

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JUNE 17, 2021**

CASE NO. 21908

TACO CAT "27_34" FEDERAL COM WELLS

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF 1,280-ACRE NON-
STANDARD SPACING UNITS IN THE
BONE SPRING & WOLFCAMP
FORMATIONS COMPRISED OF
ACREAGE SUBJECT TO A PROPOSED
COMMUNITIZATION AGREEMENT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21908

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 - Oxy Exhibit B-1: Project Locator Map/Land Plat of Proposed Nonstandard Units
 - Oxy Exhibit B-2: Proposed Bone Spring & Wolfcamp Communitization Agreements
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**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF OXY USA INC. FOR
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ACREAGE SUBJECT TO A PROPOSED
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LEA COUNTY, NEW MEXICO.**

CASE NO. 21908

APPLICATION

OXY USA Inc. (“OXY” or “Applicant”) (OGRID No. 16696) is the designated operator under a Joint Operating Agreement covering federal acreage in the Bone Spring and Wolfcamp formations and seeks approval of 1,280-acre non-standard spacing units to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 27 and 34, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. In support of this application, OXY states:

1. The Red Tank; Bone Spring Pool (Pool Code 51683) is the only pool within the Bone Spring formation underlying the proposed non-standard spacing unit.

2. Within the proposed non-standard spacing unit, OXY intends to drill or has drilled the following wells within the Red Tank; Bone Spring Pool:

- **Taco Cat “27_34” Federal Com #011H well (30-025-44933)**
- **Taco Cat “27_34” Federal Com #021H well (30-025-44934)**
- **Taco Cat “27_34” Federal Com #024H well (30-025-44949)**
- **Taco Cat “27_34” Federal Com #025H well (30-025-44934)**
- **Taco Cat “27_34” Federal Com #026H well (30-025-44935)**

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Submitted by: OXY USA INC.
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- **Taco Cat “27_34” Federal Com #032H well (30-025-44925)**
- **Taco Cat “27_34” Federal Com #034H well (30-025-44936)**

3. OXY’s drilling program for this area will develop the Bone Spring formation underlying each of the 40-acre tracts comprising the proposed non-standard spacing unit.

4. The WC-025 G-08 S223227D; Upper Wolfcamp Pool (Pool Code 98286) is the only pool within the Wolfcamp formation underlying the proposed non-standard spacing unit.

5. Within the proposed non-standard spacing unit, OXY intends to drill or has drilled the following wells in the WC-025 G-08 S223227D; Upper Wolfcamp Pool:

- **Taco Cat “27_34” Federal Com #031H well (30-025-44935)**
- **Taco Cat “27_34” Federal Com #033H well (30-025-44926)**
- **Taco Cat “27_34” Federal Com #035H well (30-025-44937)**

6. OXY’s drilling program for this area will develop the Wolfcamp formation underlying each of the 40-acre tracts comprising the proposed non-standard spacing unit.

7. OXY seeks to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.

8. OXY understands that the Bureau of Land Management will approve a Communitization Agreement for the Bone Spring and Wolfcamp formations underlying the acreage comprising the proposed non-standard spacing units once the Division approves the proposed non-standard spacing units.

9. To allow the existing and permitted wells to be dedicated to the acreage subject to the desired Communitization Agreement, OXY requires approval of corresponding non-standard spacing units in the Bone Spring and Wolfcamp formations.

10. Division Rules contemplate and encourage oil and gas development, where possible, in enlarged areas of common ownership to minimize surface disturbance and to promote efficient well spacing. *See, e.g.*, 19.15.16.7.P NMAC; 19.15.16.15.B(8) NMAC; 19.15.16.15.C(7) NMAC.

11. Approval of this application will allow OXY to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines, and promote effective well spacing.

12. Notice of this application will be provided as required by Division rules.

13. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, OXY requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and that after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin
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ATTORNEYS FOR OXY USA INC.

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

APPLICATION OF OXY USA INC. FOR
APPROVAL OF 1,280-ACRE NON-
STANDARD SPACING UNITS IN THE
BONE SPRING & WOLFCAMP
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LEA COUNTY, NEW MEXICO.

CASE NO. 21908

AFFIDAVIT OF AMBER DELACH
IN SUPPORT OF CASE NO. 21908

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

1. My name is Amber Delach. I work for Occidental Petroleum Corporation (“Oxy”) as a Senior Land Negotiator.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness. My credentials in petroleum land matters have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Oxy in this case for approval of a nonstandard horizontal spacing unit in the Bone Spring formation, and I am familiar with the status of the lands in the subject area.
4. None of the parties have indicated opposition to this application, and I do not expect any opposition to the presentation of this case by affidavits at the hearing.
5. In this case, Oxy seeks an order approving a 1,280-acre, more or less, non-standard spacing units to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 27 and 34, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico (“Proposed Units”).

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6. **Oxy's Exhibit B-1** is a land plat outlining the Proposed Units and identifying the tracts that include federal lands.

7. Oxy is the designated operator under a Joint Operating Agreement covering federal leases in the Bone Spring and Wolfcamp formation in the acreage comprising the Proposed Unit.

8. Oxy seeks approval of the Proposed Units to conform to the Bureau of Land Management's ("BLM") requested communitization agreement and to minimize surface disturbance by consolidating facilities and commingling production from existing and future wells in the Proposed Units.

9. Oxy understands that the BLM requires Division approval of the Proposed Units and that the BLM only approves communitization agreements that conform to a state-approved spacing unit. Without Division approval of the Proposed Units, Oxy would be required to construct separate facilities for standard spacing units.

10. **Oxy's Exhibit B-2** is a copy of the proposed communitization agreements for the Bone Spring and Wolfcamp formations underlying the subject acreage for the Proposed Units in this case.

11. With these proposed non-standard horizontal spacing units, Oxy plans to initially develop both the Bone Spring and Wolfcamp formations.

12. Oxy intends to drill or has drilled the following wells within the Red Tank; Bone Spring Pool (Pool Code 51683):

- Taco Cat "27_34" Federal Com #011H well (30-025-44933)
- Taco Cat "27_34" Federal Com #021H well (30-025-44934)
- Taco Cat "27_34" Federal Com #024H well (30-025-44949)
- Taco Cat "27_34" Federal Com #025H well (30-025-44934)

- Taco Cat “27_34” Federal Com #026H well (30-025-44935)
- Taco Cat “27_34” Federal Com #032H well (30-025-44925)
- Taco Cat “27_34” Federal Com #034H well (30-025-44936)

13. Oxy intends to drill or has drilled the following wells within the WC-025 G-08 S223227D; Upper Wolfcamp Pool (Pool Code 98286):

- Taco Cat “27_34” Federal Com #031H well (30-025-44935)
- Taco Cat “27_34” Federal Com #033H well (30-025-44926)
- Taco Cat “27_34” Federal Com #035H well (30-025-44937)

14. Oxy Exhibit B-3 includes the Form C-102s for each of the proposed wells, which reflect the first and last take points for each well in the Proposed Units.

15. Oxy Exhibit B-4 is a plat identifying the operators or lessees in Proposed Units and the adjoining tracts that were provided notice of this hearing as required by Division Rules.

16. I provided the law firm of Holland & Hart LLP a list of names and addresses for each of the affected parties to be provided notice of the Proposed Units as required by Division rules. In compiling these addresses, Oxy conducted a diligent search of all public records in the county where the Proposed Units are located and of phone directories, including computer searches.

17. The BLM was also provided notice since the Proposed Units contain federal lands.

18. Oxy Exhibits B-1 through B-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

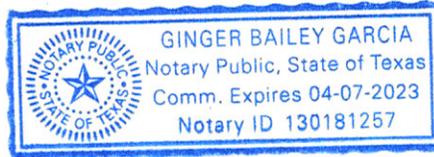
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AMBER DELACH

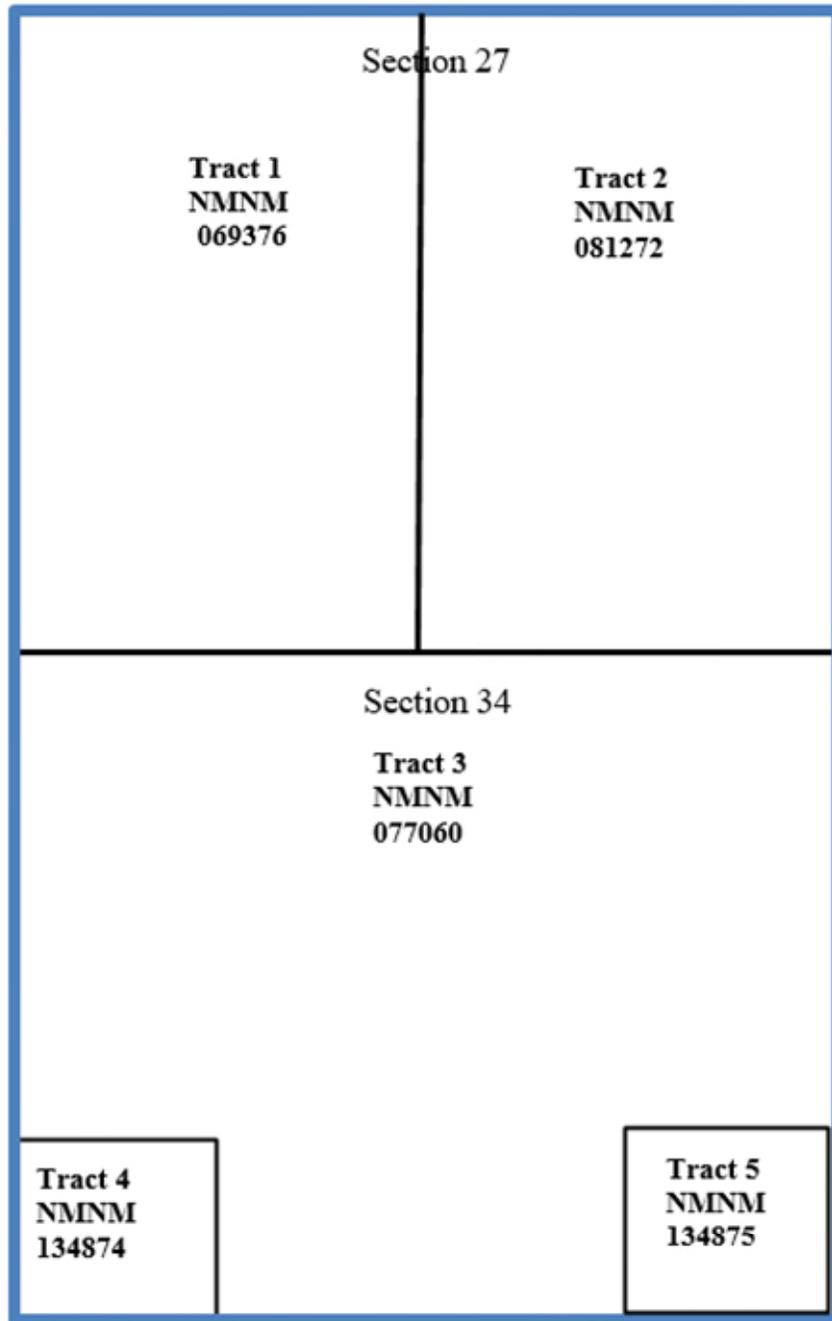
STATE OF TEXAS)
)
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me this 27th day of May 2021,
by AMBER DELACH.

Ginger Bailey Garcia
NOTARY PUBLIC

My Commission Expires:
4/7/2023





BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B1
Submitted by: OXY USA INC.
Hearing Date: June 17, 2021
Case No. 21908

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of March 1, 2021 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 22 South, Range 32 East, N.M.P.M.

All of Sections 27 & 34, Lea County, New Mexico

Containing **1280.00** acres, and this agreement shall include only the **Bone Spring Formation** underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

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Exhibit No. B2
Submitted by: OXY USA INC.
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2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is November 1, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.
Operator

Date

By: _____
_____, Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
 COUNTY OF _____)

On this ____ day of March, 2021, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the Attorney-in-Fact of OXY USA INC., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

 My Commission Expires

 Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

**OCCIDENTAL PERMIAN
LIMITED PARTNERSHIP
BY:OCCIDENTAL
PERMIAN MANAGER
LLC, ITS GENERAL
PARTNER**

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 2021
by _____, ATTORNEY-IN-FACT of OCCIDENTAL PERMIAN
MANAGER LLC, a Delaware limited liability company, on behalf of **OCCIDENTAL
PREMIAN LIMITED PARTNERSHIP**, a Texas limited partnership.

Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **1280.00** acres in **Sections 27 & 34, Township 22 South- Range 32 East, N.M.P.M., Lea County, New Mexico**

Taco Cat 27 34 Fed Com

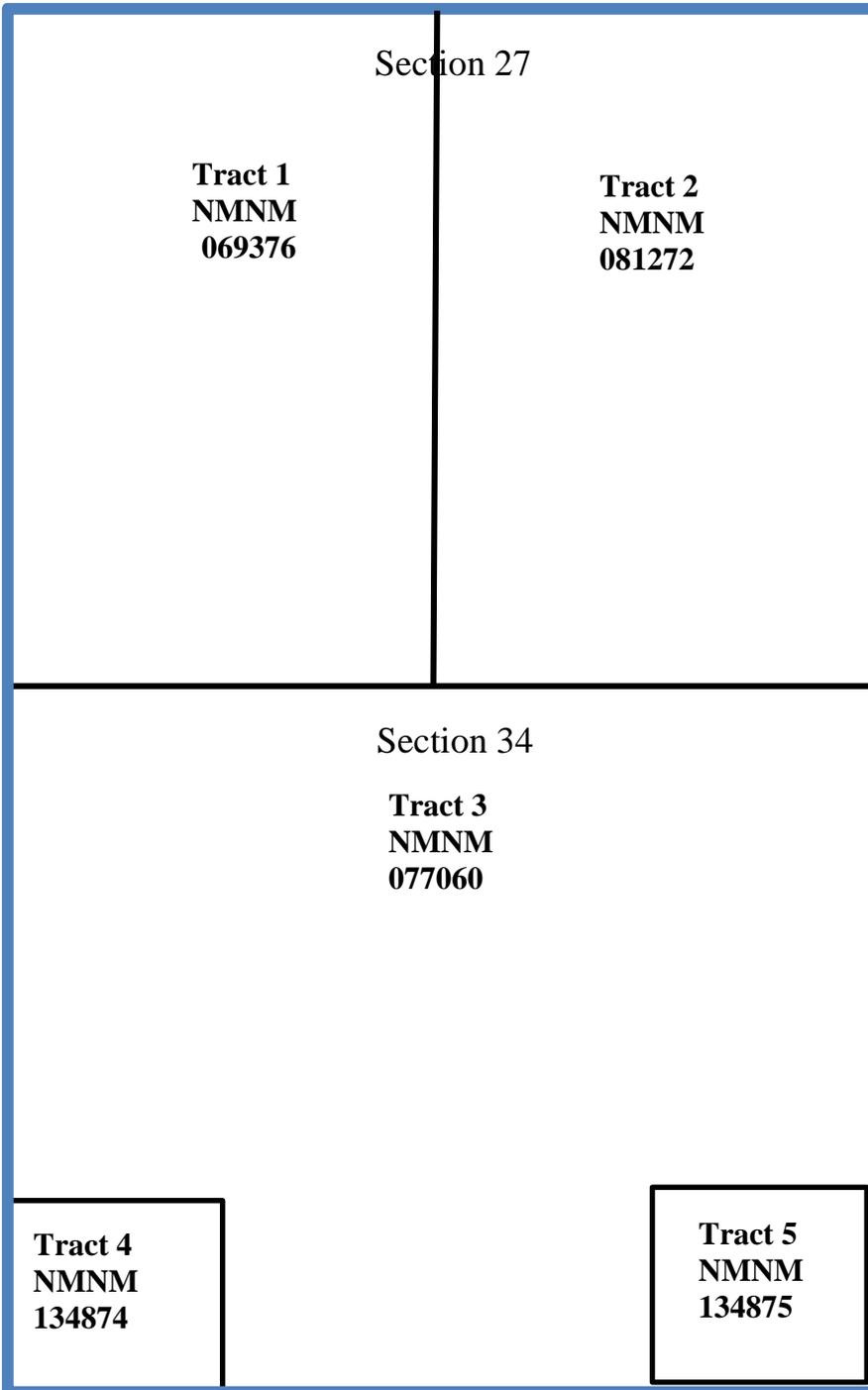


EXHIBIT “B”

To Communitization Agreement Dated March 1, 2021 embracing the following described land in **Sections 27 & 34, Township 22 South- Range 32 East, N.M.P.M., Lea County, New Mexico.**

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 069376
Description of Land Committed:	Township 22 South, Range 32 East, N.M.P.M., Section 27: W/2
Number of Acres:	320.00
Current Lessee of Record:	OXY USA INC.
Name of Working Interest Owners:	OXY USA INC.

Tract No. 2

Lease Serial Number:	NMNM 081272
Description of Land Committed:	Township 22 South, Range 32 East, N.M.P.M., Section 27: E/2
Number of Acres:	320.00
Current Lessee of Record:	OXY USA INC.
Name of Working Interest Owners:	OXY USA INC.

Tract No. 3

Lease Serial Number:	NMNM 077060
Description of Land Committed:	Township 22 South, Range 32 East,

N.M.P.M., Section 34: SW/4SE/4,
N/2SE/4, N/2, SE/4SW/4, N/2SW/4

Number of Acres: 560.00
Current Lessee of Record: OXY USA INC.
Name of Working Interest Owners: OXY USA INC.

Tract No. 4

Lease Serial Number: NMNM 134874
Description of Land Committed: Township 22 South, Range 32 East,
N.M.P.M., Section 34: SW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: OXY USA INC.
Name of Working Interest Owners: OXY USA INC.

Tract No. 5

Lease Serial Number: NMNM 134875
Description of Land Committed: Township 22 South, Range 32 East,
N.M.P.M., Section 34: SE/4SE/4
Number of Acres: 40.00
Current Lessee of Record: OXY USA INC.
Name of Working Interest Owners: OXY USA INC.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320.00	25.000%
2	320.00	25.000%
3	560.00	43.750%
4	40.00	3.125%
5	<u>40.00</u>	<u>3.125%</u>
Total	1280.00	100.000%

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of March 1, 2021 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 22 South, Range 32 East, N.M.P.M.

All of Sections 27 & 34, Lea County, New Mexico

Containing **1280.00** acres, and this agreement shall include only the **Wolfcamp Formation** underlying said lands and the natural gas and associated liquid hydrocarbons hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be OXY USA INC., 5 Greenway Plaza, Ste. 110, Houston, TX, 77046. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day,

such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is November 1, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their

successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

OXY USA INC.
Operator

Date

By: _____
_____, Attorney-in-Fact

ACKNOWLEDGEMENT

STATE OF _____)
) ss.
COUNTY OF _____)

On this ____ day of March, 2021, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the Attorney-in-Fact of OXY USA INC., the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

My Commission Expires

Notary Public

**WORKING INTEREST OWNERS
AND/OR LESSEES OF RECORD**

**OCCIDENTAL PERMIAN
LIMITED PARTNERSHIP
BY:OCCIDENTAL
PERMIAN MANAGER
LLC, ITS GENERAL
PARTNER**

Date

By: _____
Name: _____
Title: Attorney-in-fact

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on _____, 2021
by _____, ATTORNEY-IN-FACT of OCCIDENTAL PERMIAN
MANAGER LLC, a Delaware limited liability company, on behalf of **OCCIDENTAL
PREMIAN LIMITED PARTNERSHIP**, a Texas limited partnership.

Notary Public in and for the State of Texas

EXHIBIT "A"

Plat of communitized area covering **1280.00** acres in **Sections 27 & 34, Township 22 South- Range 32 East, N.M.P.M., Lea County, New Mexico**

Taco Cat 27 34 Fed Com

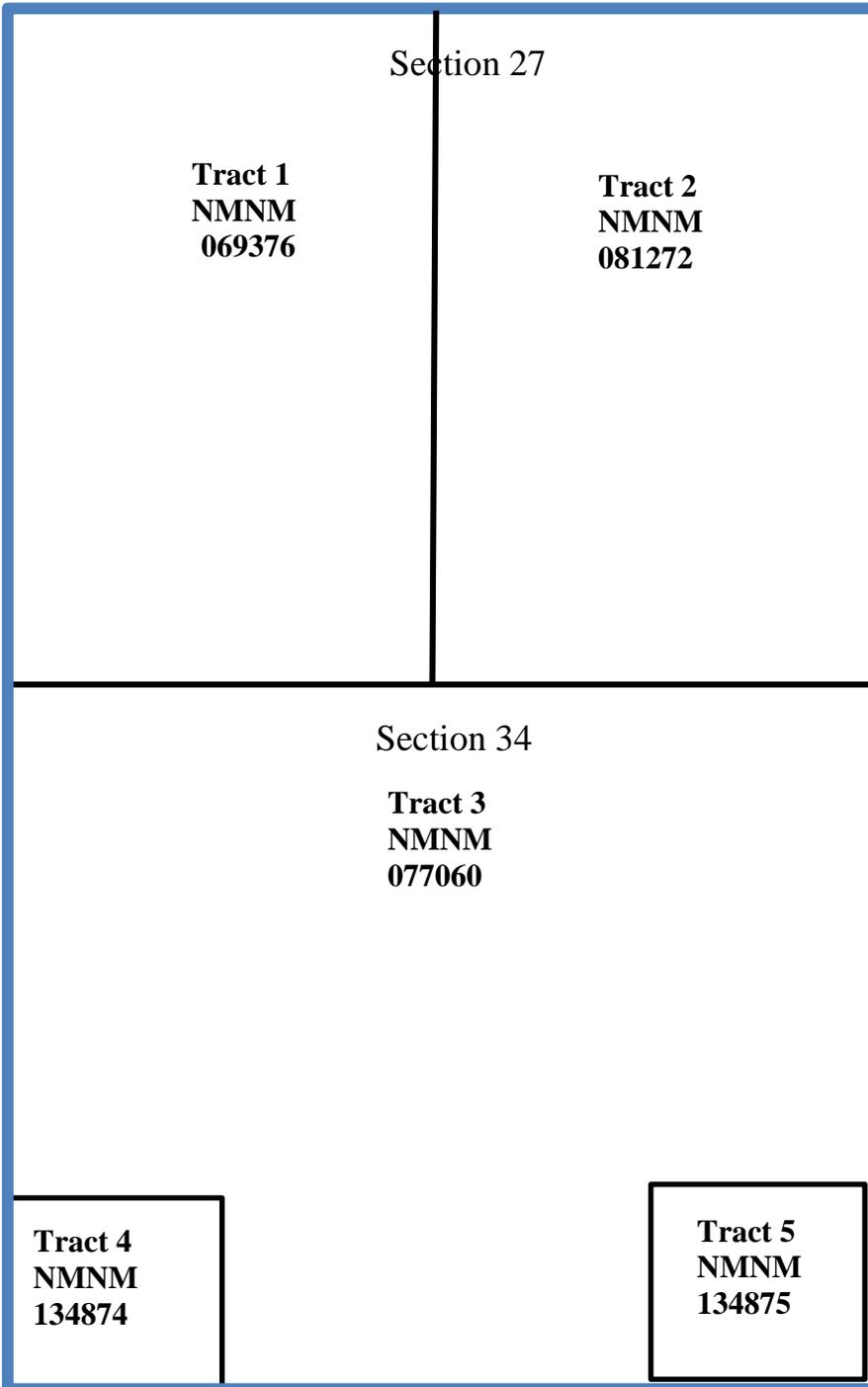


EXHIBIT “B”

To Communitization Agreement Dated March 1, 2021 embracing the following described land in **Sections 27 & 34, Township 22 South- Range 32 East, N.M.P.M., Lea County, New Mexico.**

Operator of Communitized Area: OXY USA INC.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number:	NMNM 069376
Description of Land Committed:	Township 22 South, Range 32 East, N.M.P.M., Section 27: W/2
Number of Acres:	320.00
Current Lessee of Record:	OXY USA INC.
Name of Working Interest Owners:	OXY USA INC.

Tract No. 2

Lease Serial Number:	NMNM 081272
Description of Land Committed:	Township 22 South, Range 32 East, N.M.P.M., Section 27: E/2
Number of Acres:	320.00
Current Lessee of Record:	OXY USA INC.
Name of Working Interest Owners:	OXY USA INC.

Tract No. 3

Lease Serial Number:	NMNM 077060
Description of Land Committed:	Township 22 South, Range 32 East,

N.M.P.M., Section 34: SW/4SE/4,
N/2SE/4, N/2, SE/4SW/4, N/2SW/4

Number of Acres: 560.00
Current Lessee of Record: OXY USA INC.
Name of Working Interest Owners: OXY USA INC.

Tract No. 4

Lease Serial Number: NMNM 134874
Description of Land Committed: Township 22 South, Range 32 East,
N.M.P.M., Section 34: SW/4SW/4
Number of Acres: 40.00
Current Lessee of Record: OXY USA INC.
Name of Working Interest Owners: OXY USA INC.

Tract No. 5

Lease Serial Number: NMNM 134875
Description of Land Committed: Township 22 South, Range 32 East,
N.M.P.M., Section 34: SE/4SE/4
Number of Acres: 40.00
Current Lessee of Record: OXY USA INC.
Name of Working Interest Owners: OXY USA INC.

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest in Communitized Area</u>
1	320.00	25.000%
2	320.00	25.000%
3	560.00	43.750%
4	40.00	3.125%
5	<u>40.00</u>	<u>3.125%</u>
Total	1280.00	100.000%

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1625 N. French Dr., Hobbs, NM 88240
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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, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	TACO CAT "27-34" FEDERAL COM		11H
OGRID No.	Operator Name		Elevation
	OXY USA INC.		3635.8'

Surface Location

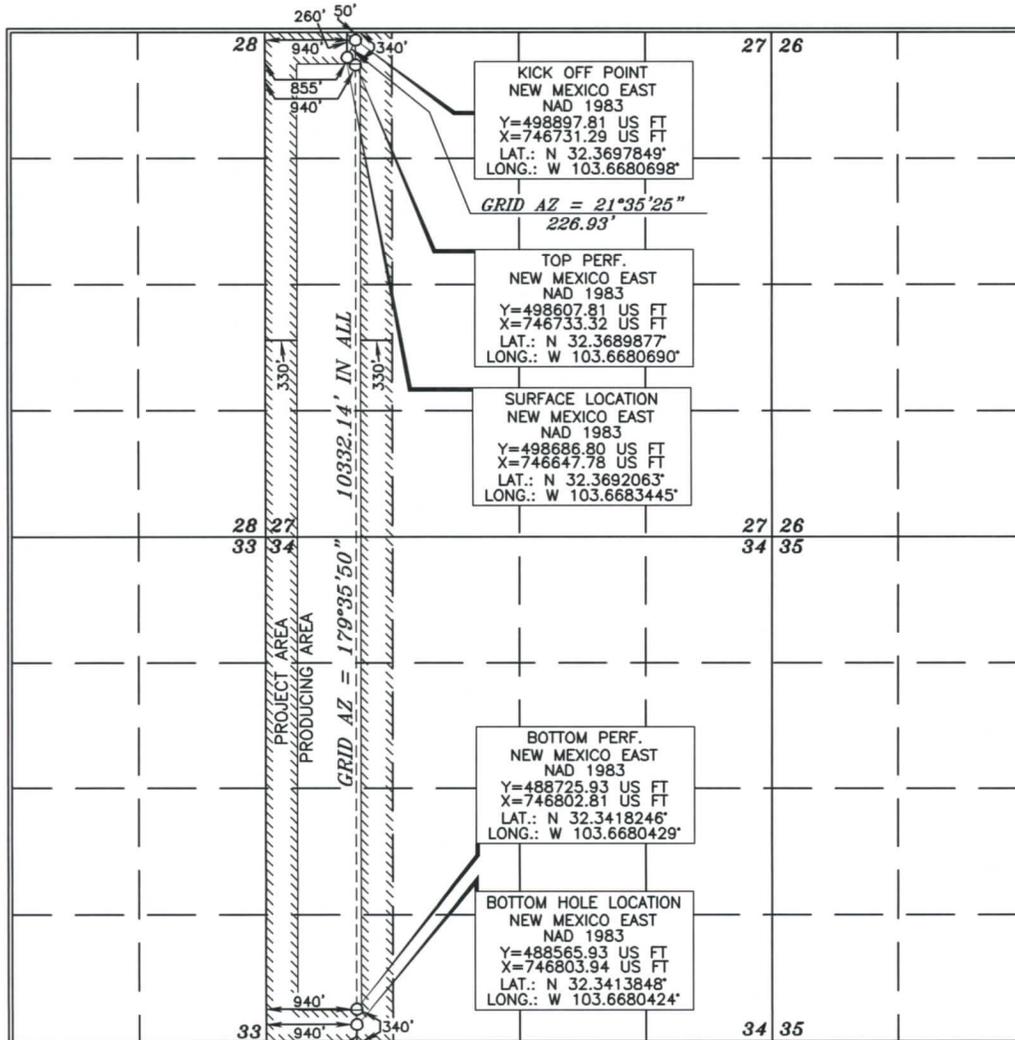
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	22 SOUTH	32 EAST, N.M.P.M.		260'	NORTH	855'	WEST	LEA

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
M	34	22 SOUTH	32 EAST, N.M.P.M.		180'	SOUTH	940'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

DECEMBER 26, 2017
Date of Survey

Signature and Seal of Professional Surveyor: *Terry J. Case*

Certificate Number 15079

WO# 171226WL-c (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 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	Pool Code	Pool Name
Property Code	Property Name TACO CAT "27-34" FEDERAL COM	Well Number 21H
OGRID No.	Operator Name OXY USA INC.	Elevation 3635.3'

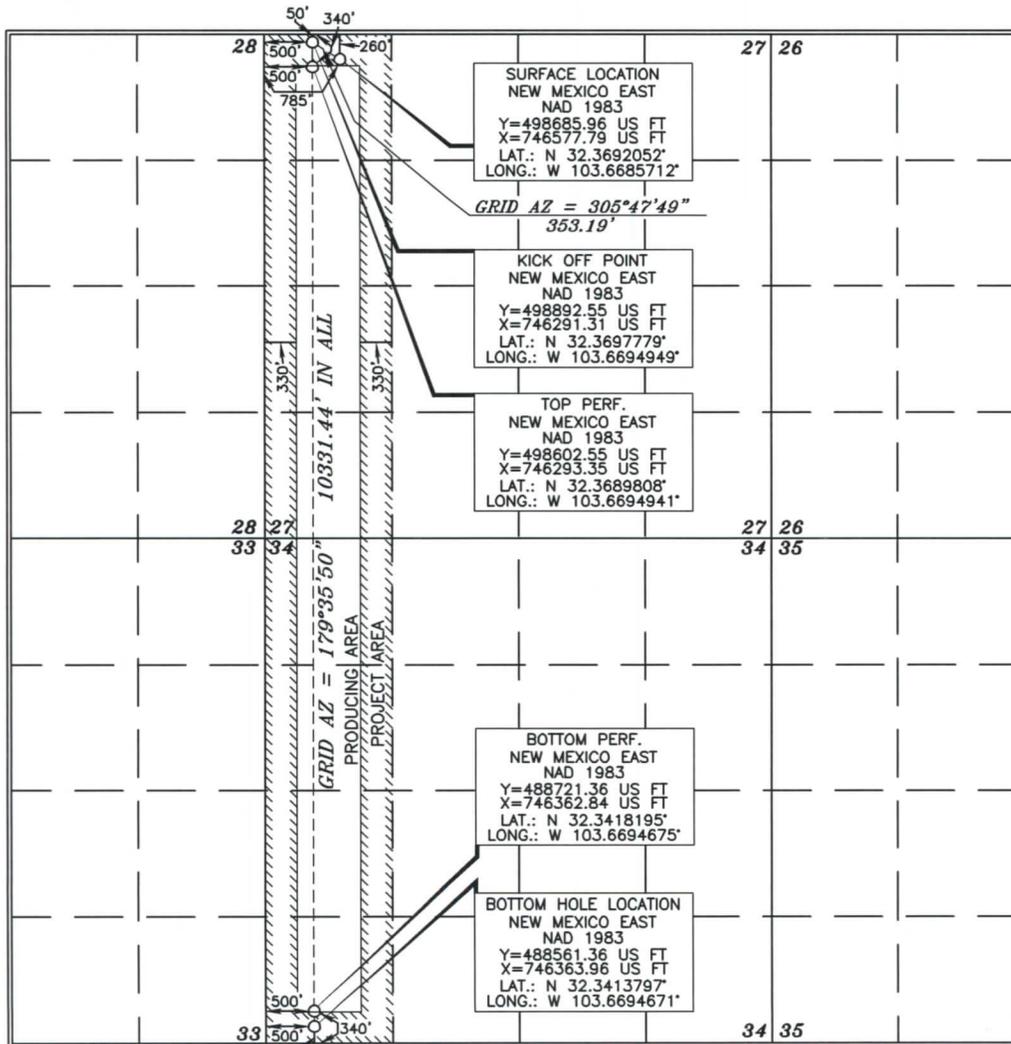
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	22 SOUTH	32 EAST, N.M.P.M.		260'	NORTH	785'	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
M	34	22 SOUTH	32 EAST, N.M.P.M.		180'	SOUTH	500'	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

DECEMBER 26, 2017
Date of Survey

Signature and Seal of Professional Surveyor: *Terry J. Paul*

Certificate Number 15079

Professional Land Surveyor Seal: FERRY J. PAUL, 15079

WO# 171226WL-a (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
OGRID No.	Operator Name	Elevation
	TACO CAT "27_34" FEDERAL COM	25H
	OXY USA INC.	3653.0'

Surface Location

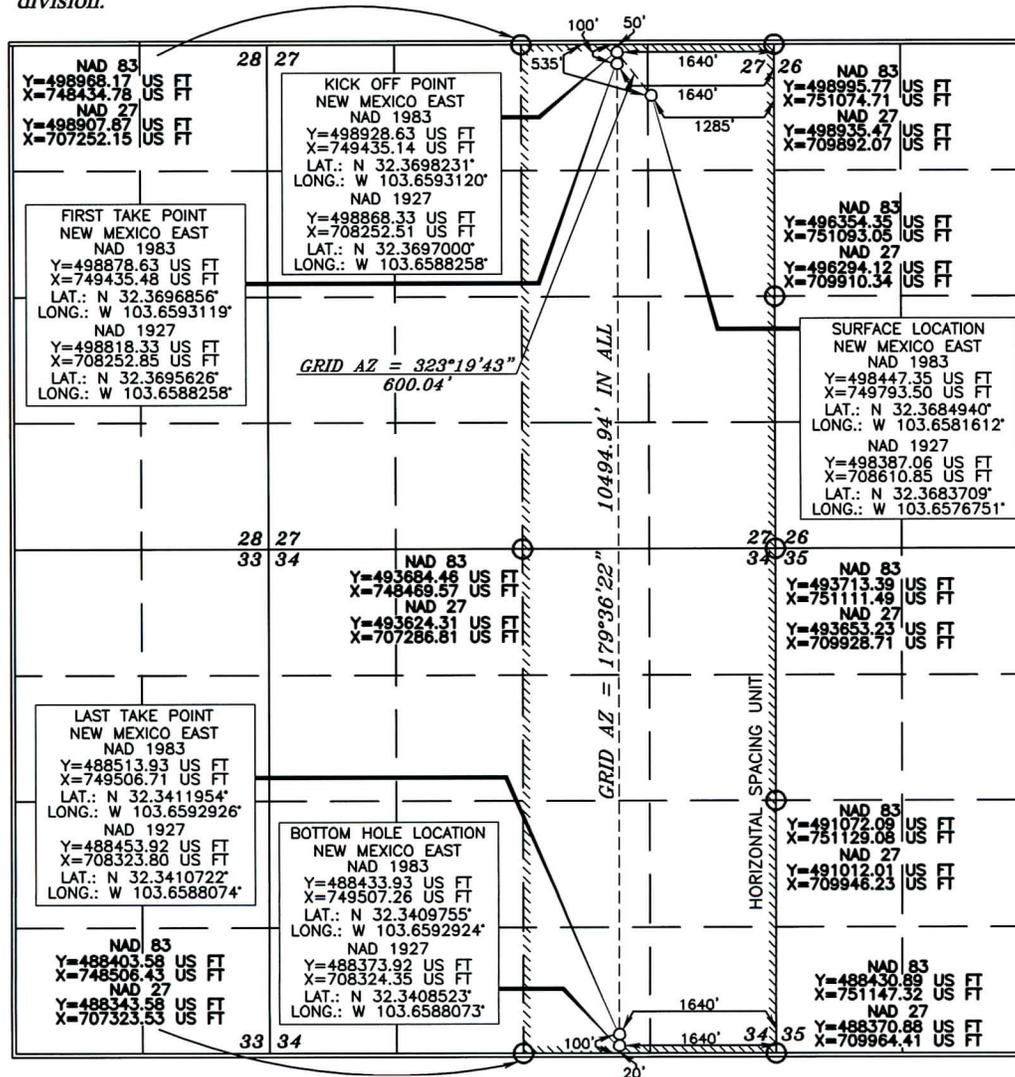
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	22 SOUTH	32 EAST, N.M.P.M.		535'	NORTH	1285'	EAST	LEA

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
O	34	22 SOUTH	32 EAST, N.M.P.M.		20'	SOUTH	1640'	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

Date of Survey **MAY 21, 2019**

Signature and Seal of Professional Surveyor *Terry J. Paul*

Certificate Number 15079

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1625 N. French Dr., Hobbs, NM 88240
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Revised August 1, 2011
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
OGRID No.	Operator Name		Elevation
	TACO CAT "27_34" FEDERAL COM		26H
	OXY USA INC.		3653.9'

Surface Location

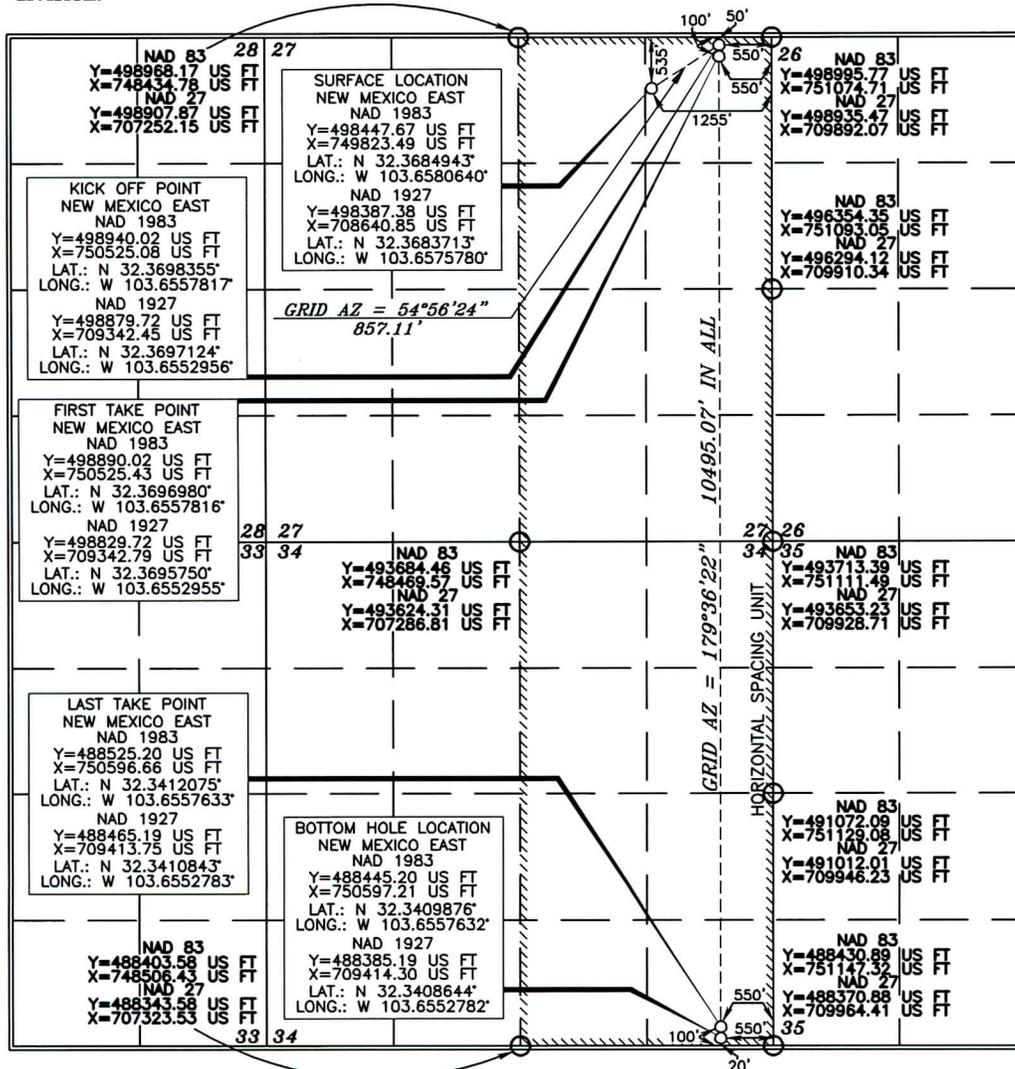
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	22 SOUTH	32 EAST, N.M.P.M.		535'	NORTH	1255'	EAST	LEA

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
P	34	22 SOUTH	32 EAST, N.M.P.M.		20'	SOUTH	550'	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

Date of Survey **MAY 21, 2019**

Signature and Seal of Professional Surveyor: **TERRY J. ASH**

Certificate Number **15079**

WO# 181030WL-a (Rev. C) (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
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Santa Fe, NM 87505

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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name TACO CAT "27-34" FEDERAL COM	Well Number 31H
OGRID No.	Operator Name OXY USA INC.	Elevation 3635.2'

Surface Location

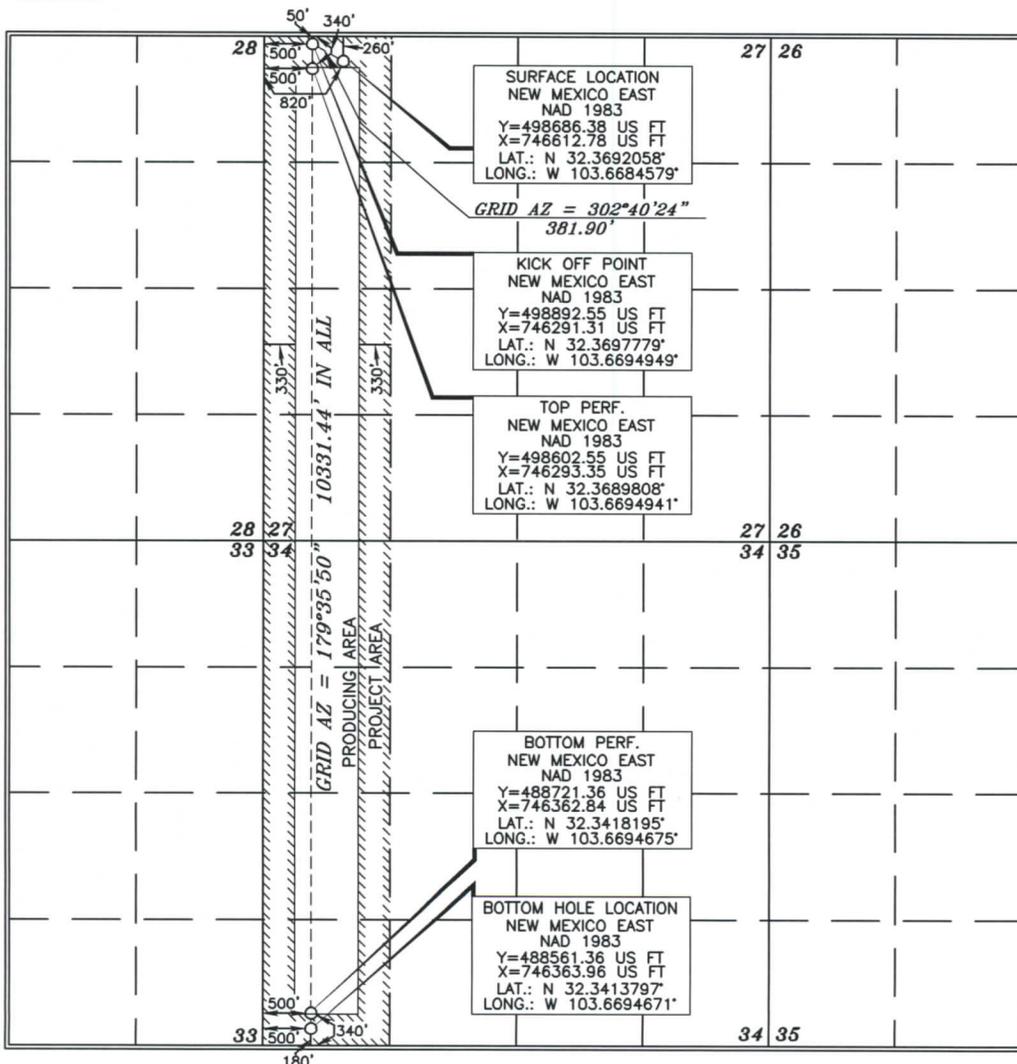
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	22 SOUTH	32 EAST, N.M.P.M.		260'	NORTH	820'	WEST	LEA

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
M	34	22 SOUTH	32 EAST, N.M.P.M.		180'	SOUTH	500'	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

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OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

DECEMBER 26, 2017
Date of Survey

Signature and Seal of Professional Surveyor: *Terry J. Paul*

Certificate Number 15079

WO# 171226WL-b (KA)

District I
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name		Well Number
	TACO CAT "27_34" FEDERAL COM		32H
OGRID No.	Operator Name		Elevation
	OXY USA INC.		3641.8'

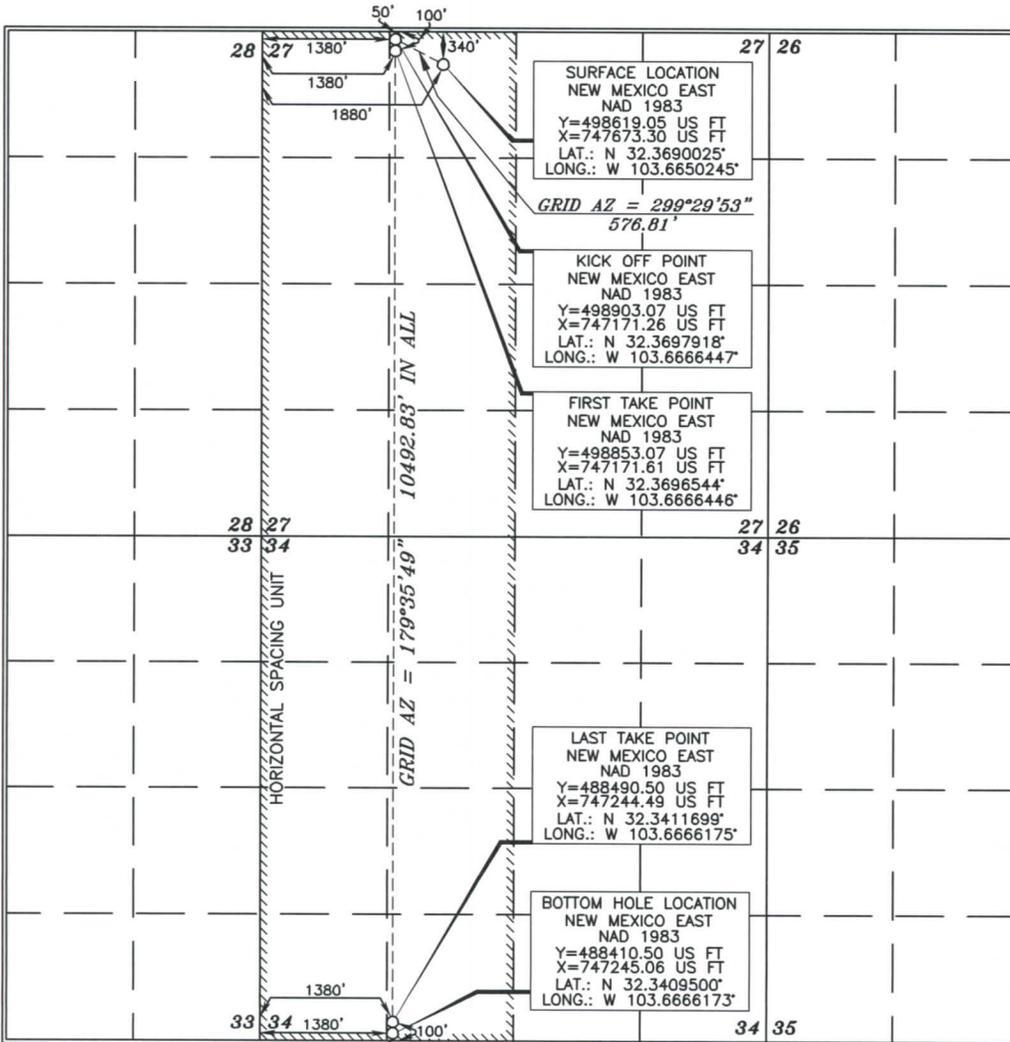
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	22 SOUTH	32 EAST, N.M.P.M.		340'	NORTH	1880'	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	34	22 SOUTH	32 EAST, N.M.P.M.		20'	SOUTH	1380'	WEST	LEA
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.					

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OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
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.

Date of Survey **MAY 24, 2018**
Signature and Seal of Professional Surveyor _____

Ferry J. As...
Certificate Number 15079

WO# 180524WL-a (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
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State of New Mexico
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1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name			Well Number
		TACO CAT "27_34" FEDERAL COM			33H
OGRID No.		Operator Name			Elevation
		OXY USA INC.			3640.4'

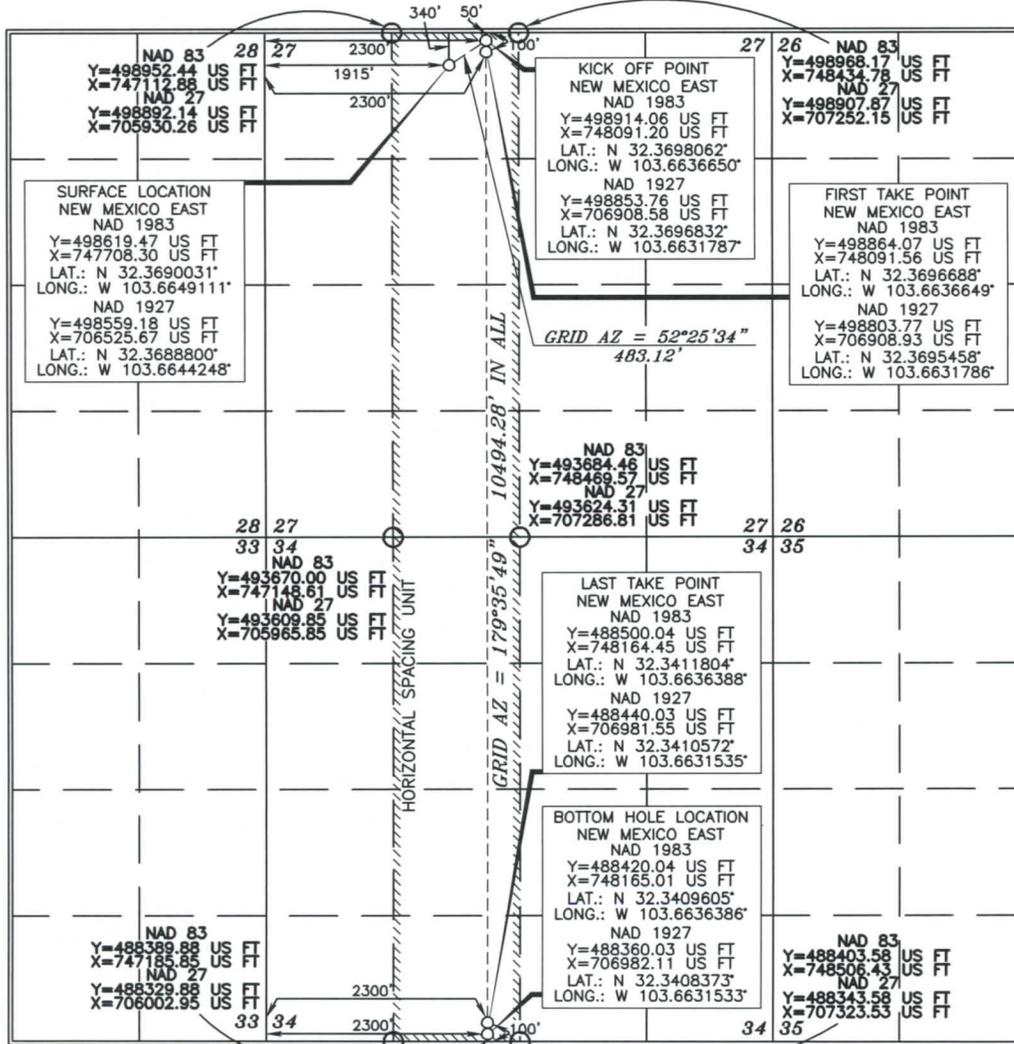
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	22 SOUTH	32 EAST, N.M.P.M.		340'	NORTH	1915'	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	34	22 SOUTH	32 EAST, N.M.P.M.		20'	SOUTH	2300'	WEST	LEA
Dedicated Acres		Joint or Infill	Consolidation Code	Order No.					

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OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

JERRY J. ASH
15079
SEPTEMBER 12, 2016
Date of Survey

Signature and Seal of Professional Surveyor

Jerry J. Ash 3/12/2021
Certificate Number 15079

WO# 180912WL-a (Rev. A) (KA)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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District III
1000 Rio Brazos Road, 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, NM 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	Pool Code	Pool Name
Property Code	Property Name TACO CAT "27_34" FEDERAL COM	Well Number 34H
OGRID No.	Operator Name OXY USA INC.	Elevation 3657.3'

Surface Location

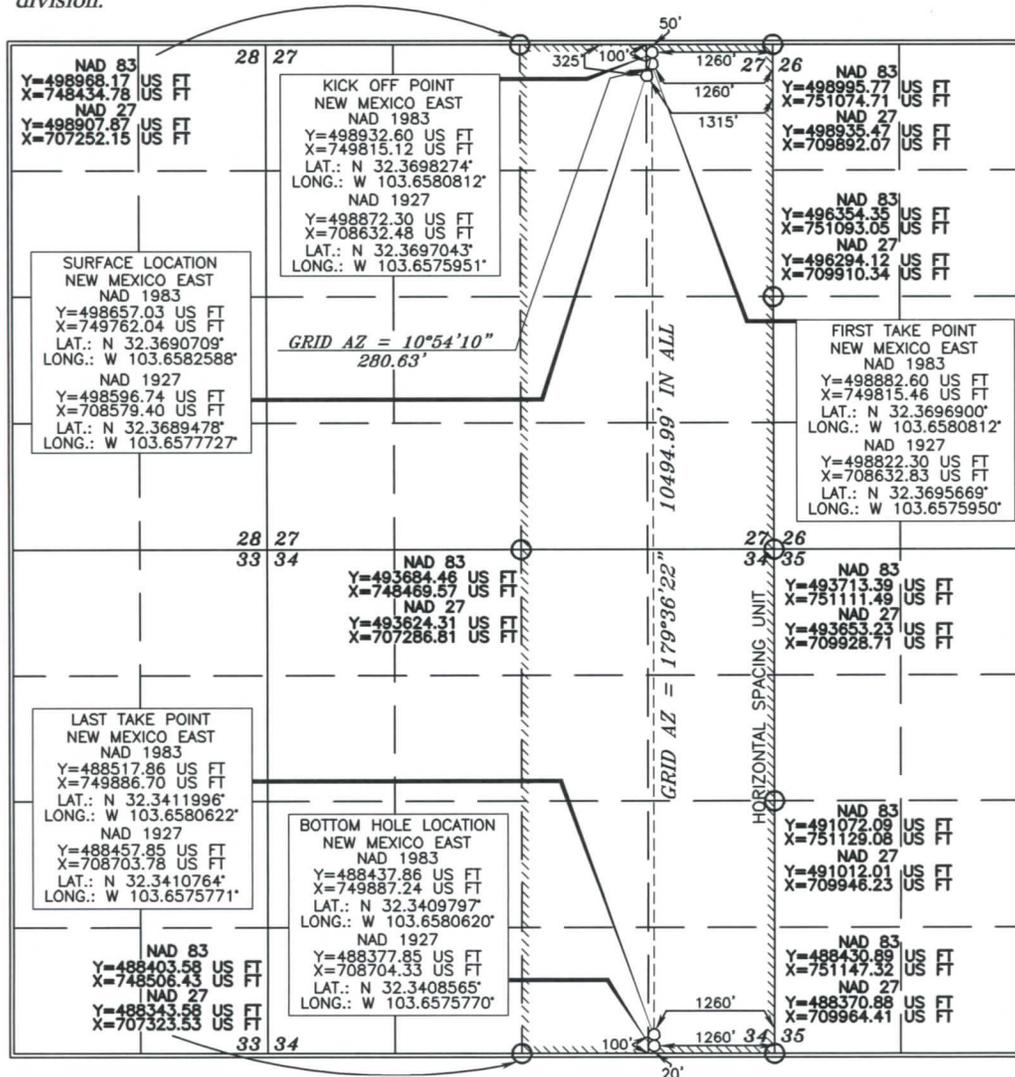
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	27	22 SOUTH	32 EAST, N.M.P.M.		325'	NORTH	1315'	EAST	LEA

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
P	34	22 SOUTH	32 EAST, N.M.P.M.		20'	SOUTH	1260'	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
-----------------	-----------------	--------------------	-----------

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.



OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

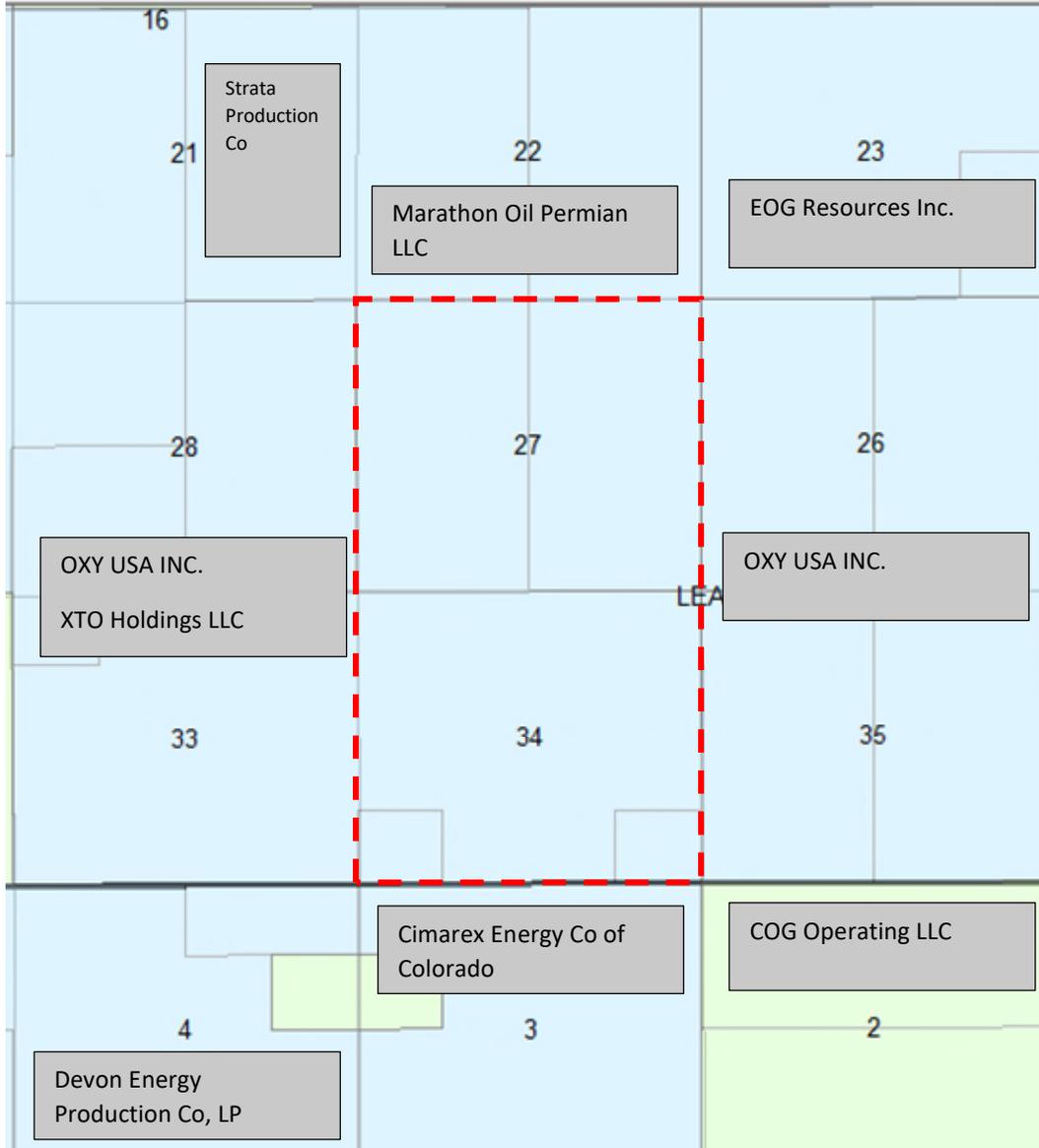
SURVEYOR CERTIFICATION

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.

STERRI J. ASH
15079
MAY 21, 2019
Date of Survey

Signature and Seal of Professional Surveyor _____

Certificate Number **15079**



Map Key:

 Federal Lands

 State Lands

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B4
Submitted by: OXY USA INC.
Hearing Date: June 17, 2021
Case No. 21908

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

**APPLICATION OF OXY USA INC. FOR
APPROVAL OF 1,280-ACRE NON-
STANDARD SPACING UNITS IN THE
BONE SPRING & WOLFCAMP
FORMATIONS COMPRISED OF
ACREAGE SUBJECT TO A PROPOSED
COMMUNITIZATION AGREEMENT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 21908

**AFFIDAVIT OF MICHAEL J. HARTY
IN SUPPORT OF CASE NO. 21908**

Michael J. Harty, of lawful age and being first duly sworn, declares as follows:

1. My name is Michael J. Harty. I work for Occidental Petroleum Company (“Oxy”) as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Oxy in this case for approval of a non-standard horizontal spacing units in the Bone Spring and Wolfcamp formations and I have conducted a geologic study of the lands in the subject area.
4. Oxy is targeting both the Bone Spring and Wolfcamp formations with the proposed non-standard units in this case.
5. **Oxy Exhibit C-1** is a locator map that outlines the proposed non-standard spacing units in the Bone Spring and Wolfcamp formations. It shows the path of the wellbores for the **Taco Cat “27_34” Federal Com #24H, #25H, #26H, #31H, #32H, #33H, and #34H wells.**

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: OXY USA INC.
Hearing Date: June 17, 2021
Case No. 21908

6. **Oxy Exhibit C-2** depicts a subsea structure map that I prepared off the top of the Second Bone Spring formation with a contour interval of 25 feet. The **Taco Cat “27_34” Federal Com #24H, #25H, #26H, #31H, #32H, #33H, #34H and #35H wells** are depicted with red lines, and I have identified the surface and bottom hole locations for the wells. The structure map shows the top of the Bone Spring is gently dipping to the southwest in the project area away from a structural high point west of the project area. The structure appears consistent across the intended wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling these proposed wells within this non-standard spacing unit in the Bone Spring and Wolfcamp formations.

7. **Oxy Exhibit C-2** also shows the location of the wells used to create the stratigraphic cross-section from A to A’ on **Oxy Exhibit C-3**. These three wells are representative of the geology in the Bone Spring and Wolfcamp formations underlying the proposed non-standard horizontal spacing unit.

8. **Oxy Exhibit C-3** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the lower Bone Spring formation and the Upper Wolfcamp formation from the three representative wells denoted from A to A’ on **Oxy Exhibit C-2**. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The targeted intervals are labeled and marked. The logs in the cross-section demonstrate that the targeted intervals, within the Bone Spring and Wolfcamp formations, are consistent in thickness, across the proposed nonstandard horizontal spacing units.

9. In my opinion, the standup orientation of the wells is the preferred orientation for horizontal well development of the targeted intervals in the Bone Spring and Wolfcamp formations in this area. This standup orientation will efficiently and

effectively develop the subject acreage, and the proposed non-standard units will result in significant efficiencies due to the ability of Oxy to consolidate surface facilities.

10. In my opinion, each tract comprising the proposed non-standard horizontal spacing units will be productive and contribute more-or-less equally to production from the wellbore.

11. In my opinion, the granting of Oxy's applications in these cases are in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Oxy Exhibits C-1 through C-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.


MICHAEL J. HARTY

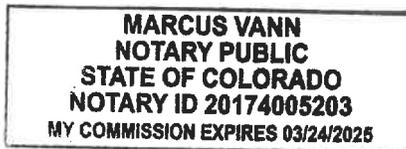
STATE OF ~~TEXAS~~ *Colorado*)
COUNTY OF ~~HARRIS~~ *Jefferson*)

SUBSCRIBED and SWORN to before me this 27 day of May 2021
by Michael J. Harty.

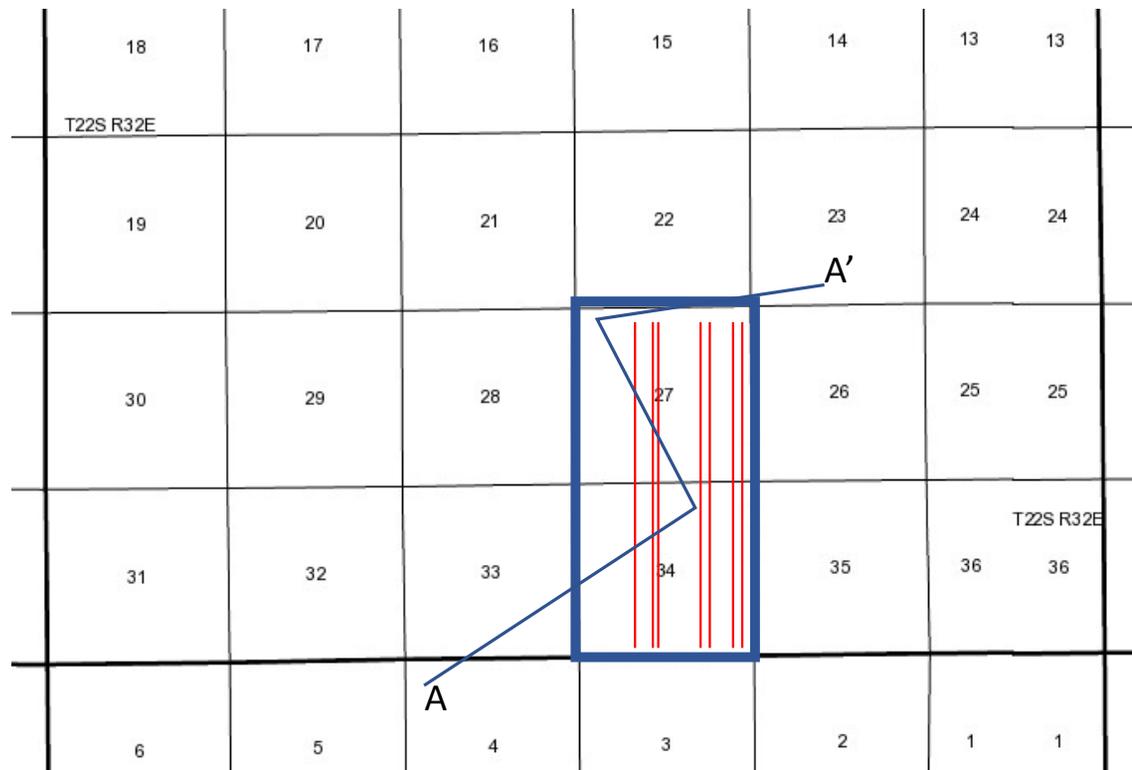

NOTARY PUBLIC

My Commission Expires:

03/24/2025



Locator Map

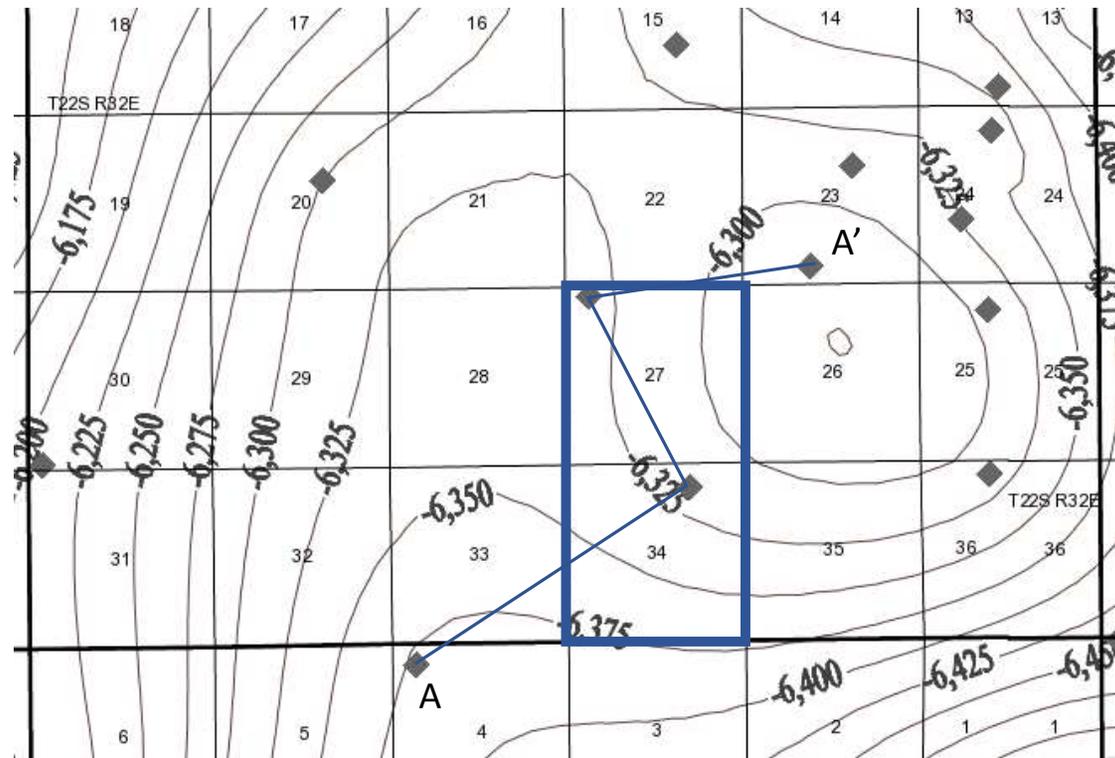


Author: Michael Hart, Staff Geologist, Oxy USA Inc 5/26/2021

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C1
Submitted by: OXY USA INC.
Hearing Date: June 17, 2021
Case No. 21908

Subsea Structure Map Second Bone Spring

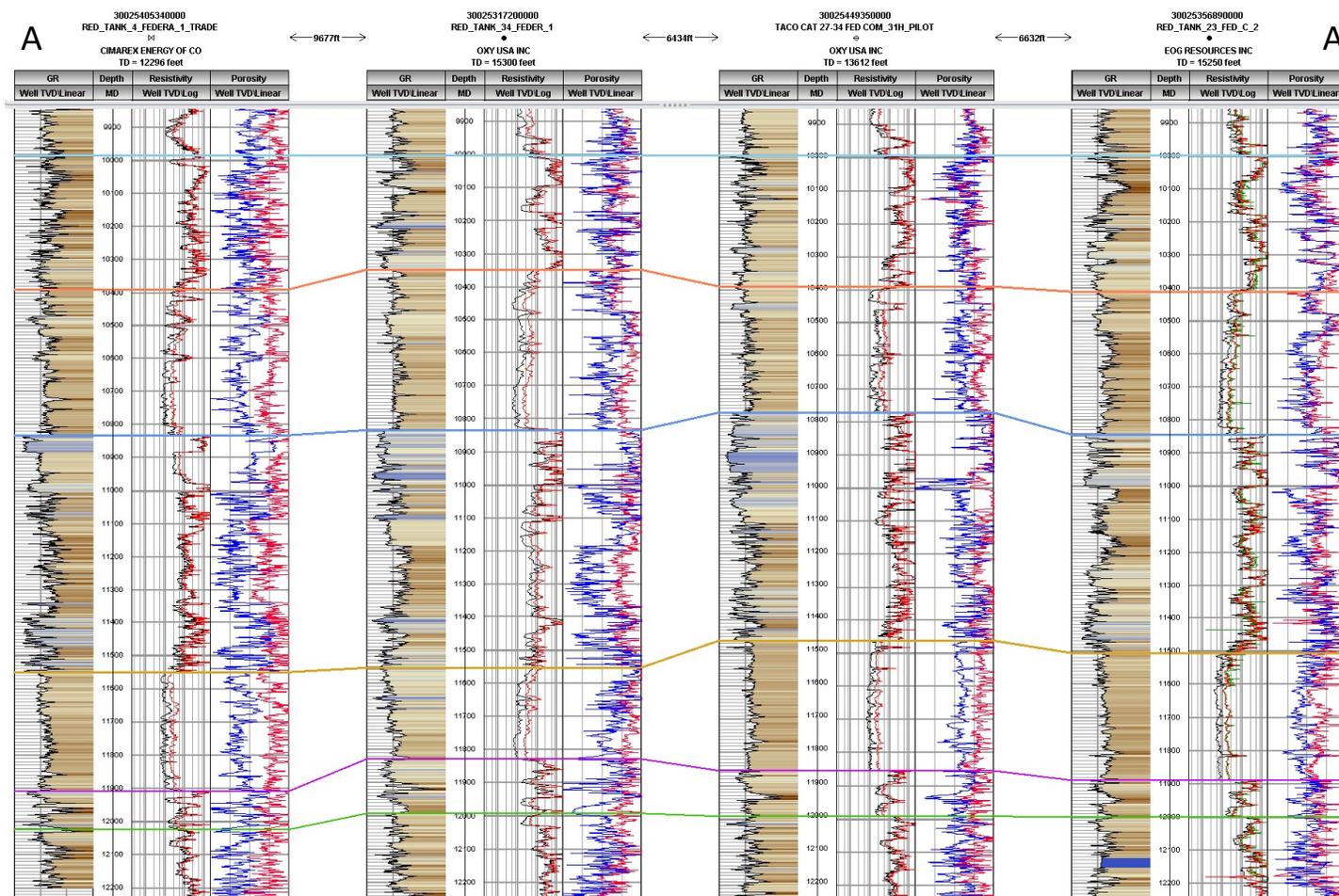
-  Project Area
-  Control Points
- Contour Interval: 25 ft.



Author: Michael Harty, Staff Geologist, Oxy USA Inc 5/26/2021

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C2
 Submitted by: OXY USA INC.
 Hearing Date: June 17, 2021
 Case No. 21908

Cross Section



Author: Michael Harty, Staff Geologist, Oxy USA Inc 5/26/2021

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C3
 Submitted by: OXY USA INC.
 Hearing Date: June 17, 2021
 Case No. 21908



Kaitlyn A. Luck
Phone (505) 988-4421
Fax (505) 983-6043
kaluck@hollanhart.com

May 14, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

**Re: Application of OXY USA Inc. for approval of 1,280-acre non-standard spacing units in the Bone Spring & Wolfcamp formations comprised of acreage subject to a proposed communitization agreement, Lea County, New Mexico.
Taco Cat "27 34" Federal Com wells**

Ladies & Gentlemen:

This letter is to advise you that OXY USA Inc. has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on June 3, 2021 beginning at 8:15 a.m., until it is concluded. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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 online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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

Sincerely,

ATTORNEY FOR OXY USA INC.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

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

Oxy - Taco Cat - Non Standard Unit
Case No. 21908 Postal Delivery Report

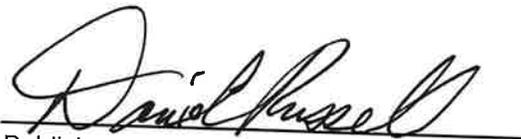
TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765893375321	Cimarex Energy Co of Colorado	600 N Marienfeld St Ste 600	Midland	TX	79701-4405	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765893375024	Bureau of Land Management	620 E Greene St	Carlsbad	NM	88220-6292	Your item was delivered to an individual at the address at 1:34 pm on May 18, 2021 in CARLSBAD, NM 88220.
9414811898765893375307	Marathon Oil Permian LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to the front desk, reception area, or mail room at 1:46 pm on May 17, 2021 in HOUSTON, TX 77056.
9414811898765893375390	Strata Production Co	PO Box 1030	Roswell	NM	88202-1030	Your item was delivered at 10:54 am on May 18, 2021 in ROSWELL, NM 88201.
9414811898765893375345	Bureau of Land Management	301 Dinosaur Trl	Santa Fe	NM	87508-1560	Your item was delivered to an individual at the address at 11:42 am on May 19, 2021 in SANTA FE, NM 87508.
9414811898765893375383	New Mexico State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was delivered at 10:26 am on May 17, 2021 in SANTA FE, NM 87501.
9414811898765893375338	EOG Resources Inc	5509 Champions Dr	Midland	TX	79706-2843	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765893375376	COG Operating LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item was picked up at a postal facility at 8:30 am on May 18, 2021 in MIDLAND, TX 79701.
9414811898765893375055	Devon Energy Production Co, LP	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was delivered at 9:09 am on May 17, 2021 in OKLAHOMA CITY, OK 73102.
9414811898765893375062	XTO Holdings LLC	22777 Springwoods Village Pkwy	Spring	TX	77389-1425	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.

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
May 18, 2021
and ending with the issue dated
May 18, 2021.



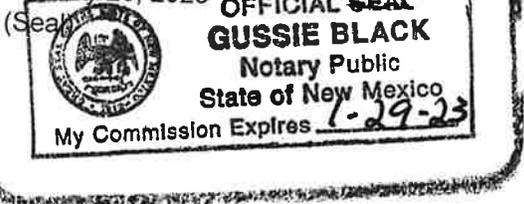
Publisher

Sworn and subscribed to before me this
18th day of May 2021.



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

LEGAL NOTICE May 18, 2021

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on **Thursday, June 3, 2021, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us; or the New Mexico Relay Network at 1-800-659-1779, no later than **May 23, 2021**.

Persons may view and participate in the hearings through the following link:
<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ec1d641c6ace40c7558b1e0da816030e>
Event number: 187 817 6036
Event password: 9i7hAhEhgh5

Join by video: 1878176036@nmemnrd.webex.com
Numeric Password: 235514
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free
Access code: 187 817 6036

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 affected parties, including: Cimarex Energy Co of Colorado; Marathon Oil Permian LLC; Strata Production Co; Bureau of Land Management; New Mexico State Land Office; EOG Resources Inc; COG Operating LLC; Devon Energy Production Co, LP; and XTO Holdings LLC.

Case No. 21908: Application of OXY USA Inc. for approval of 1,280-acre non-standard spacing units in the Bone Spring & Wolfcamp formations comprised of acreage subject to a proposed communitization agreement, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving 1,280-acre non-standard spacing units to match the corresponding proposed Communitization Agreement for the acreage underlying Sections 27 and 34, Township 22 South, Range 32 East, NMPM, Lea County, New Mexico. The acreage underlying the proposed non-standard spacing units are subject to the following Division designated pools:
• Red Tank; Bone Spring Pool (Pool Code 51683)
• WC-025 G-08 S223227D; Upper Wolfcamp Pool (Pool Code 98286)
The subject area is located approximately 32 miles northeast of Jal, New Mexico. #36496

67100754 00254238

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: OXY USA INC.
Hearing Date: June 17, 2021
Case No. 21908