Section 31 to allow inclusion of these proximity tracts in a standard 640-acre horizontal well spacing comprised of W/2 of Sections 30 and 6, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. The completed intervals for the **Avogato 30 31 State Com 12H and 13H Wells** will each within the setbacks required standard location under statewide rules for oil wells.

7. A depth severance exists in the Bone Spring formation within the proposed horizontal spacing unit. Accordingly, OXY seeks to pool only a portion of the Red Tank; Bone Spring, East Pool [Pool Code 51687] from a measured depth of 9,100 feet to 10,591 feet. The top of the pool is at a stratigraphic equivalent of 8,785 feet measured depth and the bottom of the pool is at a stratigraphic equivalent of 12,088 feet measured depth, as defined in the Red Tank 31 State 5H Pilot (API No. 30-025-41885).

8. The owners are the same across all depths with the exception of Campeche Petro

LP, which does not own an interest in the vertical portion of the pool below 10,591 feet. While the owners in the pool above 9,100 feet and above 10,591 are the same, their ownership interests vary across the 9,100-foot depth severance. All owners above and below the 9,100-foot depth severance will therefore benefit from production in the event the proposed wells are successful. The mineral owners that OXY seeks to pool have a larger ownership interest within the vertical extent of the proposed spacing unit than they do in the vertical offset above 9,100 feet which is being excluded from this proposed spacing unit. The interest owners in the vertical offset above the 9,100-foot depth severance, therefore, will not be adversely affected by production from the proposed wells.

9. Concurrently with this application, OXY also is seeking to pool the portion of this pool below this depth severance in a separate application for compulsory pooling, which has been assigned Case No. 20448. That case was presented to a hearing examiner on May 2, 2019 and has been taken under advisement. No parties entered an appearance and no parties opposed pooling within the identified depth severance.

10. **OXY Exhibit A-2** identifies the tracts of land comprising the proposed horizontal well spacing unit, the working interests in each tract and the working interests in each horizontal spacing unit. OXY seeks to pool the highlighted working interest owners. There are no unleased mineral interest owners and no overriding royalty interest owners require pooling.

11. **OXY Exhibit A-3** contains the well proposal letters and AFEs for each well provided to the working interest owners OXY is seeking to pool. In addition to submitting these letters, OXY has undertaken good faith efforts to reach agreement with the mineral owners that it is seeks to pool.

12. The costs reflected in the AFE are consistent with what OXY and other operators have incurred for drilling and completing similar horizontal wells in this formation in this area.

13. OXY has estimated the overhead and administrative costs at \$ 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.

14. OXY has conducted a diligent search of county records and computer databases to locate addresses for the mineral owners it seeks to pool. I have provided the law firm of Holland & Hart LLP with these addresses and instructed that notice of this hearing be provided to the mineral owners OXY seeks to pool and of the vertical offset interest owners within the pool who are not subject to this pooling application.

15. There are three unlocatable interest owners: Cardinal Plastics, Conrad E. Coffield, and SDS Properties Inc. Accordingly, notice was provided through publication in the Hobbs-News Sun identifying these unlocatable interests by name.

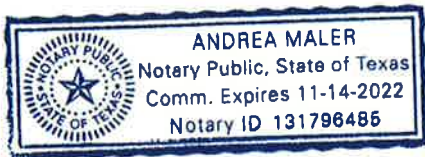
16. OXY Exhibits A-1 through A-3 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

Amber Delach
Amber Delach

STATE OF TEXAS)
)
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me this 12th day of June,
2019 by Amber Delach.



Andrea Maler
NOTARY PUBLIC

My Commission Expires:

Santa Fe, New Mexico

Exhibit No. A-1

Case No. 20447

Submitted by: OXY USA INC

Hearing Date: June 13, 2019

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (576) 363-6161 Fax: (576) 363-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (576) 748-1263 Fax: (576) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-	Pool Code 51683	Pool Name RED TANK; BONE SPRING
Property Code	Property Name AVOGATO 30_31 STATE COM	Well Number 11H
OGRID No. 16696	Operator Name OXY USA	Elevation 3706.1'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	22-S	33-E		160	NORTH	885	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	31	22-S	33-E		20	SOUTH	500	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
613.28			

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

<p>KOP 50' FNL & 500' FWL Y=499059.7 N X=762135.8 E LAT.=32.369957° N LONG.=103.618175° W</p> <p>FIP 100' FNL & 500' FWL Y=499009.7 N X=762136.1 E LAT.=32.369819° N LONG.=103.618175° W</p> <p>LTP 100' FSL & 500' FWL Y=488650.7 N X=762210.6 E LAT.=32.341345° N LONG.=103.618158° W</p> <p>GRID AZ. - 285°37'56" HORZ. DIST. - 400.6'</p> <p>GRID AZ. - 179°35'18" HORZ. DIST. - 10489.2'</p> <p>LOT 1 36.66 Ac LOT 2 36.67 Ac LOT 3 36.68 Ac LOT 4 36.67 Ac LOT 1 36.71 Ac LOT 2 36.66 Ac LOT 3 36.63 Ac LOT 4 36.60 Ac</p> <p>HORIZONTAL SPACING UNIT</p> <p>SECTION 30 SECTION 31</p> <p>* ALL COORDINATES ARE NAD 83 VALUES</p>	<p>SURFACE LOCATION Y=498951.7 N X=762521.6 E LAT.=32.369653° N LONG.=103.616928° W</p> <table border="1"> <thead> <tr> <th colspan="2">POINT LEGEND</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Y=499107.0 N X=761635.4 E</td> </tr> <tr> <td>2</td> <td>Y=493826.8 N X=761673.4 E</td> </tr> <tr> <td>3</td> <td>Y=491187.3 N X=761692.5 E</td> </tr> <tr> <td>4</td> <td>Y=488547.8 N X=761711.3 E</td> </tr> <tr> <td>5</td> <td>Y=488562.6 N X=764238.7 E</td> </tr> <tr> <td>6</td> <td>Y=493844.2 N X=764203.2 E</td> </tr> <tr> <td>7</td> <td>Y=499120.5 N X=764165.7 E</td> </tr> </tbody> </table> <p>PROPOSED BOTTOM HOLE LOCATION Y=488570.7 N X=762211.2 E LAT.=32.341125° N LONG.=103.618158° W</p>	POINT LEGEND		1	Y=499107.0 N X=761635.4 E	2	Y=493826.8 N X=761673.4 E	3	Y=491187.3 N X=761692.5 E	4	Y=488547.8 N X=761711.3 E	5	Y=488562.6 N X=764238.7 E	6	Y=493844.2 N X=764203.2 E	7	Y=499120.5 N X=764165.7 E	<p>OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Leslie Reeves</i> 05/06/19 Signature Date</p> <p>LESLIE REEVES Printed Name</p> <p>LESLIE_REEVES@OXY.COM E-mail Address</p> <p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 12, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p>CHAD L. HARGROW NEW MEXICO 17777 LICENSED PROFESSIONAL SURVEYOR</p> <p><i>Chad Hargrow</i> 4/3/19 Certificate No. CHAD HARGROW 17777 W.O. # 19-470 DRAWN BY: AM</p>
POINT LEGEND																		
1	Y=499107.0 N X=761635.4 E																	
2	Y=493826.8 N X=761673.4 E																	
3	Y=491187.3 N X=761692.5 E																	
4	Y=488547.8 N X=761711.3 E																	
5	Y=488562.6 N X=764238.7 E																	
6	Y=493844.2 N X=764203.2 E																	
7	Y=499120.5 N X=764165.7 E																	

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6101 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 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 30-025-	Pool Code 51683	Pool Name RED TANK; BONE SPRING
Property Code	Property Name AVOGATO 30_31 STATE COM	Well Number 12H
OGRID No. 16696	Operator Name OXY USA	Elevation 3705.6'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	30	22-S	33-E		160	NORTH	920	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	22-S	33-E		20	SOUTH	1310	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
613.28			

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

<p>GRID AZ. - 73°56'09" HORZ. DIST. - 405.0'</p> <p><u>SURFACE LOCATION</u> Y=498951.9 N X=762556.6 E LAT.=32.369653° N LONG.=103.616814° W</p> <p><u>PROPOSED BOTTOM HOLE LOCATION</u> Y=488575.4 N X=763021.1 E LAT.=32.341123° N LONG.=103.615535° W</p> <p>LTP 100' FSL & 1310' FWL Y=488655.4 N X=763020.6 E LAT.=32.341343° N LONG.=103.615535° W</p>	<p>LOT 1 36.66 Ac</p> <p>LOT 2 36.67 Ac</p> <p>LOT 3 36.68 Ac</p> <p>LOT 4 36.67 Ac</p> <p>LOT 1 36.71 Ac</p> <p>LOT 2 36.66 Ac</p> <p>LOT 3 36.63 Ac</p> <p>LOT 4 36.60 Ac</p>	<p>GRID AZ. - 179°35'18" HORZ. DIST. - 10488.8'</p> <p>HORIZONTAL SPACING UNIT</p> <p>SECTION 30</p> <p>SECTION 31</p>	<p>KOP 50' FNL & 1310' FWL Y=499064.0 N X=762945.8 E LAT.=32.369954° N LONG.=103.615551° W</p> <p>FIP 100' FNL & 1310' FWL Y=499014.0 N X=762946.1 E LAT.=32.369816° N LONG.=103.615551° W</p> <table><tr><th colspan="2">POINT LEGEND</th></tr><tr><td>1</td><td>Y=499107.0 N X=761635.4 E</td></tr><tr><td>2</td><td>Y=493828.6 N X=761673.4 E</td></tr><tr><td>3</td><td>Y=491187.3 N X=761692.5 E</td></tr><tr><td>4</td><td>Y=488547.8 N X=761711.3 E</td></tr><tr><td>5</td><td>Y=488562.6 N X=764238.7 E</td></tr><tr><td>6</td><td>Y=483844.2 N X=764203.2 E</td></tr><tr><td>7</td><td>Y=499120.5 N X=764165.7 E</td></tr></table>	POINT LEGEND		1	Y=499107.0 N X=761635.4 E	2	Y=493828.6 N X=761673.4 E	3	Y=491187.3 N X=761692.5 E	4	Y=488547.8 N X=761711.3 E	5	Y=488562.6 N X=764238.7 E	6	Y=483844.2 N X=764203.2 E	7	Y=499120.5 N X=764165.7 E	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Leslie Reeves</i> Date: 05/07/19</p> <p>Printed Name: LESLIE REEVES</p> <p>E-mail Address: LESLIE_REEVES@OXY.COM</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 12, 2019</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Chad L. Harcrow</i> 4/3/19</p> <p>Certificate No. CHAD HARCROW 17777</p> <p>W.O. # 19-471 DRAWN BY: AM</p>
POINT LEGEND																				
1	Y=499107.0 N X=761635.4 E																			
2	Y=493828.6 N X=761673.4 E																			
3	Y=491187.3 N X=761692.5 E																			
4	Y=488547.8 N X=761711.3 E																			
5	Y=488562.6 N X=764238.7 E																			
6	Y=483844.2 N X=764203.2 E																			
7	Y=499120.5 N X=764165.7 E																			

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 80240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 80210
Phone: (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 478-3460 Fax: (505) 478-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 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 30-025-	Pool Code 51683	Pool Name RED TANK; BONE SPRING
Property Code	Property Name AVOGATO 30_31 STATE COM	Well Number 13H
OGRID No. 16696	Operator Name OXY USA	Elevation 3691.5'

Surface Location


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	30	22-S	33-E		160	NORTH	2375	EAST	LEA

Bottom Hole Location If Different From Surface

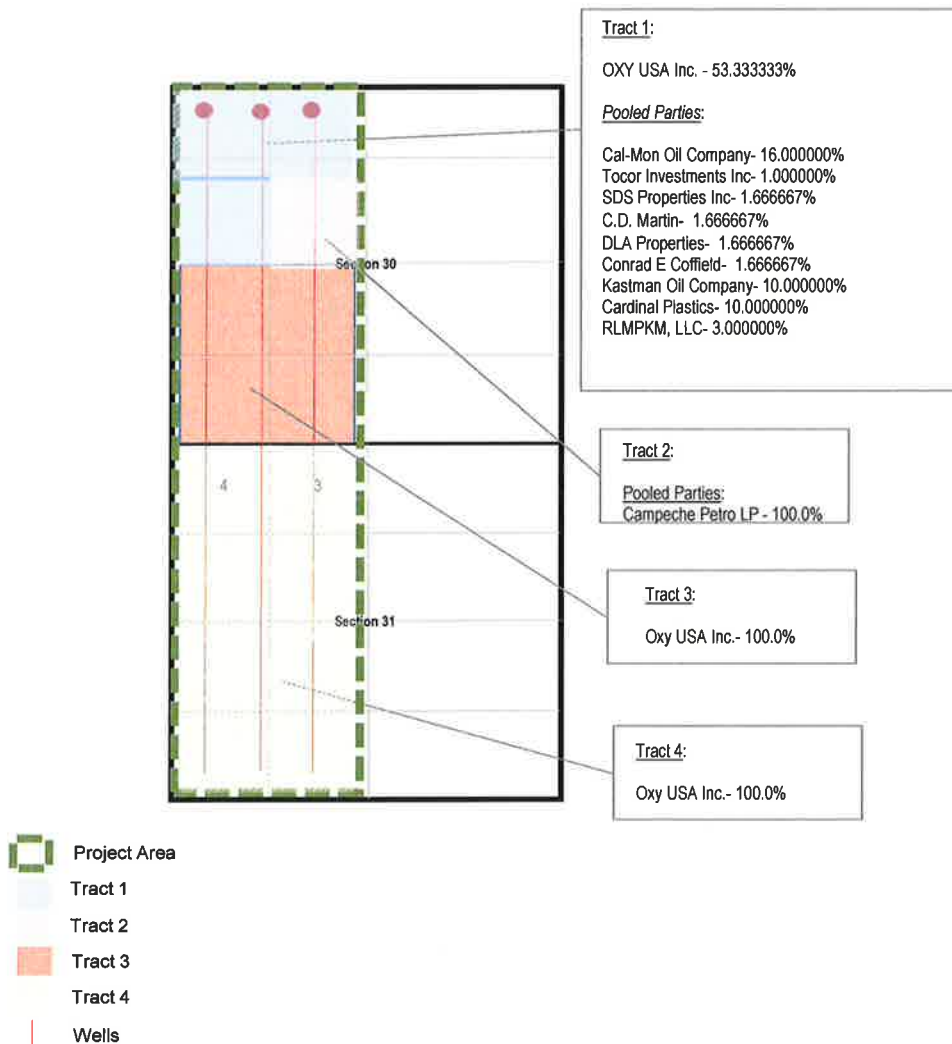
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	31	22-S	33-E		20	SOUTH	2190	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
613.28			

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

<p>KOP 50' FNL & 2190' FWL Y=499068.7 N X=763825.8 E LAT.=32.369950° N LONG.=103.612701° W</p> <p>FLP 100' FNL & 2190' FWL Y=499018.7 N X=763826.1 E LAT.=32.369813° N LONG.=103.612701° W</p> <p>PROPOSED BOTTOM HOLE LOCATION Y=488580.6 N X=763901.1 E LAT.=32.341121° N LONG.=103.612686° W</p>	<p>LOT 1 36.66 Ac</p> <p>LOT 2 36.67 Ac</p> <p>LOT 3 36.68 Ac</p> <p>LOT 4 36.67 Ac</p> <p>LOT 1 36.71 Ac</p> <p>LOT 2 36.66 Ac</p> <p>LOT 3 36.63 Ac</p> <p>LOT 4 36.60 Ac</p>	<p>SECTION 30</p> <p>SECTION 31</p> <p>HORIZONTAL SPACING UNIT</p> <p>GRID AZ. - 280°01'21" HORZ. DIST. - 613.3'</p> <p>GRID AZ. - 179°35'18" HORZ. DIST. - 10488.3'</p> <p>2190'</p> <p>20' B.H.</p>	<p>SURFACE LOCATION Y=498961.9 N X=764429.7 E LAT.=32.369646° N LONG.=103.610748° W</p> <p>* ALL COORDINATES ARE NAD 83 VALUES</p> <table><tr><th>POINT</th><th>LEGEND</th></tr><tr><td>1</td><td>Y=499107.0 N X=761635.4 E</td></tr><tr><td>2</td><td>Y=493826.6 N X=761873.4 E</td></tr><tr><td>3</td><td>Y=491187.3 N X=761892.5 E</td></tr><tr><td>4</td><td>Y=488547.8 N X=761711.3 E</td></tr><tr><td>5</td><td>Y=488562.6 N X=764238.7 E</td></tr><tr><td>6</td><td>Y=493844.2 N X=764203.2 E</td></tr><tr><td>7</td><td>Y=499120.5 N X=764165.7 E</td></tr></table> <p>LTP 100' FSL & 2190' FWL Y=488660.6 N X=763900.6 E LAT.=32.341341° N LONG.=103.612686° W</p>	POINT	LEGEND	1	Y=499107.0 N X=761635.4 E	2	Y=493826.6 N X=761873.4 E	3	Y=491187.3 N X=761892.5 E	4	Y=488547.8 N X=761711.3 E	5	Y=488562.6 N X=764238.7 E	6	Y=493844.2 N X=764203.2 E	7	Y=499120.5 N X=764165.7 E	<p>OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date 05/06/19</p> <p>LESLIE REEVES Printed Name LESLIE_REEVES@OXY.COM E-mail Address</p> <p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 12, 2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor  Chad Hargrow 4/5/19 Certificate No. CHAD HARGROW 17777 W.O. # 19-472 DRAWN BY: WN</p>
POINT	LEGEND																			
1	Y=499107.0 N X=761635.4 E																			
2	Y=493826.6 N X=761873.4 E																			
3	Y=491187.3 N X=761892.5 E																			
4	Y=488547.8 N X=761711.3 E																			
5	Y=488562.6 N X=764238.7 E																			
6	Y=493844.2 N X=764203.2 E																			
7	Y=499120.5 N X=764165.7 E																			

**W/2 Section 30 and W/2 Section 31, T22S-R33E,
Lea County, New Mexico, containing 613.40 acres**



Total Acres in proposed spacing unit: 613.4

Tract 1 Lot 1, Lot 2, NE/4NW/4 of Section 30

Acres contributed to proposed spacing unit: 113.3

53.333333% OXY USA Inc.
 16.000000% Cal-Mon Oil Company
 1.000000% Tocar Investments Inc.
 1.666667% SDS Properties Inc.
 1.666667% C.D. Martin
 1.666667% DLA Properties
 1.666667% Conrad E Coffield
 10.000000% Kastman Oil Company
 10.000000% Cardinal Plastics
 3.000000% RLMPKM, LLC

Total Committed Interest

53.333333%

Total Uncommitted Interest

46.666666%

Tract 2 SE/4NW/4

Acres contributed to proposed spacing unit: 40

100.000000% Campeche Petro LP
 100.000000%

Total Committed Interest

0.000000%

Total Uncommitted Interest

100.000000%

Tract 3 Lot 3, Lot 4, NE/4SW/4, SE/4SW/4 of Section 30

Acres contributed to proposed spacing unit: 153.4

100.000000% OXY USA Inc.
 100.000000%

Total Committed Interest

100.000000%

Total Uncommitted Interest

0.000000%

Tract 4 Lots 1-4, E/2W/2 of Section 31

Acres contributed to proposed spacing unit: 306.7

100.000000% OXY USA Inc.
 100.000000%

Total Committed Interest

100.000000%

Total Uncommitted Interest

0.000000%

Working Interest for each party in 613.40 acre proposed spacing unit:

OXY USA Inc.	85.000000%
Campeche Petro LP	6.250000%
Cal-Mon Oil Company	3.000000%
Tocar Investments Inc	0.187500%
SDS Properties Inc.	0.312500%
C.D. Martin	0.312500%
DLA Properties	0.312500%
Conrad E Coffield	0.312500%
Kastman Oil Company	1.875000%
Cardinal Plastics	1.875000%
RLMPKM, LLC	0.562500%
Total:	100.000000%



OXY USA WTP Limited Partnership

A subsidiary of Occidental Petroleum Corporation

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

February 21, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

WORKING INTEREST PARTIES

(see attached list)

Re: Six Well Proposals – Avogato 30 31 State Com wells
Sections 30 and 31
Township 22 South, Range 33 East
Lea County, New Mexico

Dear WI Owner,

OXY USA Inc. ("OXY") hereby proposes the drilling of the six wells at the following locations:

- Avogato 30 31 State Com 11H- Bone Spring
 - SHL: 160' FNL, 500' FWL (Section 30)
 - BLH: 20' FSL, 500' FWL (Section 31)
 - Approximate TVD: 9,500'
- Avogato 30 31 State Com 12H- Bone Spring
 - SHL: 160' FNL, 1310' FWL (Section 30)
 - BLH: 20' FSL, 1310' FWL (Section 31)
 - Approximate TVD: 9,500'
- Avogato 30 31 State Com 13H- Bone Spring
 - SHL: 160' FNL, 2190' FWL (Section 30)
 - BLH: 20' FSL, 2190' FWL (Section 31)
 - Approximate TVD: 9,500'
- Avogato 30 31 State Com 21H- Bone Spring
 - SHL: 160' FNL, 500' FWL (Section 30)
 - BLH: 20' FSL, 500' FWL (Section 31)
 - Approximate TVD: 10,900'
- Avogato 30 31 State Com 22H- Bone Spring
 - SHL: 160' FNL, 1310' FWL (Section 30)
 - BLH: 20' FSL, 1310' FWL (Section 31)
 - Approximate TVD: 10,900'
- Avogato 30 31 State Com 23H- Bone Spring
 - SHL: 160' FNL, 2190' FWL (Section 30)
 - BHL: 20' FSL, 2190' FWL (Section 31)
 - Approximate TVD: 10,900'

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-3

Case No. 20447

Submitted by: OXY USA INC

Hearing Date: June 13, 2019

The proposed operations include drilling and completing these Avogato 30 31 State Com wells at the above stated locations, subject to modification, as approximate 10,000' laterals in the Avalon/Bone Spring formation. A detailed description of the total estimated cost to drill and complete the wells is provided in the enclosed AFEs.

Simultaneously with this letter, OXY is proposing to drill these wells under the terms of a modified 1989 AAPL form of Operating Agreement, enclosed herewith and dated March 1, 2019 with OXY USA Inc., as Operator, covering the W/2 of Sections 30 and 31, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This proposed Operating Agreement will supersede any and all existing Operating Agreements as to all depths on all horizontal wells drilled after the effective date of the Operating Agreement.

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

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

In the event you do not wish to participate in this development, OXY is willing to discuss a deal to either trade for, or purchase your interest in the NW/4 of Section 30, Township 22 South, Range 33 East, Lea County, New Mexico.

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

OXY USA Inc.

Amber Delach
713.552.8502
Amber_delach@oxy.com

Enclosures

WIO elects to:

___ participate in the drilling of the Avogato 30 31 State Com 11H

___ non-consent the drilling of the Avogato 30 31 State Com 11H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Avogato 30 31 State Com 12H

___ non-consent the drilling of the Avogato 30 31 State Com 12H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Avogato 30 31 State Com 13H

___ non-consent the drilling of the Avogato 30 31 State Com 13H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Avogato 30 31 State Com 21H

___ non-consent the drilling of the Avogato 30 31 State Com 21H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Avogato 30 31 State Com 22H

___ non-consent the drilling of the Avogato 30 31 State Com 22H

By: _____

Name: _____

Title: _____

Date: _____

WIO elects to:

___ participate in the drilling of the Avogato 30 31 State Com 23H

___ non-consent the drilling of the Avogato 30 31 State Com 23H

By: _____

Name: _____

Title: _____

Date: _____

Working Interest Owners
*subject to final title verification

Contract Area A

WIO Name	% WI ownership in Sections W/2 of 30 and 31 (0'-9,100')
OXY USA Inc.	65.833333%
Campeche Petro, LP	12.500000%
Devon Energy Production Co LP	10.000000%
Cal-Mon Oil Company	4.000000%
Tocor Investments Inc	0.250000%
SDS Properties Inc.	0.416667%
C.D. Martin	0.416667%
DLA Properties	0.416667%
Conrad E Coffield	0.416667%
Kastman Oil Company	2.500000%
Cardinal Plastics	2.500000%
Virginia P. Monaghan, as Trustee of the Monaghan Living Trust Dated July 17 1992	0.750000%
	100.00000%

Contract Area B

WIO Name & Address:	% WI ownership in Sections W/2 of 30 and 31 (9,100'-10,951')
OXY USA Inc.	55.000000%
Campeche Petro, LP	12.500000%
Devon Energy Production Co LP	15.000000%
Cal-Mon Oil Company	6.000000%
Tocor Investments Inc	0.375000%
SDS Properties Inc.	0.625000%

C.D. Martin	0.625000%
DLA Properties	0.625000%
Conrad E Coffield	0.625000%
Kastman Oil Company	3.750000%
Cardinal Plastics	3.750000%
Virginia P. Monaghan, as Trustee of the Monaghan Living Trust Dated July 17 1992	1.125000%
	100.00000%



Occidental Oil and Gas Corporation Red Tank Avalon 10k

RMT:	PRN
State & County:	NM, Eddy
Field:	Red Tank
Well Type:	RT 10k Avalon
Date:	1/15/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,390	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 88,640	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 5,320	\$ 73,120	\$ -	\$ 99,220	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,490	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ 4,320	\$ 35,650	\$ -	\$ 143,650	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ 3,910	\$ -	\$ 19,310	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 11,150	\$ 76,220	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 113,610	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 20,340	\$ -	\$ 37,350	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 50,730	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 14,290	\$ -	\$ 36,640	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 23,320	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 275,740	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 435,450	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 20,200	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 222,580	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 665,610	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 4,190	\$ 73,210	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 154,690	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,888,460	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 33,520	\$ -	\$ 80,270	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 19,600	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 4,000	\$ 20,290	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,240	\$ 17,090	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 62,420	\$ -	\$ 28,980	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 97,460	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ 690	\$ 9,510	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 24,460	\$ 81,980	\$ -	\$ 378,080	\$ -	\$ 550,000	\$ -
Consun Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 62,670	\$ -	\$ 6,950	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 1,147,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 9,510	\$ -	\$ 625,380	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 225,360	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 48,730	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 7,310	\$ 100,540	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ 1,300	\$ 17,910	\$ -	\$ 3,300	\$ -	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,370	\$ 44,650	\$ -	\$ 313,730	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,370	\$ 309,700	\$ -	\$ 287,530	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 10,050	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 258,760	\$ 3,921,810	\$ -	\$ 6,616,040	\$ -	\$ 1,215,000	\$ -

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

Total Drilling (1+2+3+4):	\$ 4,180,570
Total Completion (5+6+7):	\$ 7,831,040
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 12,011,610
Assumptions:	

	Occidental Oil and Gas Corporation Avalon	RMT: PRN
		State & County: NM, Eddy
		Field: Red Tank
		Well Type: RT 10k Avalon
		Date: 1/15/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,390	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 88,640	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 5,320	\$ 73,120	\$ -	\$ 99,220	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,490	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ 4,320	\$ 35,650	\$ -	\$ 143,650	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ 3,910	\$ -	\$ 19,310	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 11,150	\$ 76,220	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 113,610	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 20,340	\$ -	\$ 37,350	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 50,730	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 14,290	\$ -	\$ 36,640	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 23,320	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 275,740	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 435,450	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 20,200	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 222,580	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 665,610	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 4,190	\$ 73,210	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 154,690	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,688,460	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 33,520	\$ -	\$ 80,270	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 19,600	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 4,000	\$ 20,290	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,240	\$ 17,090	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 62,420	\$ -	\$ 28,980	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 97,460	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ 690	\$ 9,510	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 24,460	\$ 81,980	\$ -	\$ 378,060	\$ -	\$ 550,000	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 62,670	\$ -	\$ 6,950	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 1,147,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 9,510	\$ -	\$ 625,380	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 225,360	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 48,730	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 7,310	\$ 100,540	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ 1,300	\$ 17,910	\$ -	\$ 3,300	\$ -	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,370	\$ 44,650	\$ -	\$ 313,730	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,370	\$ 309,700	\$ -	\$ 287,530	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 10,050	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 258,760	\$ 3,921,810	\$ -	\$ 6,616,040	\$ -	\$ 1,215,000	\$ -

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

Total Drilling (1+2+3+4):	\$ 4,180,570
Total Completion (5+6+7):	\$ 7,831,040
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 12,011,610
Assumptions:	

	Occidental Oil and Gas Corporation Red Tank Avalon 10k	RMT:	PRN
		State & County:	NM, Eddy
		Field:	Red Tank
		Well Type:	RT 10k Avalon
		Date:	1/15/2019

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,390	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 88,640	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 5,320	\$ 73,120	\$ -	\$ 99,220	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,490	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ 4,320	\$ 35,650	\$ -	\$ 143,650	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ 3,910	\$ -	\$ 19,310	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 11,150	\$ 76,220	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 113,610	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 20,340	\$ -	\$ 37,350	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 50,730	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 14,290	\$ -	\$ 36,640	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 23,320	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 275,740	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 435,450	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 20,200	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 222,580	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 665,610	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 4,190	\$ 73,210	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 154,690	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,888,460	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 33,520	\$ -	\$ 80,270	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 19,600	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 4,000	\$ 20,290	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,240	\$ 17,090	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 62,420	\$ -	\$ 28,980	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 97,460	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ 690	\$ 9,510	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 24,460	\$ 81,980	\$ -	\$ 378,080	\$ -	\$ 550,000	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 465,000	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 62,670	\$ -	\$ 6,950	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 1,147,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 9,510	\$ -	\$ 625,380	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 225,360	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 48,730	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 7,310	\$ 100,540	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ 1,300	\$ 17,910	\$ -	\$ 3,300	\$ -	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,370	\$ 44,650	\$ -	\$ 313,730	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,370	\$ 309,700	\$ -	\$ 287,530	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 10,050	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 258,760	\$ 3,921,810	\$ -	\$ 6,616,040	\$ -	\$ 1,215,000	\$ -

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

Total Drilling (1+2+3+4):	\$ 4,180,570
Total Completion (5+6+7):	\$ 7,831,040
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 12,011,610
Assumptions:	



OXY USA WTP Limited Partnership

A subsidiary of Occidental Petroleum Corporation

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

March 4, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

WORKING INTEREST PARTIES

Re: Well Proposals – Avogato 30 31 State Com wells
Sections 30 and 31
Township 22 South, Range 33 East
Lea County, New Mexico

Dear WI Owner,

OXY USA Inc. ("OXY") recently proposed the drilling of the Avogato wells located in the W/2 of Section 30 and W/2 of Section 31, Township 22 South, Range 33 East, Lea County, New Mexico.

OXY proposed to drill these wells under the terms of a modified 1989 AAPL form of Operating Agreement, dated March 1, 2019, with OXY USA Inc., as Operator, covering the W/2 of Sections 30 and 31, Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico, which was enclosed with the previous well proposals. However, the Working Interest listed on the well proposals, and the Exhibit A to the Operating Agreement were incorrect.

Please replace the previous Exhibit "A" with the enclosed revised Exhibit "A", and reference the working interest numbers listed on the revised Exhibit "A" for the well proposals.

In the event you do not wish to participate in this development, OXY is willing to discuss a deal to either trade for, or purchase your interest in the NW/4 of Section 30, Township 22 South, Range 33 East, Lea County, New Mexico.

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

OXY USA Inc.

Amber Delach
713.552.8502
Amber_delach@oxy.com

Enclosures

EXHIBIT "A"

Attached to and made a part of that certain Operating Agreement dated March 1, 2019, by and between OXY USA Inc. as Operator and Cal-Mon Oil Company, et al as Non-Operators.

1. LANDS SUBJECT TO THIS AGREEMENT:

Contract Area A:

Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico
Section 30: W/2
Section 31: W/2
containing 640.00 acres, more or less.

Limited to the depths from the surface to 9,100'.

Contract Area B:

Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico
Section 30: W/2
Section 31: W/2
containing 640.00 acres, more or less.

Limited to the depths between 9,100' and 10,591'.

Contract Area C:

Township 22 South, Range 33 East, N.M.P.M., Lea County, New Mexico
Section 30: W/2
Section 31: W/2
containing 640.00 acres, more or less.

Limited to the depths below 10,591'.

2. ADDRESSES OF THE PARTIES IN CONTRCT AREA "A" "B", and "C":

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

Campeche Petro LP
Attn: Ronnie Brown
500 Commerce St Ste 600
Fort Worth, TX 76102

Cal-Mon Oil Company
200 N Loraine St Ste 1404
Midland, TX 79701

Cardinal Plastics
PO Box 11152
Midland, TX 79702

Kastman Oil Company
PO Box 5930
Lubbock, TX 79408

Conrad E Coffield
PO Box 8028
Santa Fe, NM 87504

DLA Properties
3233 Dartmoor Ct
Dallas, TX 75229-2509

C.D. Martin
PO Box 12
Midland, TX 79702-0012

SDS Properties Inc.
PO Box 293
Roswell, NM 88202-0010

RLMPKM, LLC
200 N Loriane St, STE 1404
Midland, TX 79701-4753

Tocor Investments Inc
PO Box 293
Midland, Tx 79702

Devon Energy Production Co LP
333 West Sheridan Ave
Oklahoma City, OK 73102

3. PERCENTAGES OR FRACTIONAL INTERESTS OF THE PARTIES TO THIS AGREEMENT:

CONTRACT AREA A:

	<u>Initial, Substitute and Subsequent Wells</u>
OXY USA Inc.	82.916667%
Devon Energy Production Co LP	5.000000%
Cal-Mon Oil Company	2.000000%
Campeche Petro LP	6.250000%
Tocor Investments Inc	0.125000%
SDS Properties Inc.	0.208333%
C.D. Martin	0.208333%
DLA Properties	0.208333%
Conrad E Coffield	0.208333%
Kastman Oil Company	1.250000%
Cardinal Plastics	1.250000%
RLMPKM, LLC	<u>0.375000%</u>
	100.000000%

CONTRACT AREA B:

	<u>Initial, Substitute and Subsequent Wells</u>
OXY USA Inc.	77.500000%
Devon Energy Production Co LP	7.500000%
Cal-Mon Oil Company	3.000000%
Campeche Petro LP	6.250000%
Tocor Investments Inc	0.187500%
SDS Properties Inc.	0.312500%
C.D. Martin	0.312500%
DLA Properties	0.312500%
Conrad E Coffield	0.312500%
Kastman Oil Company	1.875000%
Cardinal Plastics	1.875000%

RLMPKM, LLC

0.562500%

100.000000%

CONTRACT AREA C:

**Initial, Substitute and
Subsequent Wells**

OXY USA Inc.	78.333333%
Devon Energy Production Co LP	10.000000%
Cal-Mon Oil Company	4.000000%
Tocor Investments Inc	0.250000%
SDS Properties Inc.	0.416667%
C.D. Martin	0.416667%
DLA Properties	0.416667%
Conrad E Coffield	0.416667%
Kastman Oil Company	2.500000%
Cardinal Plastics	2.500000%
RLMPKM, LLC	<u>0.750000%</u>
	100.000000%

4. OIL AND GAS LEASES AND/OR OIL AND GAS INTERESTS SUBJECT TO THIS AGREEMENT:

Lease No. 1:

Serial No.: VB-0734
Date: February 1, 1990
Lessor: State of New Mexico
Lessee: Cal-Mon Oil Company
Recorded: This lease is not recorded in Lea County, New Mexico.
Description: Township 22 South, Range 33 East, Lea County, New Mexico
Section 30: Lot 1, Lot 2, SE/4NW/4, NE/4NW/4

Lease No. 2:

Serial No.: V0-3527
Date: December 1, 1990
Lessor: United States of America
Lessee: Mitchell Energy Corporation
Recorded: This lease is not recorded in Lea County, New Mexico.
Description: Township 22 South, Range 33 East, Lea County, New Mexico
Section 31: E/2, E/2W/2, Lots 1-4

Lease No. 3:

Serial No.: V0-3526

Date: December 1, 1990
Lessor: State of New Mexico
Lessee: Mitchell Energy Corporation
Recorded: This lease is not recorded in Lea County, New Mexico.
Description: Township 22 South, Range 33 East, Lea County, New Mexico
Section 30: E/2, E/2SW/4, Lot 3, Lot 4

5. BURDENS ON PRODUCTION:

Burdens of Record.

End of Exhibit "A"

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

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

CASE NO. 20447

AFFIDAVIT OF TOMOHIRO YAMAASHI

Tomohiro Yamaashi , of lawful age and being first duly sworn, declares as follows:

1. My name is Tomohiro Yamaashi and I am employed by OXY USA Inc.

("OXY") as a petroleum geologist.

2. I have not previously testified before the New Mexico Oil Conservation Division.

My curriculum vitae is attached as **Exhibit B-1**. I graduated in 1998 with a B.S. in geology from the University of Tokyo. I graduated in 2000 with a M.S. in geology also from the University of Tokyo. From 2000-2005 I was an operation geologist with Japan Petroleum Exploration in Nagaoka and Akita, Japan and in Shenzhen, China, responsible for geologic operations at well sites, including geosteering, wireline logging and mud logging for onshore and offshore drilling. From 2005-2007, I was an exploration planning geologist for Japan Petroleum Exploration in Tokyo, with responsibilities for managing well and mud logging services assisting with operational decisions. From 2007-2008, I was an exploration geologist for Japan Petroleum Exploration, responsible for evaluating potential deep-water sandstone prospects in northwestern Japan. From 2008-2011, I was seconded to ExxonMobil to work on an offshore project in far eastern Russia. Starting in the fall of 2011, I have been with Occidental Petroleum in Houston, as a development geologist. I have been working in the Permian Basin since 2015.

3. I am familiar with the applications filed by OXY in this case. Since OXY is targeting the Bone Spring formation with its proposed wells, I have conducted a geologic study of the Bone Spring formation underlying the subject acreage.

4. **Exhibit No. B-2** is an overview map that I prepared depicting the proposed wells are depicted with blue lines within the proposed spacing unit boundary which is depicted with a red dashed line.

5. **Exhibit No. B-3** is a type log from the Red Tank 31 State 5H well (API 30-025-41885). It identifies the top of the Bone Spring formation at approximately 8,785 feet measured depth, and the depth severances that exist within Bone Spring formation in this area at 9,100 feet and 10,591 feet measured depth. The landing zone interval for the proposed **Avogato 30 31 State Com 11H Well, Avogato 30 31 State Com 12H Well, and the Avogato 30 31 State Com 13H Well** is also identified in green highlighting.

6. **Exhibit No. B-4** is a structure map that I prepared for the top of the Bone Spring formation. The proposed wells are depicted with blue lines within the proposed spacing unit which is depicted with a red dashed line. Existing producing wells in the Bone Spring formation are also shown on this map. The structure map shows that the formation is gently dipping to the southeast in this area. I do not observe any faulting, pinch outs, or geologic impediments to developing the targeted interval with horizontal wells in this area.

7. **Exhibit No. B-5** identifies the three wells penetrating the targeted interval that I used to construct a north-south stratigraphic cross-section from A to A'. I utilized these well logs because they penetrate the targeted interval, are of good quality and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these wells are representative of the geology in the area.

8. **Exhibit No. B-6** is a structural cross section using the representative wells depicted on Exhibit B-4. It contains a gamma ray and resistivity logs. The landing zone for all three proposed wells is labeled on the exhibit and highlighted with green shading. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit. Also depicted on the cross-section is the top and bottom of the Bone Spring formation in this area and the depths and locations of the depth severances.

9. **Exhibit No. B-7** identifies the three wells penetrating the targeted interval that I used to construct an east-west structural cross-section from B to B'. I utilized these well logs because they penetrate the targeted interval, are of good quality and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these wells are also representative of the geology in the area.

10. **Exhibit No. B-8** is a structural cross section using the representative wells depicted on Exhibit B-6. It contains a gamma ray and resistivity logs. The landing zone for all three proposed wells is labeled on the exhibit and highlighted with green shading. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit. Also depicted on the cross-section is the top and bottom of the Bone Spring formation in this area and the depths and locations of the depth severances.

11. As depicted in the structural cross sections, the landing zones for the proposed wells are more than 500 feet above the depth severance at 10,591 feet. Accordingly, the wells will not produce hydrocarbons from below the depth severance line. The owners below 10,591 feet will not, therefore, be adversely affected by production from the proposed wells.

12. In my opinion, the orientation of the proposed wells is the preferred orientation for horizontal well development in the targeted interval and will efficiently and effectively develop the subject acreage.

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

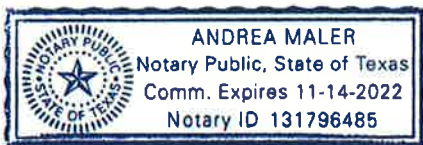
14. In my opinion, the granting of OXY's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.


FURTHER AFFIANT SAYETH NOT.


Tomohiro Yamaashi

STATE OF TEXAS)
)
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me this 12th day of June 2019 by
Tomohiro Yamaashi .




NOTARY PUBLIC

My Commission Expires:

Tomohiro Yamaashi

Oxy, Permian Subsurface Characterization group in New Mexico

Office Phone: 713-985-6310 Email: Tomohiro_Yamaashi@oxy.com, Rm 22.149

SUMMARY OF QUALIFICATIONS

Petroleum Geologist with 19 years of international experience in operations, seismic interpretation, geomodeling, structural geology, stratigraphy and field development. Highly skilled in computing technologies.

EXPERIENCE

Occidental Petroleum, Houston, TX

Development Geologist, Mar. 2015 – present (Permian Basin, Shale/Tight Oil)

- Analyze Rock Mechanics and build seismically conditioned Geomodel, integrating core and well log, to optimize well placement and completion for shale/tight sand reservoir in Permian basin.
- Build a basin-wide Geomodel for Midland Basin, Delaware Basin in TX and NM to assess regional oil resource distribution.

Development Geologist, Mar. 2014-Feb. 2015 (Williston Basin, Tight Oil)

- Assessed underdeveloped zone, Pronghorn and Threeforks as well as the primary production interval, Middle Bakken in Williston basin
- Responsible for geosteering operation for Bakken unconventional oil project.

Development Geologist, Oct. 2011-Mar. 2014 (South Texas, Tight Gas)

- Generated drilling prospects and recompletion projects for tight sand gas field of Slick Ranch, George West and Mariposa in South Texas as a lead geologist in a tightly integrated multi-disciplinary team.
(Generated and operated 16 drilling prospects for Slick Ranch in 2012, Identified recompletion opportunities and executed the projects to triple gas production for Mariposa, newly acquired field in 2013)

ExxonMobil/ Sakhalin Oil and Gas Development Co. Ltd. (SODECO), Houston, TX

Development Geologist, 2008 – Sep. 2011 (Offshore Sakhalin in Russia, Oil in Deltaic reservoir)

- Selected as secondee to ExxonMobil to represent Japanese interest in \$23B Sakhalin1 Arctic offshore project in far eastern Russia with recoverable reserves of more than 5 BBOE.
- Built T-D curves and quality controlled the velocity model for Arkutun-Dagi field.
- Conducted 3D seismic, depositional facies interpretation for delta/ shoreface deposits and facies analysis on image log. Collaborated on geomodelling and uncertainty analysis.
- Identified opportunities additional to the primary target zones.
- Optimized field development with water injection and developed risk mitigation plan for 45 wells, including well paths designing, drilling sequence and technical data acquisition, resulting in significant increase (>20%) in estimated reserve recovery.
- Mentored new hires within ExxonMobil on structural and stratigraphic projects.

Japan Petroleum Exploration (JAPEX), Tokyo

Exploration Geologist, Domestic Exploration, 2007 – 2008 (Basin in NW Japan, Oil in Turbidite Reservoir)

- Evaluated hydrocarbon potential and generated prospects of deep water sandstone reservoir in north western Japan interpreting 2D seismic data, well data and field data with sequence stratigraphic analysis.

Geologist, Exploration Planning, 2005 - 2007

- Managed well and mud logging service companies on tools, logistics and service products. Reduced annual cost by streamlining contracts with service companies by \$500K. Built yearly budgets for wireline loggings for exploration wells in Japan.
- Led the construction of data base management system for well data. Built a system where every geologist across the company can access all the digital well data easily.
- Summarized ongoing drilling operations in the company for regular executive meeting and assisted with operational decisions.

Japan Petroleum Exploration (JAPEX), Nagaoka and Akita, Japan and Shenzhen, China

Operation Geologist, 2000 - 2005

- Responsible for geological operations at well sites, such as geosteering, wireline logging, LWD, mud logging and contractor quality control for 9 wells onshore and offshore Japan, 3 horizontal wells with geosteering offshore South China, 30 shallow wells for a methane hydrate project offshore Japan
- Interpreted geological data of drilled wells and compiled final geological drilling completion reports.
- Analyzed well logs for rhyolite and basalt reservoir, tuffaceous sandstone reservoir as well as clean sandstone reservoir.

SOFTWARE SKILLS

Landmark Decision Space (Well Correlation, Data Mining, 3D visualization)

Petrel (3D seismic interpretation, Geomodeling, Well correlation, Well designing)

Geoframe (2D and 3D seismic interpretation, Well Tie, Image log analysis)

VoxelGeo (3D seismic interpretation)

ArcGIS (Geographic Information System)

Microsoft Office and Visual Basic for Applications

LANGUAGE SKILLS

English and Japanese

EDUCATION

Master of Science in Geology, 2000, The University of Tokyo, Japan

Thesis: "Tectonics of Super-Slow Spreading Ridge –Interpretation of the deep-towed side-scan sonar image in Southwest Indian Ridge"

Bachelor of Science in Geology, 1998, The University of Tokyo, Japan

Thesis: "Fabrics of Sedimentation and Incipient Deformation from Anisotropy of Magnetic Susceptibility"

Eastern Red Tank Area

Avogato 30-31 State 11H, 12H, 13H

Type well: Red Tank 31-5H (30025418850000)

General Area Map

Section numbers in black

● ⊕ Structural Control Points

— N-S (A-A') Cross Section

— W-E (B-B') Cross Section

— Planned Well Locations

— Pre-Existing Laterals

— Western Avogato (AOI)



Kathryn Fry, Geologist, Occidental Petroleum
May 2019

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-2

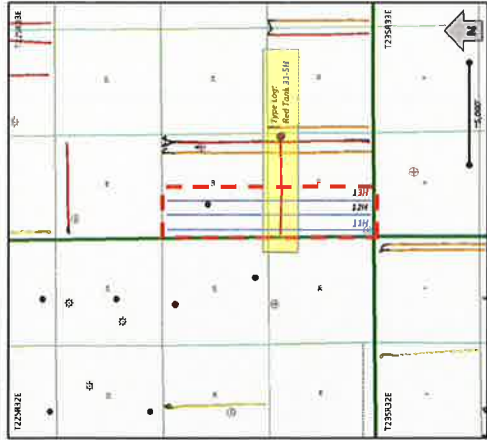
Case No. 20447

Submitted by: OXY USA INC

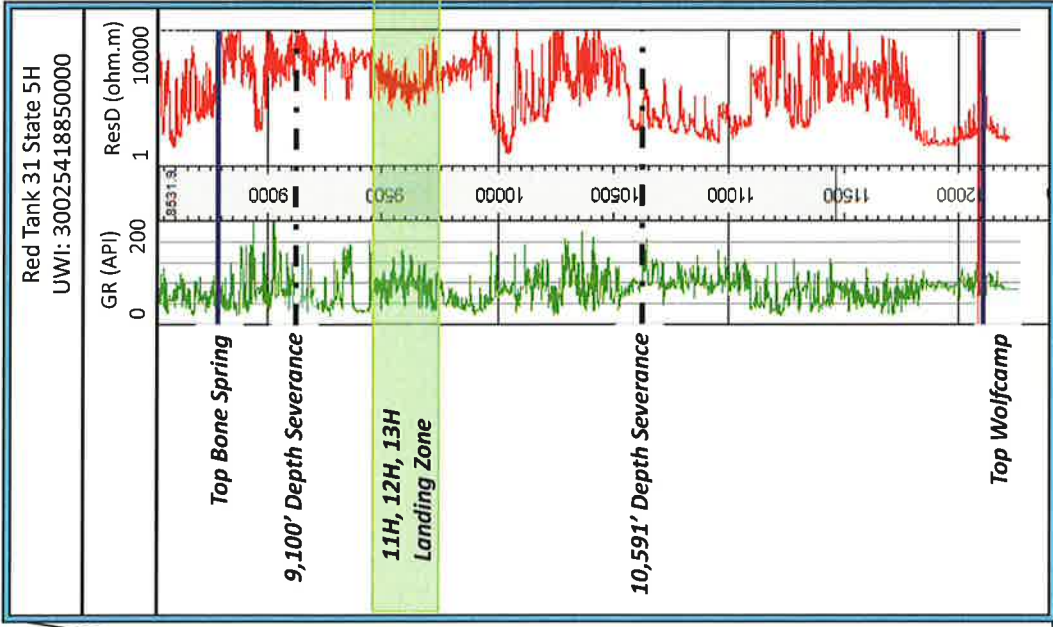
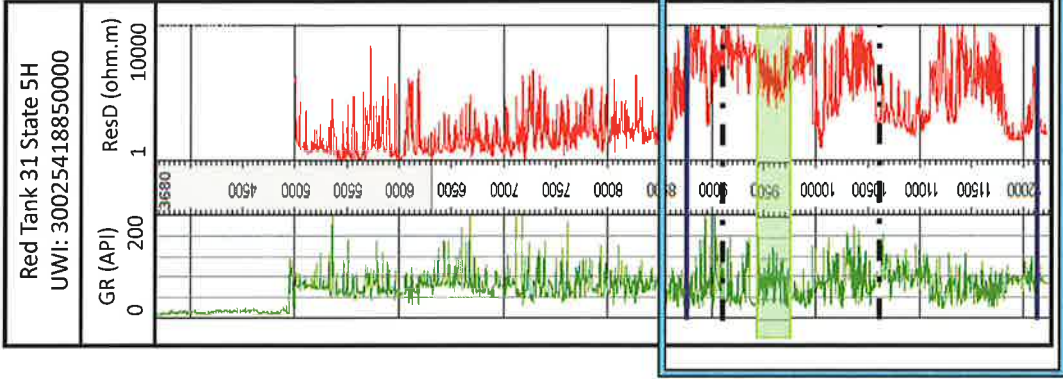
Hearing Date: June 13, 2019

Eastern Red Tank Area
 Avogato 30-31 State 11H, 12H, 13H
 Type well: Red Tank 31-5H (30025418850000)

Avogato Section Type Log
 KB for Red Tank 31 State 5H: 25'



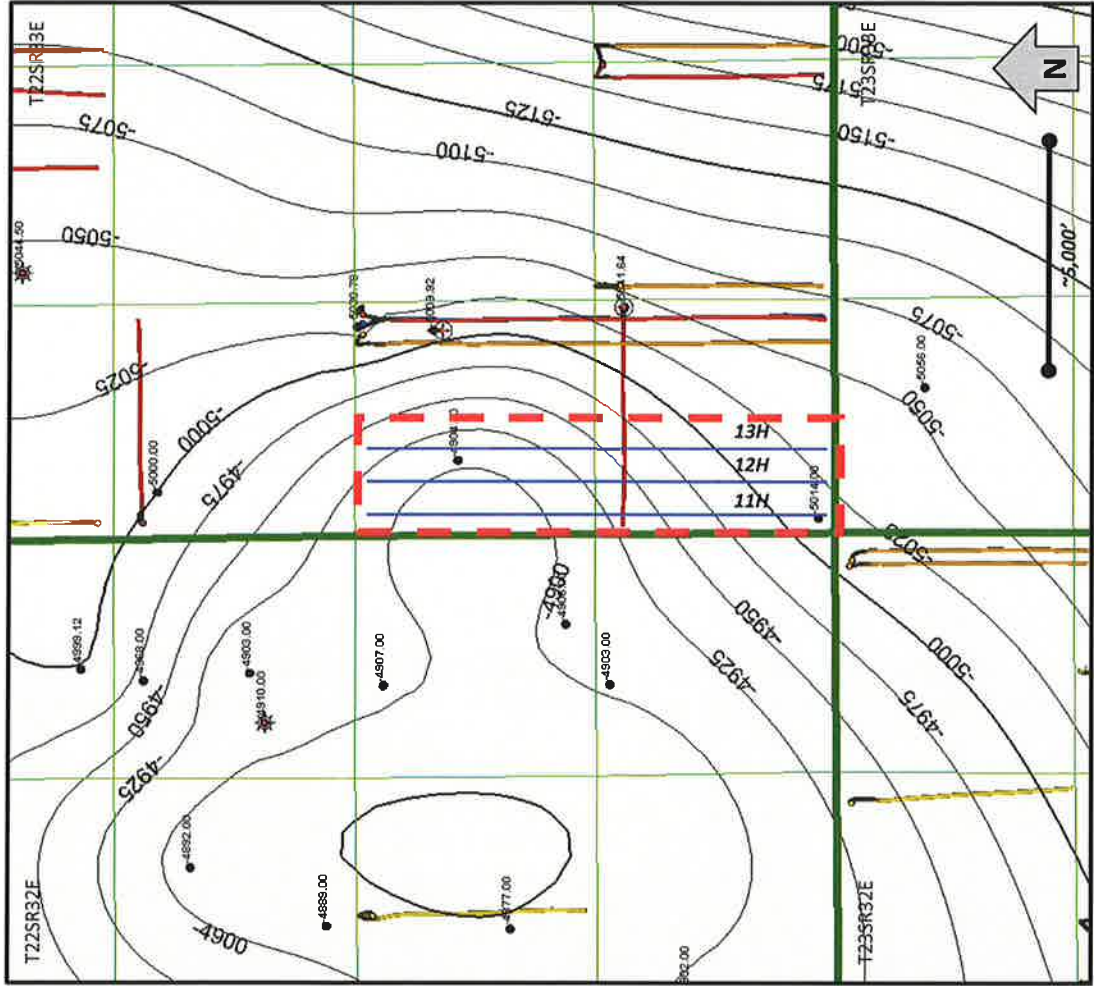
*Tomio Yamashita, Geologist, Occidental Petroleum
 June 2019*



Eastern Red Tank Area
 Avogato 30-31 State 11H, 12H, 13H
 Type well: Red Tank 31-5H (300254188500000)

Bone Spring Structure Map
 TVDSS
 25' contour interval

- Structural Control Points
- N-S (A-A') Cross Section
- W-E (B-B') Cross Section
- Planned Well Locations
- Pre-Existing Laterals
- Western Avogato (AOI)



Karlton Aris, Geologist, Occidental Petroleum
 May 2019

Eastern Red Tank Area

Avogato 30-31 State 11H, 12H, 13H

Type well: Red Tank 31-5H (30025418850000)

General Area Map with Cross Section Locations North to South Cross Section A-A'

- ⊕ Structural Control Points
- N-S (A-A') Cross Section
- W-E (B-B') Cross Section
- Planned Well Locations
- Pre-Existing Laterals
- Western Avogato (AOI)

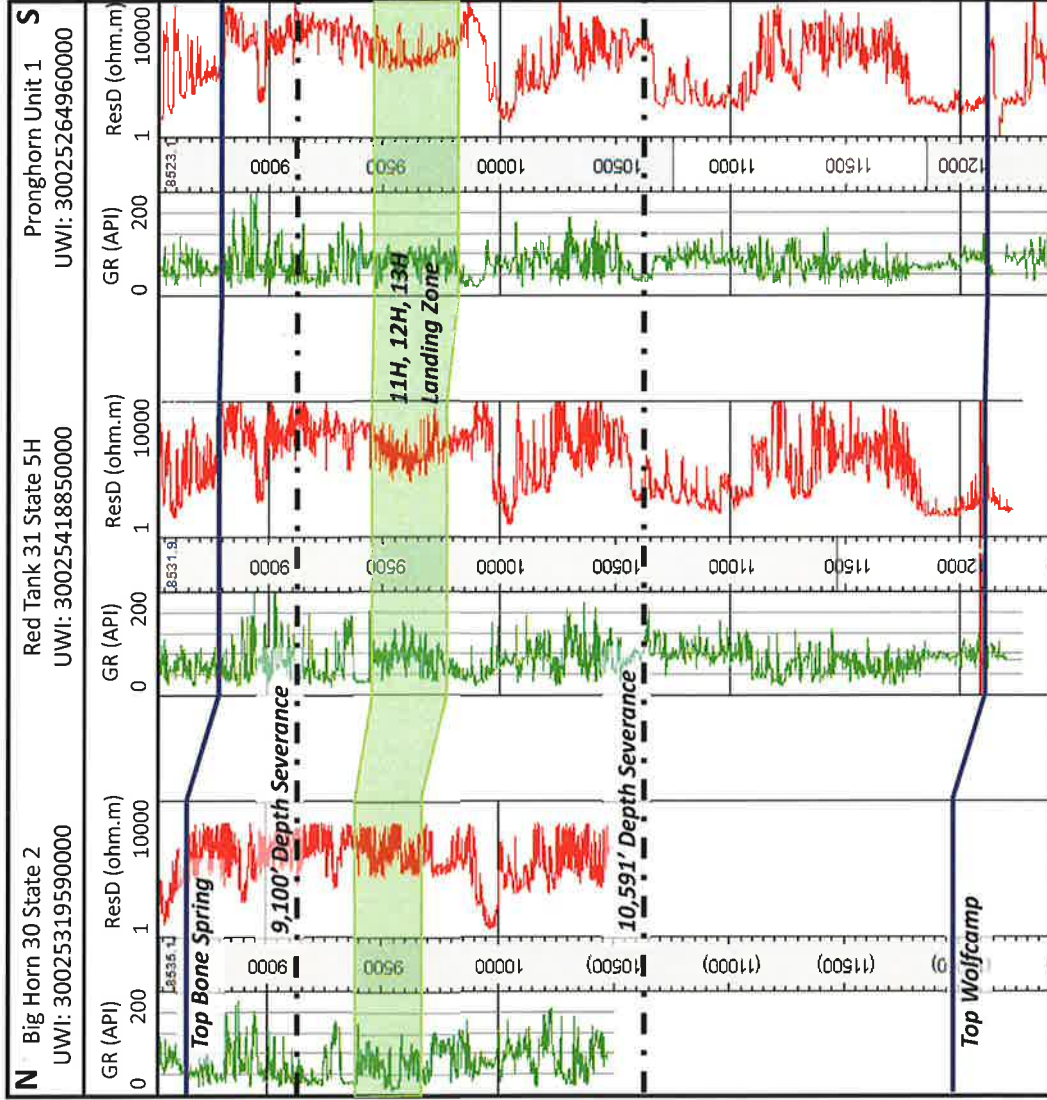


Kathryn Fry, Geologist, Occidental Petroleum
May 2019

Eastern Red Tank Area
 Avogato 30-31 State 11H, 12H, 13H
 Type well: Red Tank 31-5H (300254188500000)

North-South (A-A') Cross Section
 Structural Cross Section in MD (feet)
 KB for Red Tank 31 State 5H: 25'

A **A'**



Kathryn Fry, Geologist, Occidental Petroleum
 May 2019

Eastern Red Tank Area

Avogato 30-31 State 11H, 12H, 13H

Type well: Red Tank 31-5H (30025418850000)

General Area Map with Cross Section Locations

West to East Cross Section

B-B'

- Structural Control Points
- N-S (A-A') Cross Section
- W-E (B-B') Cross Section
- Planned Well Locations
- Pre-Existing Laterals
- Western Avogato (AOI)



Kathryn Eyr, Geologist, Occidental Petroleum
May 2019

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B-7

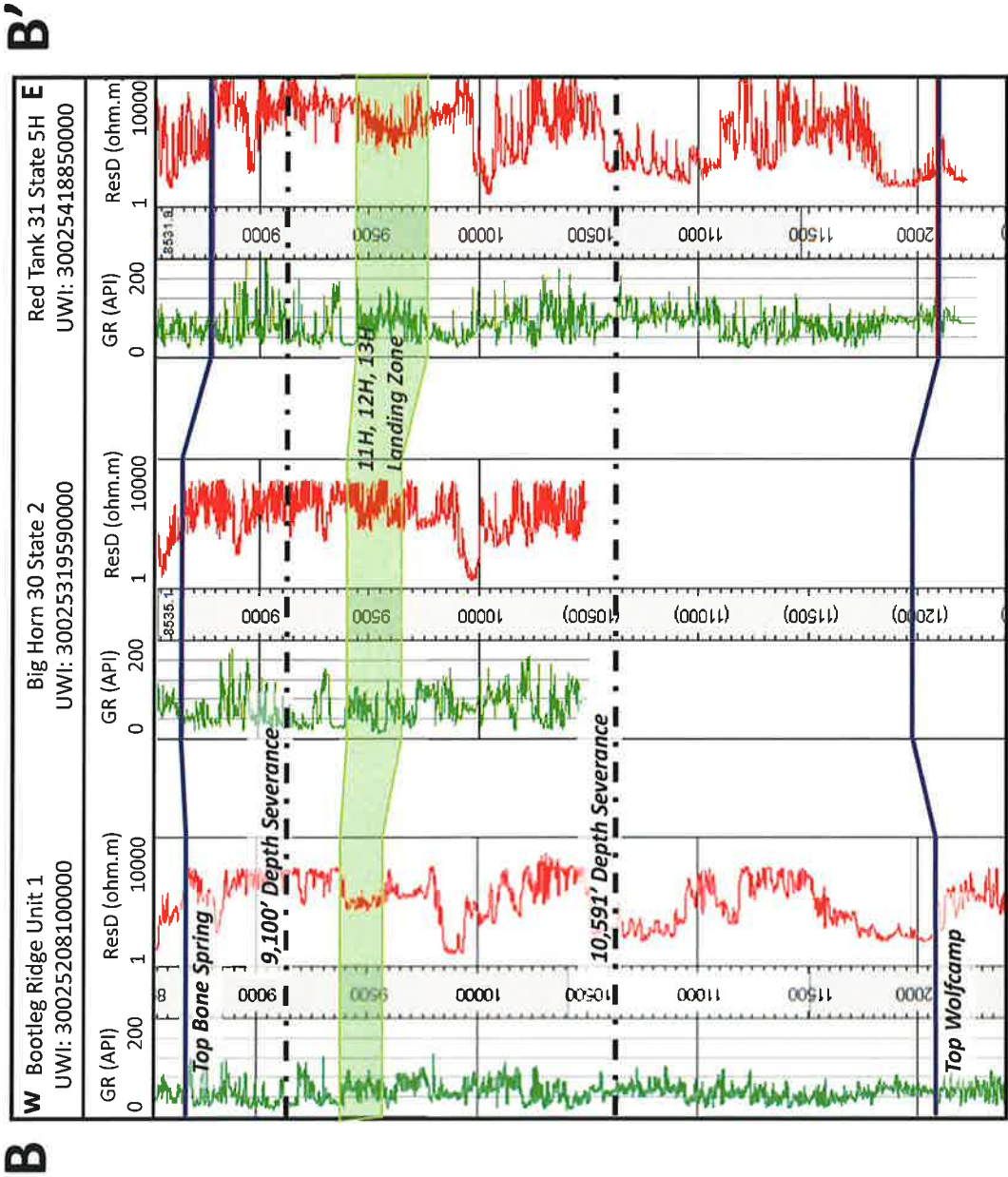
Case No. 20447

Submitted by: OXY USA INC

Hearing Date: June 13, 2019

Eastern Red Tank Area
 Avogato 30-31 State 11H, 12H, 13H
 Type well: Red Tank 31-5H (30025418850000)

West-East (B-B') Cross Section
 Structural Cross Section in MD (feet)
 KB for Red Tank 31 State 5H: 25'



Kathryn Fry, Geologist, Occidental Petroleum
 May 2019

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

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

CASE NO. 20447

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Adam G. Rankin, attorney in fact and authorized representative of OXY USA Inc, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.


Adam G. Rankin

SUBSCRIBED AND SWORN to before me this 12th day of June, 2019 by Adam G. Rankin.


Notary Public

My Commission Expires:

August 26, 2021

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C

Case No. 20447

Submitted by: **OXY USA INC**

Hearing Date: June 13, 2019

HOLLAND & HART



Adam G. Rankin
Associate
Phone (505) 988-4421
Fax (505) 983-6043
agrarkin@hollandhart.com

April 26, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 20447: AMENDED Application of OXY USA Inc. for compulsory pooling, Lea County, New Mexico.
Avogato 30 31 State Com 11H Well
Avogato 30 31 State Com 12H Well
Avogato 30 31 State Com 13H 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. A hearing has been requested before a Division Examiner on May 16, 2019, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

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

Sincerely,

Adam G. Rankin

ATTORNEY FOR OXY USA INC.

T 505.988.4421 F 505.983.6043

110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849

Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208

www.hollandhart.com

Alaska

Colorado

Idaho

Montana

Nevada

New Mexico

Utah

Washington, D.C.

Wyoming

\$5.59



Shipment Confirmation Acceptance Notice

A. Mailer Action

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 / Avogato Wells
11H 12H & 13H (20447)
CM# 44506.0005

Shipment Date: 04/26/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	12
Total	12

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

B. USPS Action

Note to RSS Clerk:

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

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0014 1181 41



Firm Mailing Book For Accountable Mail

Name and Address of Sender

Holland & Hart LLP
110 N Guadalupe St # 1
Santa Fe NM 87501

Check type of mail or service

- ☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
☒ Certified Mail
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery (COD)
☐ Insured Mail
☐ Priority Mail
- ☐ Priority Mail Express
☐ Registered Mail
☐ Return Receipt for Merchandise
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery

USPS Tracking/Article Number

Addressee (Name, Street, City, State, & ZIP Code™)

1. 9214 8901 9403 8382 2883 64

Campeche Petro LP Attn: Ronnie Brown 500 Commerce St Ste 600 Fort Worth TX 76102

2. 9214 8901 9403 8382 2883 71

Cal-Mon Oil Company 200 N Loraine St Ste 1404 Midland TX 79701

3. 9214 8901 9403 8382 2883 88

Cardinal Plastics PO BOX 11152 Midland TX 79702

4. 9214 8901 9403 8382 2883 95

Kasman Oil Company PO BOX 5930 Lubbock TX 79408

5. 9214 8901 9403 8382 2884 01

Conrad E Coffield PO BOX 8028 Santa Fe NM 87504

6. 9214 8901 9403 8382 2884 18

SOS Properties Inc PO BOX 293 Roswell NM 86202-0010

7. 9214 8901 9403 8382 2884 25

RLMPKM LLC 200 N Loraine St Ste 1404 Midland TX 79701-4753

8. 9214 8901 9403 8382 2884 32

Tacor Investments Inc PO BOX 293 Midland TX 79702

Total Number of Pieces Listed by Sender
12

Total Number of Pieces Received at Post Office

Postmaster, Per (Name of receiving employee)


Affix Stamp Here
(If issued as an international certificate of mailing or for additional copies of this receipt).
Postmark with Date of Receipt.

Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			
0.49	3.50								1.60			





Firm Mailing Book For Accountable Mail

Name and Address of Sender	USPS Tracking/Article Number	Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Priority Mail	Affix Stamp Here <i>(If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.</i>													
Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501	9. 9214 8901 9403 8382 2884 49	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
		Devon Energy Production Co LP 333 West Sheridan Ave Oklahoma city OK 73102	0.49	3.50									1.60			
	10. 9214 8901 9403 8382 2884 56	Addressee (Name, Street, City, State, & ZIP Code™)	0.49	3.50								1.60				
	11. 9214 8901 9403 8382 2884 63	Addressee (Name, Street, City, State, & ZIP Code™)	0.49	3.50								1.60				
	12. 9214 8901 9403 8382 2884 70	Addressee (Name, Street, City, State, & ZIP Code™)	0.49	3.50								1.60				
Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	<div style="text-align: right;">  Handling Charge - If Registered and over \$50.00 in value </div>														
12																

POSTAL DELIVERY REPORT
OXY / Avogato 30 31 State Com 11H, 12H & 13H Wells

Recipient	Status	Custom
Campeche Petro LP Attn Ronnie Brown 500 Commerce St Ste 600 Fort Worth TX 76102	Delivered Signature Received POD Viewed	Ref#: C1321098.7468552
Cal-Mon Oil Company 200 N Loraine St Ste 1404 Midland TX 79701	Delivered Signature Received	RetRef#:
		Ref#: C1321098.7468553
		RetRef#:
Cardinal Plastics PO BOX 11152 Midland TX 79702	Return To Sender	Ref#: C1321098.7468554
		RetRef#:
Kastman Oil Company PO BOX 5930 Lubbock TX 79408	Delivered Signature Received POD Viewed	Ref#: C1321098.7468555
		RetRef#:
Conrad E Coffield PO BOX 8028 Santa Fe NM 87504	Return To Sender	Ref#: C1321098.7468556
		RetRef#:
SDS Properties Inc PO BOX 293 Roswell NM 88202-0010	Return To Sender	Ref#: C1321098.7468557
RLMPKM LLC 200 N Loraine St Ste 1404 Midland TX 79701-4753	Delivered Signature Received	RetRef#:
		Ref#: C1321098.7468558
		RetRef#:
Tacor Investments Inc PO BOX 293 Midland TX 79702	Delivered Signature Received	Ref#: C1321098.7468559
Devon Energy Production Co LP 333 West Sheridan Ave Oklahoma city OK 73102	Delivered Signature Received	RetRef#:
		Ref#: C1321098.7468560
		RetRef#:
State of New Mexico PO BOX 1148 Santa Fe NM 87504	Delivered Signature Received	Ref#: C1321098.7468561
		RetRef#:
DLA Properties 3233 Dartmoor Ct Dallas TX 75229-2509	Delivered Signature Received	Ref#: C1321098.7468562
		RetRef#:
CD Martin PO BOX 12 Midland TX 79702-0010	Delivered Signature Received	Ref#: C1321098.7468563
		RetRef#:

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

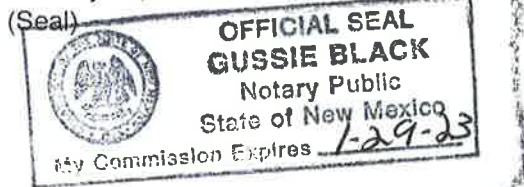
Beginning with the issue dated
April 30, 2019
and ending with the issue dated
April 30, 2019.


Publisher

Sworn and subscribed to before me this
30th day of April 2019.


Business Manager

My commission expires
January 29, 2023



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

LEGAL

LEGAL

LEGAL NOTICE
APRIL 30, 2019

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
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 May 16, 2019, 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 May 6, 2019. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

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

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

TO: All overriding royalty interest owners and pooled parties, including: Campeche Petro LP; Cal-Mon Oil Company; Cardinal Plastics; Kastman Oil Company; Conrad E. Coffield, his heirs and devisees; DLA Properties; C.D. Martin, his heirs and devisees; SDS Properties Inc.; RLMPKM, LLC; Tocar Investments Inc; Devon Energy Production Co LP; State of New Mexico.

CASE 20447: Amended Application of OXY USA Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks order pooling all uncommitted interests in the Bone Spring formation (Red Tank; Bone Spring, East [Pool Code 51687]) from a depth of 9,100 feet to a depth of 10,591 feet within a proposed 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 30 and 31, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. OXY proposes to dedicate the above-referenced spacing unit, including the adjacent proximity tracts, to the following proposed wells:

- Avogato 30 31 State Com 11H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 30 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 31;

- Avogato 30 31 State Com 12H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 30 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 31; and

- Avogato 30 31 State Com 13H Well, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 30 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 31.

Incorporating the proximity tracts, the completed interval for each well will be at a standard location. A depth severance exists in the Bone Spring formation within the proposed horizontal spacing unit. Accordingly, OXY seeks to pool only a portion of the Red Tank; Bone Spring, East Pool [Pool Code 51687] from a depth of 9,100 feet to a depth of 10,591 feet. The top of the pool is at a stratigraphic equivalent of 8,785 feet measured depth and the bottom of the pool is at a stratigraphic equivalent of 12,088 feet measured depth, as defined in the Red Tank 31 State 5H Pilot (API No. 30-025-41885). Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of OXY USA Inc. as operator of the wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles east of Loving, New Mexico.

67100

HOLL
#34080
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Case No. 20447
Submitted by: OXY USA INC
Hearing Date: June 13, 2019