



**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

May 1, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**WORKING INTEREST PARTNERS**  
(see attached list)

Re: Turkey Track Development  
Turkey Track 9-10 State Com #32H, #21H and #22H and Turkey Track 8-7 State #23H and #24H  
Sections 7-10  
Township 19 South, Range 29 East  
Eddy County, New Mexico

Dear WI Partner,

OXY USA WTP Limited Partnership ("OXY") previously proposed the five wells referenced above under a proposed four-section Operating Agreement dated May 1, 2017, with OXY USA WTP Limited Partnership, as Operator, covering all of Sections 7, 8, 9, and 10, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico ("Proposed 4-Section Operating Agreement"). Some parties are not willing to participate in the Proposed 4-Section Operating Agreement.

Therefore, OXY rescinds the Proposed 4-Section Operating Agreement and the well proposals for the Turkey Track 8-7 State #23H and #24H wells. The Turkey Track 8-7 State #23H and #24H wells will be re-proposed to those parties with a working interest in Sections 7 and 8 soon and a separate operating agreement or operating agreements will be circulated at that time. *The well proposals and AFEs previously sent for the Turkey Track 9-10 State Com 32H, 21H and 22H remain in effect; the modification of the proposed Operating Agreements only affects your decimal interest in the wells, not the location of the wells or the costs stated on the AFEs.* If you have not yet returned your election and/or signed AFE for the Turkey Track 9-10 State Com 32H, 21H and 22H wells, please do so at your earliest convenience.

To govern operations of the Turkey Track 9-10 State Com 32H, 21H and 22H, OXY hereby proposes two Operating Agreements:

- one covering a 320-acre proration unit comprised of the S/2 N/2 of Section 9 and the S/2 N/2 of Section 10, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, as to the Bone Spring formation, which will include the Turkey Track 9-10 State Com 32H and 22H; and
- another covering a 320-acre proration unit comprised of the N/2 N/2 of Section 9 and the N/2 N/2 of Section 10, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, as to the Bone Spring formation, which will include the Turkey Track 9-10 State Com 21H.

The Proposed Operating Agreements, enclosed herein, are identical in form to the previously circulated Proposed 4-Section Operating Agreement with the exception of the following changes, as requested by some parties:

- The burdens listed in Article III.B. have been changed from 25% to 14.0625%.
- Lines 68 and 69 on page 5 in Article VI.A. have been deleted.
- Contract Areas and working interest percentages depicted on Exhibit "A" have been modified based on ownership in the tracts within each proration unit (subject to final title verification) and depths are limited to the Bone Spring formation
- The following sentence has been added to Exhibit "D" (Insurance): "Occidental self-insures, directly or indirectly, through self-insured retentions, deductibles, fronted programs, and other risk finance alternatives, the majority of its primary layers of casualty and property insurance. It is agreed notwithstanding the use of the aforementioned risk financing alternatives, that if there is an obligation to defend and indemnify pursuant to this agreement, such obligations will be met as if Occidental was fully insured."

If you would like to receive data obtained from the pilot hole and logging program that will be conducted in the Turkey Track 9-10 State Com 32H, please indicate your election to participate by executing and returning one copy of this letter in the self-addressed stamped envelope provided. *If you do not wish to participate in the pilot hole and logging program, you may still participate in the drilling, completing, and equipping of the Turkey Track 9-10 State Com 32H by signing and returning the previously circulated well proposal and AFE.* If you elect not to participate in the pilot hole and logging program, you will not be billed for the additional costs associated with the pilot hole or the logging, and you will not receive the logged data.

**BEFORE THE OIL CONSERVATION  
DIVISION**

Santa Fe, New Mexico  
Exhibit No. 7

Submitted by: OXY USA WTP LP  
Hearing Date: June 8, 2017

The costs associated with the pilot hole and logging program will be shared among all participating parties in proportion to each parties' interest in Sections 7, 8, 9 and 10. OXY will cover the cost of any party that does not participate in the pilot hole and logging program. The anticipated total cost associated with the pilot hole and logging program is \$1,308,000. Please note that failure to respond within 30 days from the date of this letter will be deemed an election NOT to participate in the pilot hole and logging program in the Turkey Track 9-10 State Com 32H.

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

Very truly yours,

OXY USA WTP Limited Partnership



India Isbell  
Email: india\_isbell@oxy.com  
Dir: 713.366.5161

Enclosure(s)

WI Partner elects to:

\_\_\_ participate in the pilot hole and logging program in the Turkey Track 9-10 State Com 32H

\_\_\_ not participate in the pilot hole and logging program in the Turkey Track 9-10 State Com 32H

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

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

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

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

**Working Interest Partners**  
**Percentage Interest in Pilot Hole & Logging Program in the Turkey Track 9-10 State Com 32H**

James E Guy & Peggy Guy, Trustees of the P.J. Guy Family Trust 0.1333359671%	Monarch Resources Ltd. 6.8058701802%	Tanza K. Brumfield 0.0213337547%
NEECO INC 0.0426675095%	Jesse A. Cone, as Trustee of the Jesse A Cone Trust "A" U/W/O Hubert E Cone, deceased 0.0042667509%	J T Jackson & Associates 0.0444453224%
Bean Family Limited Partnership 0.3792667509%	CBR Oil Properties, LLC 0.1975347661%	John Robert Cone, as Trustee of the John Robert Trust "A" U/W/O Hubert E Cone, deceased 0.0042667509%
Norman L. Stevens III, Trustee of the Norman L. Stevens Revocable Trust U/T/A dated 09/14/1995, DBA Stevens Revocable Trust 0.5926042984%	Snow Oil & Gas Inc. 0.4000079014%	Herbert F. Boles, Trustee u/w/o Norma J. Boles, deceased 0.1411657514%
Witherspoon Motor Company 0.3555625790%	Enid Witherspoon Gates Revocable Trust under Trust Agreement Dated February 27, 2003 0.1777812895%	Nona L. Snow 0.4877133375%
James B. Read 0.1316898441%	Carolyn Read Beall 0.1316898441%	Betty Read Young 0.1316898441%
Mary Cone Lewis, as Trustee of the Mary Cone Lewis Trust "A" U/W/O Hubert E Cone, deceased 0.0042667509%	Howard H. Cone, as Trustee of the Howard H. Cone Trust "A" U/W/O Hubert E Cone, deceased 0.0042667509%	Terry A. Cone, as Trustee of the Terry A. Cone Trust "A" U/W/O Hubert E Cone, deceased 0.0042667509%
Fuel Products, Inc 1.8094184576%	Thomas M. Beall 1.8434892541%	V-F Petroleum Inc 0.0948166877%
EGL Resources 1.9437420986%	GAHR Energy Company 0.1659292035%	HFB Investment Company LP 0.2165993402%
New Mexico Western Minerals, Inc. 0.8059418458%	J.T. Jackson & Associates A Trust, J.T. Jackson, Trustee 0.0888906448%	Clarence Forister & Jacqueline Forister, Trustee of the CLAR JAC Investment Trust 0.0666679204%