

OXY U.S.A. Inc. Application for non-standard spacing and p Section 26-T23S-R30E, Eddy County, New 1	1 11 0
Description	Case number 15006 Hearing date: June 27, 2013
Well Proposal; AFE; & Certified Mail Verification	Exhibit prepared by: Christopher J. Canon



5 Greenway Plazza, Suito 110, Houston TX 77048-0506 PO Box 27757, Houston TX 77227-7757

Chris Cenon, Lend Negotistor Sr. Office: 713.368-5226 Fec: 713.965.1277 E-mail: Christopher_Cenon@coy.com

March 28, 2013

Thank you.

VIA CERTIFIED MAIL -- ARTICLE NUMBER 7002 2030 0000 4250 7095

ConocoPhillips Company Attn: Tom Scarbrough 600 N Dairy Ashford St. Houston, TX 77079-1100

Re: Well Proposal - FNR "26" Federal #4H

SHL - 690' FSL & 373' FWL BHL - 690' FSL & 330' FEL Section 26-T23S-R30E Eddy County, New Mexico

Pursuant to the Joint Operating Agreement dated August 25, 1998, by and between Pogo Producing Company, as Operator, and Philips Petroleum Company, as Non-Operator, and as required under Section 19.15.13.9 and Section 19.15.13.10 of the New Mexico Administrative Code, OXY USA inc. (hereinafter "OXY"), as successor in interest to Pogo Producing Company, proposes the following well.

OXY proposes the drilling of the FNR "26" Federal #4H well on an approximate spud date of June 10, 2013. The FNR "26" Federal #4H will be drilled at the referenced surface location to its terminus at the referenced bottom hole location in Section 26, Township 23 South, Range 30 East, Eddy County, New Mexico. The directional well will be drilled to an approximate vertical depth of 7,725' and to an approximate measured depth of 13,000'to evaluate the Delaware formation. OXY's enclosed AFE provides pertinent details for the proposed operation and the estimated costs to drill and complete the well. The ownership under the Operating Agreement is OXY 50.00% and ConocoPhillips Company 50.00%.

Please execute, date and return one copy of this letter and the enclosed AFE within 30 days, or at your earliest convenience, to indicate your election to participate in drilling, completing and equipping the FNR "26" Federal #4H

If you have any questions concerning this proposal, please let me know. Your favorable consideration and early reply will be appreciated.

	ConocoPhillips Company elects to:
Best regards,	participate in the drilling of the FNR "26" Federal #4H
OXY USA Inc.	non-consent the drilling of the FNR "26" Federal #4H
Chris Caron	Ву:
Attachment	Title:

AUTHORIZATION FOR EXPENDITURE

Project Name: FNR 26 federal # 4 H

LeasefUnit: Sand Dunes Operator: OXY USA Inc. Formation: Delaware

Location: 690' FSL & 373' FWIL Section 26, T238, R30E (surface location)

690' FSL & 139' FEL Section 26, T238, R30E (bottom hole location)

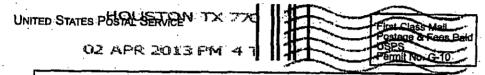
County, State: Eddy County, New Mexico

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WORKING INTEREST OWNER APPROVAL	Total Day Hole goot (1+2+3+4): \$ 2,638,801						
Company Name:	Total Producer cost (1+2+3+6): \$ 3,278,782						
	Total Completed Well cost (1+2+3+6+6): \$ 6,787,782						
Signature:	PARTY CHANGE OF Things Could be active to the contract of the country of the coun						
Title:	NOTICE TO NONOPERATOR: Costs shown on this form are						

NOTICE TO NONOPERATOR: Costs shown on this form are estimates only. Non Operators should not consider those estimates as establishing any limit on the monies which will be required to perform the proposed operation.

ENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X	
ConocoPhillips Company Attn::Tom Scarbrough	D. is delivery address different from item 17/ 17/95 If YES, enter delivery address below: 1 No	
600 N Dairy Ashford St. Houston, TX 77079-1100	3. Service Type Ø Certified Mail Express Mail Registered Return Receipt for Manufamdise Insured Mail C.O.D.	;
Article Number 700	4. Restricted Delivery? (Extra Fee)	



Sender: Please print your name, address, and ZIP+4 in this box

OXY USA Inc. ATTN: Chris Canon, 29.115 PO Box 27570 Houston, TX 77227-7570

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