

**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 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.

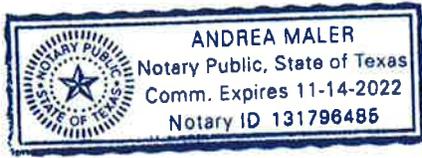
16. OXY Exhibits A-1 through A-3 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

Amber Delach  
Amber Delach

STATE OF TEXAS            )  
  )  
COUNTY OF HARRIS        )

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



Andrea Maler  
NOTARY PUBLIC

My Commission Expires:  
\_\_\_\_\_



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) 476-3460 Fax: (505) 476-3462

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 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 613.28	Joint or Infill	Consolidation Code	Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**GRID AZ. - 73°56'09"**  
**HORZ. DIST. - 405.0'**

**SURFACE LOCATION**  
Y=498951.9 N  
X=762556.6 E  
LAT.=32.369653° N  
LONG.=103.616814° W

**PROPOSED BOTTOM HOLE LOCATION**  
Y=488575.4 N  
X=763021.1 E  
LAT.=32.341123° N  
LONG.=103.615535° W

**LTP**  
100' FSL & 1310' FWL  
Y=488655.4 N  
X=763020.6 E  
LAT.=32.341343° N  
LONG.=103.615535° W

**KOP**  
50' FNL & 1310' FWL  
Y=499064.0 N  
X=762945.8 E  
LAT.=32.369954° N  
LONG.=103.615551° W

**FIP**  
100' FNL & 1310' FWL  
Y=499014.0 N  
X=762946.1 E  
LAT.=32.369816° N  
LONG.=103.615551° W

POINT LEGEND	
1	Y=499107.0 N X=761635.4 E
2	Y=493826.6 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

**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.*

Signature: *Leslie Reeves* Date: 05/07/19

Printed Name: **LESLIE REEVES**

E-mail Address: **LESLIE\_REEVES@OXY.COM**

**SURVEYOR CERTIFICATION**

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

Date of Survey: **MARCH 12, 2019**

Signature & Seal of Professional Surveyor: *Chad Hargrow*

CHAD L. HARGROW  
NEW MEXICO  
LICENSED PROFESSIONAL SURVEYOR  
17777

Certificate No. **CHAD HARGROW 17777**  
W.O. # 19-471 DRAWN BY: AM

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

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Form C-102  
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Submit one copy to appropriate  
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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**

**KOP**  
50' FNL & 2190' FWL  
Y=499068.7 N  
X=763825.8 E  
LAT.=32.369950° N  
LONG.=103.612701° W

**FTP**  
100' FNL & 2190' FWL  
Y=499018.7 N  
X=763826.1 E  
LAT.=32.369813° N  
LONG.=103.612701° W

**PROPOSED BOTTOM HOLE LOCATION**  
Y=488580.6 N  
X=763901.1 E  
LAT.=32.341121° N  
LONG.=103.612686° W

**SURFACE LOCATION**  
Y=498961.9 N  
X=764429.7 E  
LAT.=32.369646° N  
LONG.=103.610748° W

**LTP**  
100' FSL & 2190' FWL  
Y=488660.6 N  
X=763900.6 E  
LAT.=32.341341° N  
LONG.=103.612686° W

**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.

*Leslie Reeves* 05/06/19  
Signature Date

**LESLIE REEVES**  
Printed Name

**LESLIE\_REEVES@OXY.COM**  
E-mail Address

**SURVEYOR CERTIFICATION**

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

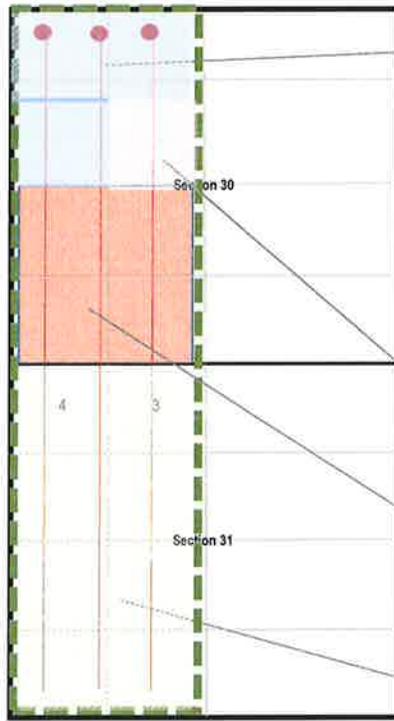
MARCH 12, 2019  
Date of Survey

Signature & Seal of Professional Surveyor

**CHAD L. HARCROW**  
NEW MEXICO  
LICENSED PROFESSIONAL SURVEYOR  
17777

*Chad Harcrow* 4/5/19  
Certificate No. CHAD HARCROW 17777  
W.O. # 19-472 DRAWN BY: WN

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



Tract 1:  
 OXY USA Inc. - 53.333333%

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

Tract 2:  
Pooled Parties:  
 Campeche Petro LP - 100.0%

Tract 3:  
 Oxy USA Inc.- 100.0%

Tract 4:  
 Oxy USA Inc.- 100.0%

-  Project Area
-  Tract 1
-  Tract 2
-  Tract 3
-  Tract 4
-  Wells

Total Acres in proposed spacing unit: 613.4

<b>Tract 1</b>	<b>Lot 1, Lot 2, NE/4NW/4 of Section 30</b>	<b>Acres contributed to proposed spacing unit:</b>	<b>113.3</b>
	53.333333% OXY USA Inc.		
	16.000000% Cal-Mon Oil Company		
	1.000000% Toco 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		
	<b>Total Committed Interest</b>		<b>53.333333%</b>
	<b>Total Uncommitted Interest</b>		<b>46.666666%</b>
<b>Tract 2</b>	<b>SE/4NW/4</b>	<b>Acres contributed to proposed spacing unit:</b>	<b>40</b>
	100.000000% Campeche Petro LP		
	100.000000%		
	<b>Total Committed Interest</b>		<b>0.000000%</b>
	<b>Total Uncommitted Interest</b>		<b>100.000000%</b>
<b>Tract 3</b>	<b>Lot 3, Lot 4, NE/4SW/4, SE/4SW/4 of Section 30</b>	<b>Acres contributed to proposed spacing unit:</b>	<b>153.4</b>
	100.000000% OXY USA Inc.		
	100.000000%		
	<b>Total Committed Interest</b>		<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>		<b>0.000000%</b>
<b>Tract 4</b>	<b>Lots 1-4, E/2W/2 of Section 31</b>	<b>Acres contributed to proposed spacing unit:</b>	<b>306.7</b>
	100.000000% OXY USA Inc.		
	100.000000%		
	<b>Total Committed Interest</b>		<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>		<b>0.000000%</b>

**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%
Toco 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%
<b>Total:</b>	<b>100.000000%</b>



**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**

<b>WIO Name</b>	<b>% WI ownership in Sections W/2 of 30 and 31 (0'-9,100')</b>
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%
	<b>100.00000%</b>

**Contract Area B**

<b>WIO Name &amp; Address:</b>	<b>% WI ownership in Sections W/2 of 30 and 31 (9,100'-10,951')</b>
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%
	<b>100.00000%</b>



## 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
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,390	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 88,640	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
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	\$ 81,960	\$ -	\$ 378,060	\$ -	\$ 550,000	\$ -
<b>Consun Consumables</b>									
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	\$ -	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 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

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



## 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
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,390	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 88,640	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
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	\$ -	\$ 378,060	\$ -	\$ 550,000	\$ -
<b>Consumables</b>									
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	\$ -	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,370	\$ 44,650	\$ -	\$ 313,730	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,370	\$ 309,700	\$ -	\$ 267,530	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 10,050	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 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

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



## 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
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 8,390	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 88,640	\$ -	\$ -	\$ 2,460	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 92,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
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	\$ -	\$ -	\$ -
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<b>Consumables</b>									
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	\$ -	\$ -	\$ -	\$ -	\$ -
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7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ 1,300	\$ 17,910	\$ -	\$ 3,300	\$ -	\$ -	\$ -
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8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 10,050	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 258,760	\$ 3,921,810	\$ -	\$ 6,616,040	\$ -	\$ 1,215,000	\$ -

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

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



**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:**

	<b><u>Initial, Substitute and Subsequent Wells</u></b>
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>
	<b>100.000000%</b>

**CONTRACT AREA B:**

	<b><u>Initial, Substitute and Subsequent Wells</u></b>
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>
	<b>100.000000%</b>

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.

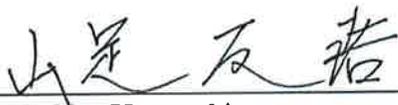
11. As depicted in the structural cross sections, the landing zones for the proposed wells are more than 500 feet above the depth severance at 10,591 feet. Accordingly, the wells will not produce hydrocarbons from below the depth severance line. The owners below 10,591 feet will not, therefore, be adversely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

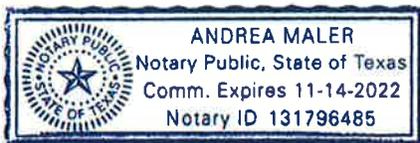
14. In my opinion, the granting of OXY's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Tomohiro Yamaashi

STATE OF TEXAS                    )  
  )  
COUNTY OF HARRIS            )

SUBSCRIBED and SWORN to before me this 12<sup>th</sup> 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](mailto: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

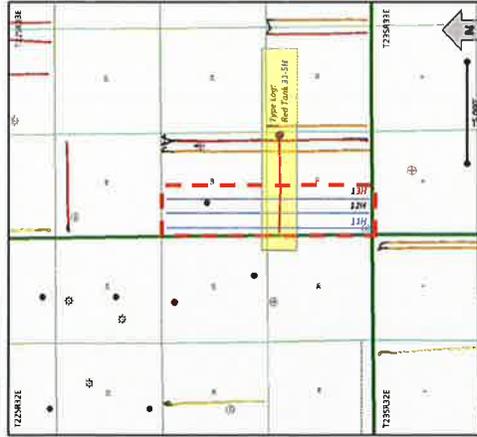
- Structural Control Points
- ⊕ N-S (A-A') Cross Section
- W-E (B-B') Cross Section
- Planned Well Locations
- Pre-Existing Laterals
- ⊖ Western Avogato (AOI)



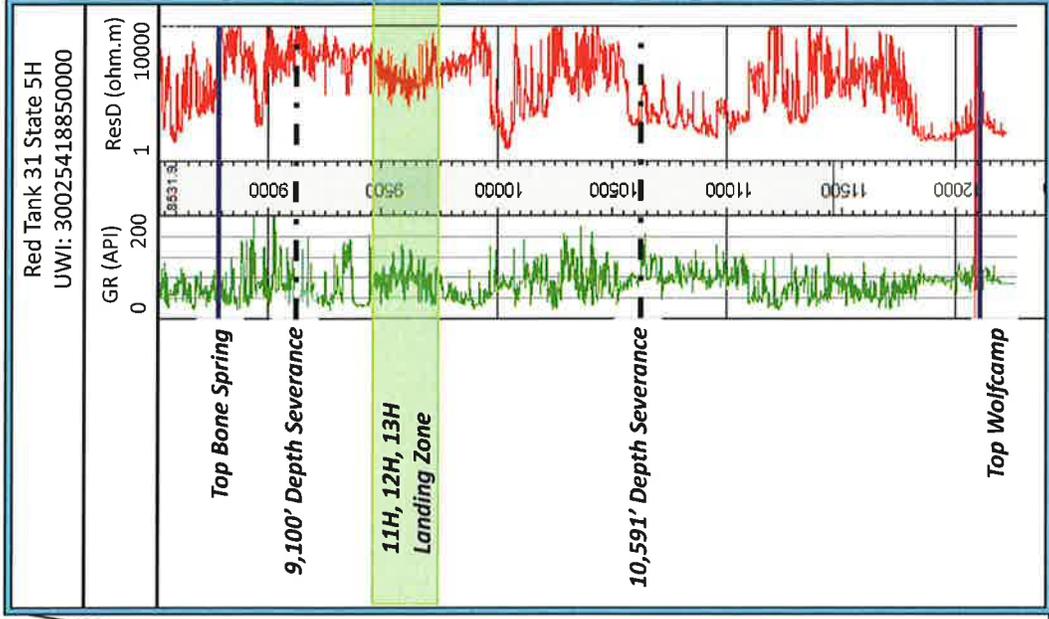
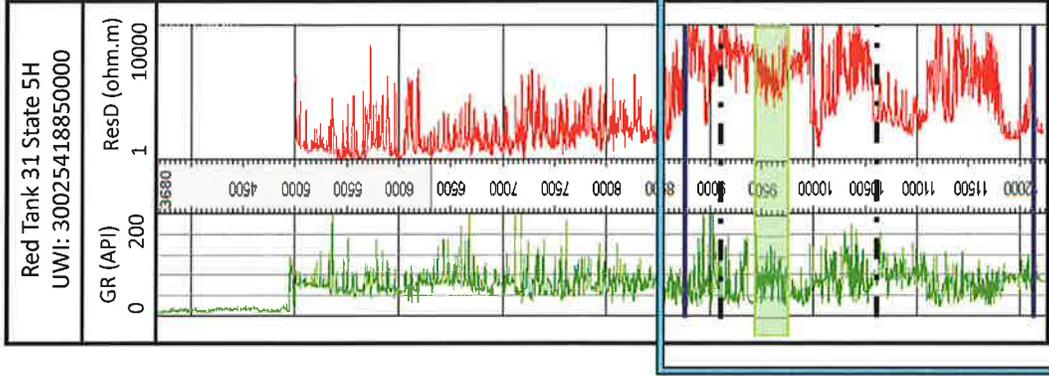
*Kathryn Fry, Geologist, Occidental Petroleum*  
 May 2019

**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'



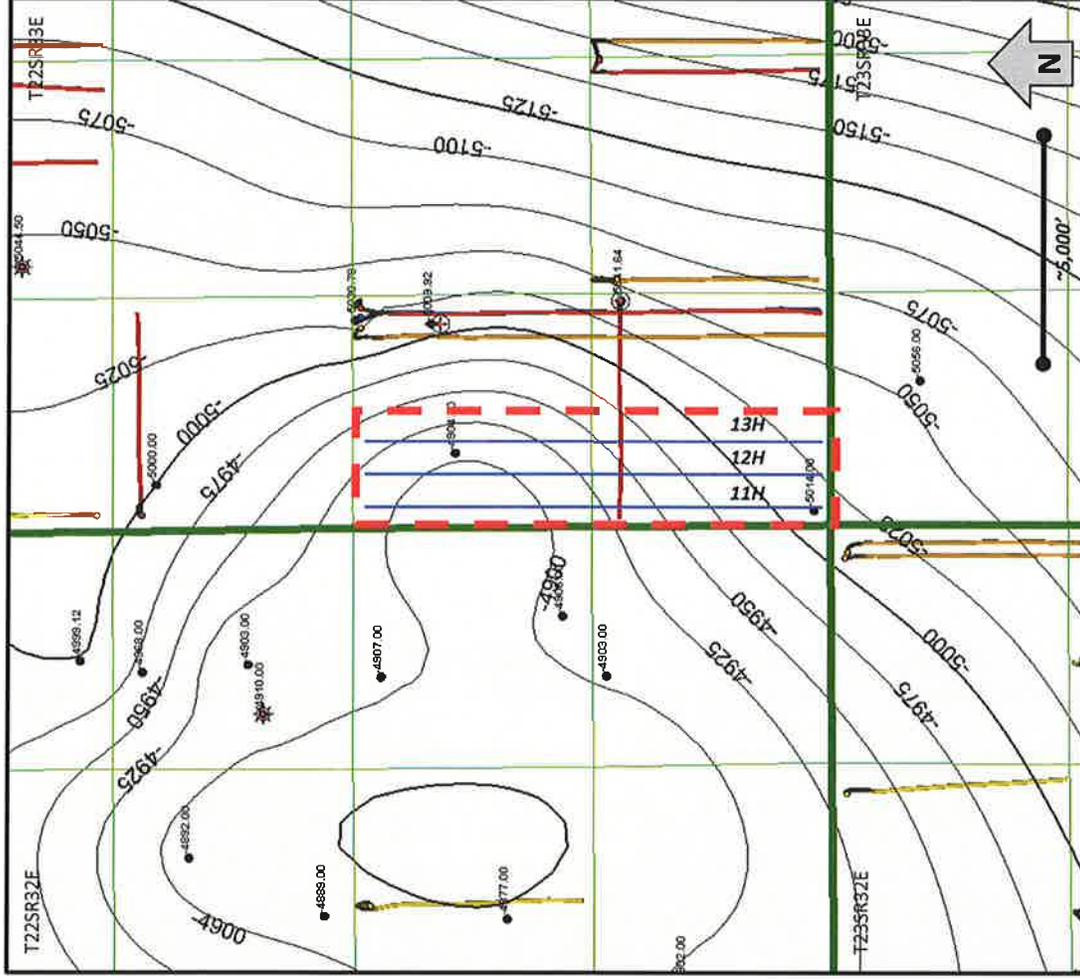
*Tomoo Yamashita, Geologist, Occidental Petroleum*  
 June 2019



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

**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)



*Kerlstrom Pny, Geologist, Occidental Petroleum*  
 (May 2019)

**BEFORE THE OIL CONSERVATION DIVISION**  
 Santa Fe, New Mexico  
 Exhibit No. B-4  
 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)

**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)

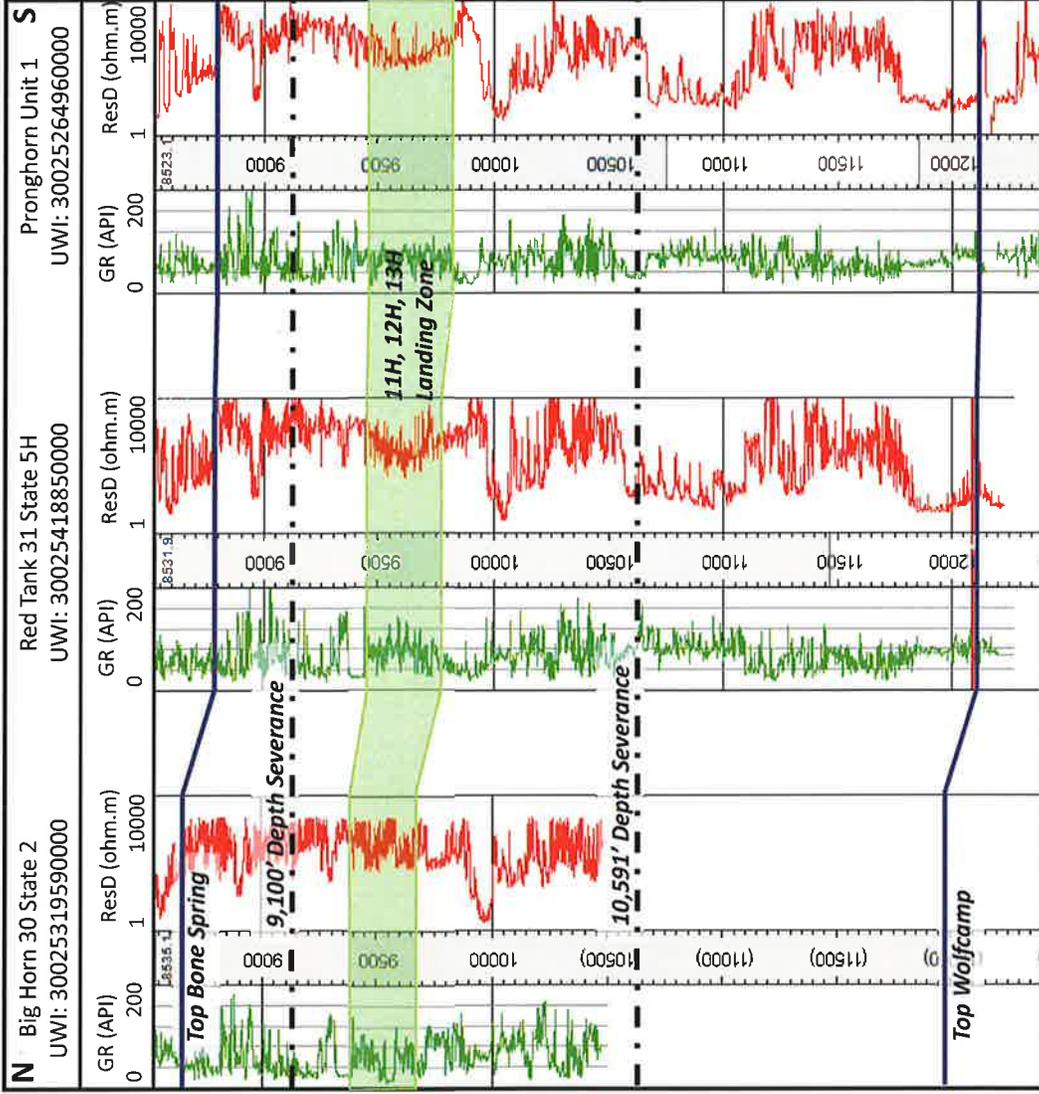


*Kathryn Fry, Geologist, Occidental Petroleum  
 May 2019*

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

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

**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)

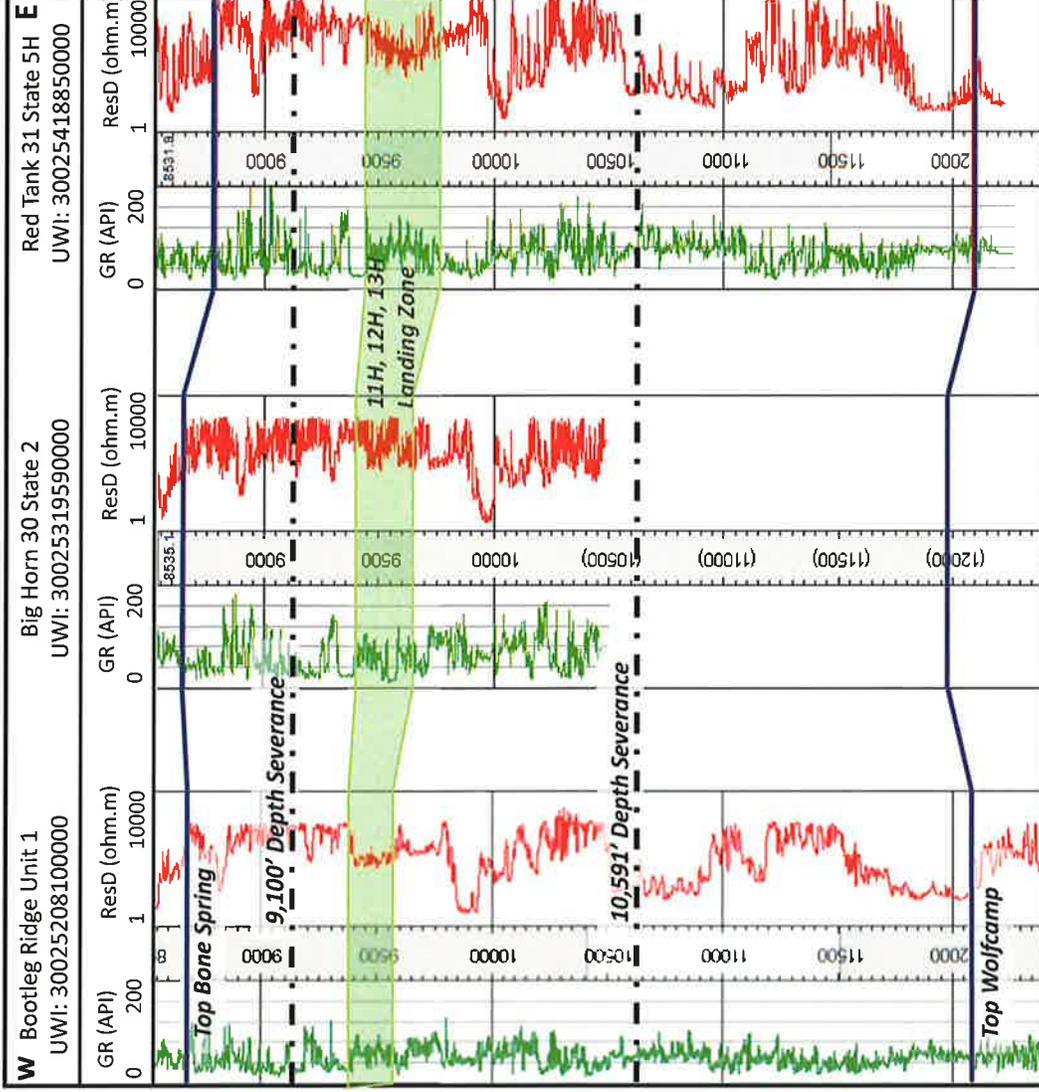


*Kathryn Fry, Geologist, Occidental Petroleum*  
 May 2019

**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'

**B'**



**B**

*Kathryn Fry, Geologist, Occidental Petroleum*  
 May 2019





**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**

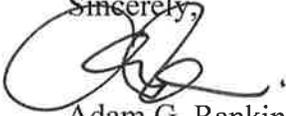
**Re: Case No. 20447: AMENDED Application of OXY USA Inc. for compulsory pooling, Lea County, New Mexico.**  
**Avogato 30 31 State Com 11H Well**  
**Avogato 30 31 State Com 12H Well**  
**Avogato 30 31 State Com 13H Well**

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](mailto: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](http://www.hollandhart.com)

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	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

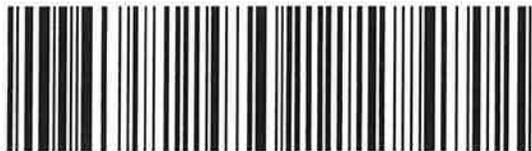
\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

## 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

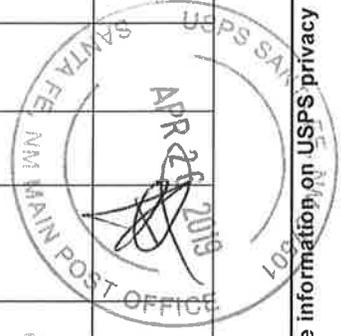
Holland & Hart LLP
110 N Guadalupe St # 1
Santa Fe NM 87501

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 Restricted Delivery

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

Table with 14 columns: USPS Tracking/Article Number, 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. Contains 8 rows of shipping data.



Total Number of Pieces Listed by Sender: 12
Total Number of Pieces Received at Post Office: 12
Postmaster, Per (Name of receiving employee)



**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 RetRef#:
Cal-Mon Oil Company 200 N Loraine St Ste 1404 Midland TX 79701	Delivered Signature Received	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 RetRef#:
RLMPKM LLC 200 N Loraine St Ste 1404 Midland TX 79701- 4753	Delivered Signature Received	Ref#: C1321098.7468558 RetRef#:
Tocor Investments Inc PO BOX 293 Midland TX 79702	Delivered Signature Received	Ref#: C1321098.7468559 RetRef#:
Devon Energy Production Co LP 333 West Sheridan Ave Oklahoma city OK 73102	Delivered Signature Received	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).

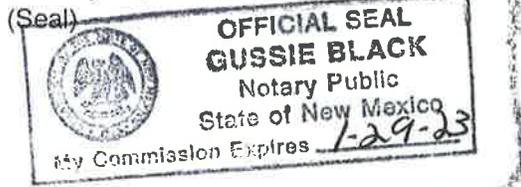
Beginning with the issue dated  
April 30, 2019  
and ending with the issue dated  
April 30, 2019.

  
\_\_\_\_\_  
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; Tocor 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.

6710  
HOLL #34090  
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