

Date	Opposing Party	Oxy Party	Type	Basic correspondence/comments
~late March	Tom Beall or Mark Compton (did not recall)	Jacob Hart	phone	Tom/Mark called w/ general inquiry and Jacob explained rationale for proposing development of four section JOA vs. proration unit JOA; opposing party did not at that time have a response, discussion was limited to Oxy's plans for the area
~early April	Wes Perry for EGL	Alec Herzog	phone	Wes indicated EGL was inclined to participate, but requested a buy-out offer from Oxy
4/4/2017	Derik Smith @ Read & Stevens for CBR	Alec Herzog	email/ phone	Derik reached out to Alec via phone and Alec subsequently sent proposed JOA and exhibits to JOA via email; in subsequent phone call Alec learned Clinton Thurmon replaced Derik Smith
4/10/2017	Larry Stevens for Norman Stevens Trust	India Isbell	email/ phone	Larry called India and India then sent information on WI%, AFE amounts, anticipated spud dates and overall development plans for Sections 7-10 via email
~mid April	Larry Stevens for Norman Stevens Trust	India Isbell	phone	Discussed development plans in general and India indicated Oxy would be interested in acquiring interests if parties desired to sell; mentioned Oxy was purchasing the interests of other parties in the Turkey Track area
4/17/2017	Wes Perry for EGL	India Isbell	email	India sent WI% breakdown, title requirement associated with EGL's interest, and an offer to buy EGL's interest at \$10,000/nma, delivering 75% NRI via email
~late April	Tom Beall	India Isbell	phone	Tom called and indicated the opposing parties would not be willing to sign the JOA covering all four sections, as originally proposed, but would be open to signing one covering Sections 9 & 10 and another covering Sections 7 & 8. (change accepted, as noted in 5/2/2017 letter)
~late April	Clinton Thurmon for CBR	India Isbell	phone	Discussed development plans in general and Clinton requested shared burdens in JOA be reduced from the proposed 25% to the shared lease burdens (change accepted, as noted in 5/2/2017 letter).
5/1/2017	Mark Compton for all opposing parties	India Isbell	email/ phone	India sent PDF copies of the proposal letters and AFEs subsequent to phone conversation and also noted a revised Ex. A to JOA would be circulated on 5/2 reducing the contract area to cover only Sections 9 & 10 proration units, as requested by opposing parties
5/2/2017	All opposing parties	India Isbell	email	India circulated letter describing revised Ex. A to JOA (reducing contract area to only cover well proration units for the wells in Section 9 & 10, withdrawing the well proposals previously sent for Sections 7 & 8, and outlining the three modifications made to the form of the JOA in response to feedback received from various parties); this was also sent via USPS
5/2/2017	Mark Compton for all opposing parties	India Isbell	email	India sent breakdown of WI% for opposing parties and title opinions as to parts pertaining to opposing parties.
5/9/2017	Betty Read Young for Betty Read Young & CBR	India Isbell	email/ phone	India sent PDF copies of proposal letters and AFEs as well as revised Exhibit As to JOA showing WI% in response to Betty's question as to when the AFEs needed to be signed and returned.
5/10/2017	Clinton Thurmon for CBR	India Isbell	email	At Clinton's request, India provided drilling order title opinion (pages as related to interest of CBR) via email
5/18/2017	Larry Stevens for Norman Stevens Trust	India Isbell	phone	Received phone call from Larry requesting the removal of Art. XVI.E (Advance Payments) from the JOA. Again discussed possibility of purchasing interest(s) and I stated that Oxy would be willing to do so, but we had run economics and determined the maximum we would be willing to spend is \$10,000/nma.
5/23/2017	Larry Stevens for Norman Stevens Trust	India Isbell	email	Emailed Larry to let him know Oxy was willing to remove the requested provision and would be circulating a letter agreement to do so
5/23/2017	Betty Read Young for Betty Read Young & CBR	India Isbell	email	Betty emailed to state she had not signed for or received the original proposal for the #32H and the JOA; Oxy confirmed the proposal had been resent (rec'd 4/22/2017), for which Betty had signed for and received.
5/30/2017	Mark Compton for all opposing parties	India Isbell	phone	Mark called to state opposing parties would be sending (via USPS) a letter agreement modifying certain terms of the proposed JOA, did not state which provisions the parties wanted modified; India requested email outlining the changes requested to expedite process. Mark said he would try to do so. Mark also stated Tom Beall had done his own economic analysis and would be interested in selling, but for more than \$10,000/nma. Mark asked who Tom would need to speak to at Oxy to receive more than \$10,000/nma and I explained there was not one particular person who would make that decision, that it would require concurrence from several groups/functions and ultimately approval from Oxy's CEO.
5/31/2017	Mark Compton for all opposing parties	India Isbell	email	India sent follow-up email to request opposing parties send their requested changes electronically
6/1/2017	Wes Perry for EGL	India Isbell	email/ phone	Wes called India to inquire as to outstanding proposals, development plans, etc. Subsequent to phone call, India sent PDF copies of proposal letters and AFEs, explanation of development plan and anticipated timeline for development, as was discussed on the phone.
6/2/2017	Mark Compton and all opposing parties (cc'd)	India Isbell	email	Received the requested changes to the JOA that opposing parties were requesting. Emailed back to request clarification as to one of the requested changes ("Item #4") and stated all other requested changes were acceptable to Oxy. Mark called and stated he needed to discuss Item #4 with Tom.

6/5/2017	Mark Compton for all opposing parties	India Isbell	email	Sent follow-up requesting clarification as to Item #4.
6/5/2017	Mark Compton for all opposing parties	India Isbell	phone	Mark called to explain Tom Beall's request re: Item #4; India said would review and get back with him shortly.
6/5/2017	Larry Stevens for Norman Stevens Trust	India Isbell	email	India emailed to describe other Tom Beall-entity changes that had been requested and asked how he would prefer to handle (letter agreement striking XVI.E previously discussed no longer likely most practical).
6/6/2017	Mark Compton for all opposing parties	India Isbell	phone	India informed Mark that the change associated with Item #4 would not be acceptable; some parties have already executed the JOA and this is a substantial change that may not be acceptable to those parties. Oxy informed him that it would be willing to accommodate Tom's Item #4 request in adjacent areas where Tom (et al) have an interest, but not in this specific instance. The change requested would require all parties to agree that at the time of plugging and abandoning a well, any party electing to take over the well would take over not only the well and zone then open to production, but every zone behind pipe and the leasehold associated therewith. This is not standard in the model form operating agreement and is a substantial change to general practice. Mark stated he would let the parties know, speak with Tom Beall, and get back with me.
6/6/2017	Larry Stevens for Norman Stevens Trust	India Isbell	email	Larry responded to India's 6/5 email asking for slip sheets, which India provided within the hour, with the letter that will be sent to all parties outlining the changes to the JOA made per opposing parties' request.

May 9, 2017

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 25, 2017, 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 15, 2017. 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 cases and notice to the public:

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

To: James E Guy & Peggy Guy, Trustees of the P.J. Guy Family Trust; NEECO Inc.; Bean Family Limited Partnership; Norman L. Stevens, Trustee of the Norman L. Stevens Revocable Trust, DBA Stevens Revocable Trust; Larry Stevens; Witherspoon Motor Co.; James B. Read; Mary Cone Lewis, as Trustee of the Mary Cone Lewis Trust "A" U/W/O Hubert E. Cone, Deceased; Fuel Products, Inc.; Monarch Resources, Ltd.; Jesse A. Cone, As Trustee of the Jesse A. Cone Trust "A" U/W/O Hubert E. Cone, Deceased; CBR Oil Properties, LLC; Snow Oil & Gas Inc.; Enid

Witherspoon Gas Revocable Trust; Trust Agreement. Dated February 27, 2003; Carolyn Read Beall; Howard H. Cone, as Trustee of the Howard H. Cone Trust "A" U/W/O Hubert E. Cone, Deceased; Thomas M. Beall; Tanza K. Brumfield; J.T. Jackson & Associates; John Robert Cone, as Trustee of the John Robert Trust "A" U/W/O Hubert E. Cone, Deceased; Herbert F. Boles, Trustee U/W/O Norma J. Boles, Deceased; Nona L. Snow; Betty Read Young; Terry A. Cone, as Trustee of the Terry A. Cone Trust "A" U/W/O Hubert E. Cone, Deceased; V-F Petroleum Inc.; EGL Resources; New Mexico Western Minerals Inc.; HFB Investment Company LP; GAHR Energy Company; J.T. Jackson & Associates A Trust; J.T. Jackson, Trustee; Clarence Forister & Jacqueline Forister, Trustee of the CLAR JAC investment Trust; and their successors, heirs and/or devisees.

CASE 15701: Application of OXY USA WTP Limited Partnership for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 320-acre spacing and 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, NMPM, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Turkey Track 9-10 State No. 21H Well; which will be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of Section 8 to a standard bottom hole location in NE/4 NE/4 (Unit A) of Section 10. The completed interval for this well will remain

within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles north of Madera, N.M.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly sworn, on oath says:

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

May 9 2017

That the cost of publication is \$215.53 and that payment thereof has been made and will be assessed as court costs.

[Signature]

Subscribed and sworn to before me this 10 day of May, 2017

[Signature]

My commission Expires 2/13/21

Notary Public

