

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

**APPLICATION OF OXY USA INC. FOR APPROVAL  
OF OVERLAPPING HORIZONTAL WELL  
SPACING UNITS AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25108**

**NOTICE OF REVISED EXHIBITS**

OXY USA Inc. (“Oxy”), applicant in the above referenced case, gives notice that it is filing the attached revised exhibit for acceptance into the record.

**OXY Revised Exhibit A** is revised compulsory pooling checklist with the corrected vertical target listed, as well as the corrected pool name and code.

**OXY Revised Exhibit C-2** are updated C-102s with the corrected pool name and code.

**OXY Revised Exhibit C-3** is revised pooling exhibit that includes the ownership breakdown and identifies the parties being pooled.

**OXY Revised Exhibit C-5** is an updated chronology of contacts showing that OXY reached voluntary agreement with some of the parties it originally sought to pool.

**OXY Revised Exhibits D-1 through D-4** corrects some spelling errors and includes updated maps.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_  
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Adam G. Rankin  
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**ATTORNEYS FOR OXY USA INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on April 15, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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***Attorneys for 3R Operating, LLC***

  
Paula M. Vance \_\_\_\_\_

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING APRIL 10, 2025**

**CASE NO. 25108**

*SORO 19-30 74H, 75H, & 76H WELLS*

*EDDY COUNTY, NEW MEXICO*



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

**APPLICATION OF OXY USA INC.FOR APPROVAL  
OF OVERLAPPING HORIZONTAL WELL  
SPACING UNITS AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25108**

**TABLE OF CONTENTS**

- **OXY Revised Exhibit A:** Compulsory Pooling Application Checklist
- **OXY Exhibit B:** Application of OXY USA Inc. for Compulsory Pooling
- **OXY Exhibit C:** Self-Affirmed Statement of Alissa Payne, Landman
  - OXY Exhibit C-1: Resume
  - OXY Revised Exhibit C-2: C-102s
  - OXY Revised Exhibit C-3: Land Tract Map & Ownership Breakdown & Overlap
  - OXY Exhibit C-4: Sample Well Proposal Letters with AFE
  - OXY Revised Exhibit C-5: Chronology of Contacts
- **OXY Exhibit D:** Self-Affirmed Statement of Seth Brazell, Geologist
  - OXY Revised Exhibit D-1: Locator Map
  - OXY Revised Exhibit D-2: Subsea Structure Map
  - OXY Revised Exhibit D-3: Structural Cross-Section
  - OXY Revised Exhibit D-4: Stratigraphic Cross-Section
- **OXY Exhibit E:** Self-Affirmed Statement of Notice
- **OXY Exhibit F:** Affidavit of Publication

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 25108	APPLICANT'S RESPONSE
Date	April 10, 2025
Applicant	OXY USA Inc.
Designated Operator & OGRID (affiliation if applicable)	OXY USA Inc. (OGRID No. 24875)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF OXY USA INC. FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
	<p><b>BEFORE THE OIL CONSERVATION DIVISION</b>            Santa Fe, New Mexico            Revised Exhibit No. A            Submitted by: OXY USA INC.            Hearing Date: April 10, 2025            Case No. 25108</p>
Entries of Appearance/Intervenors:	COG Operating, LLC/Marathon Oil Permian LLC; 3R Operating LLC
Well Family	SORO CC 19_30
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Third Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	Pierce Crossing; Bone Spring, South [96671] (Section 30) & Pierce Crossing; Bone Spring [50371] (Section 19)
Well Location Setback Rules (Only if NSP is Requested):	Statewide oil pool
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640
Building Blocks:	40 acres
Orientation:	Stand-up
Description: TRS/County	E/2 of irregular Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes; the completed interval of the SORO CC 19_30 Fed Com 75H well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC.

Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit C-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<b><u>SORO CC 19 30 Fed Com 74H well:</u></b> API: 30-015-PENDING SHL: 1,336' FNL, 633' FEL (Unit H), Section 19 BHL: 20' FSL, 2,180' FEL (Unit O), Section 30 Target: Third Bone Spring Orientation: Stand-up Completion: Standard Location
Well #2	<b><u>SORO CC 19 30 Fed Com 75H well:</u></b> API: 30-015-PENDING SHL: 1,306' FNL, 633' FEL (Unit A), Section 19 BHL: 20' FSL, 1,250' FEL (Unit P), Section 30 Target: Third Bone Spring Orientation: Stand-up Completion: Standard Location / Proximity well
Well #3	<b><u>SORO CC 19 30 Fed Com 76H well:</u></b> API: 30-015-PENDING SHL: 1,276' FNL, 633' FEL (Unit A), Section 19 BHL: 20' FSL, 330' FEL (Unit P), Section 30 Target: Third Bone Spring Orientation: Stand-up Completion: Standard Location
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$12,000
Production Supervision/Month \$	\$1,200
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A

Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D; D-3; D-4
HSU Cross Section	Exhibit D-3; D-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3; D-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Paula M. Vance
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	4/14/2025

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

**APPLICATION OF OXY USA INC. FOR APPROVAL  
OF AN OVERLAPPING HORIZONTAL WELL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

CASE NO. 25108

**APPLICATION**

OXY USA Inc. (“Oxy” or “Applicant”) (OGRID No. 16696) through its undersigned attorneys, files this application with the Oil Conservation Division for an order (a) approving a standard 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. In support of this application, Oxy states:

1. Oxy is a working interest owner in the subject acreage and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal well spacing unit to the proposed **SORO CC 19\_30 Fed Com 74H**, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 19, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 19, and last take point in the SW/4 SE/4 (Unit O) of irregular Section 30; and **SORO CC 19\_30 Fed Com 75H** and **SORO CC 19\_30 Fed Com 76H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 19, and last take point in the SE/4 SE/4 (Unit P) of irregular Section 30.

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. B  
Submitted by: OXY USA INC.  
Hearing Date: April 10, 2025  
Case No. 25108

3. The completed interval of the **SORO CC 19\_30 Fed Com 75H** well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC.

4. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
- 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently operated by Mewbourne Oil Company; and
- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company.

5. This proposed horizontal well spacing unit will overlap the following proposed spacing units in the Bone Spring formation:

- 320-acre spacing unit comprised of Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal #551H (API: 30-015-PENDING).

6. Oxy seeks to pool only a portion of the Bone Spring formation, limited to the depths from the top of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 8,653 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well

(API:30-015-24292) to the base of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 9,687 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292).

7. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all mineral interest owners in the subject spacing unit.

8. Approval of this overlapping horizontal well spacing unit and the pooling of interests therein will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing on January 9, 2025, before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed overlapping horizontal well spacing unit and pooling all uncommitted interests within a portion of the Bone Spring formation;
- B. Designating Applicant as operator of this overlapping spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR OXY USA INC.**

- CASE \_\_\_\_\_ : **Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order (a) approving a standard 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. This spacing unit will be initially dedicated to the **SORO CC 19\_30 Fed Com 74H**, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 19, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 19, and last take point in the SW/4 SE/4 (Unit O) of irregular Section 30; and **SORO CC 19\_30 Fed Com 75H** and **SORO CC 19\_30 Fed Com 76H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 19, and last take point in the SE/4 SE/4 (Unit P) of irregular Section 30. The completed interval of the **SORO CC 19\_30 Fed Com 75H** well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:
- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
  - 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
  - 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
  - 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently operated by Mewbourne Oil Company; and

- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company.

This proposed horizontal well spacing unit will overlap the following proposed spacing unit in the Bone Spring formation:

- 320-acre spacing unit comprised of Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal #551H (API: 30-015-PENDING).

Also, to be considered will be approval of the overlapping spacing unit, the cost of drilling and completing the wells and the allocation of the costs thereof, operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 4 miles southeast of Malaga, New Mexico.

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

APPLICATION OF OXY USA INC. FOR APPROVAL  
OF AN OVERLAPPING HORIZONTAL WELL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 25108

SELF-AFFIRMED STATEMENT OF ALISSA PAYNE

1. My name is Alissa Payne. I work for OXY USA Inc. ("OXY") as a Senior Land Negotiator.

2. I have not previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters. I have included a copy of my resume as **OXY Exhibit C-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and I be tendered as an expert in land matters.

3. I am familiar with the application filed by OXY in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case has indicated opposition to proceeding by affidavit and, therefore, I do not expect any opposition at the hearing.

5. Under **Case No. 25108**, OXY seeks an order (a) approving a standard 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. OXY seeks to initially dedicate the above-referenced spacing unit to the proposed **SORO CC 19\_30 Fed Com 74H**, to be horizontally drilled from a surface location in the SE/4 NE/4 (Unit H) of

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: OXY USA INC.  
Hearing Date: April 10, 2025  
Case No. 25108

irregular Section 19, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 19, and last take point in the SW/4 SE/4 (Unit O) of irregular Section 30; and **SORO CC 19\_30 Fed Com 75H** and **SORO CC 19\_30 Fed Com 76H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 19, and last take point in the SE/4 SE/4 (Unit P) of irregular Section 30. The completed interval of the **SORO CC 19\_30 Fed Com 75H** well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC. This horizontal well spacing unit will overlap the following existing and proposed Bone Spring spacing units:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
- 320-acre spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
- 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently operated by Mewbourne Oil Company; and
- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company.

6. Oxy seeks to pool only a portion of the Bone Spring formation, limited to the depths from the top of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 8,653 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well

(API:30-015-24292) to the base of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 9,687 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292).

7. **OXY Exhibit C-2** contains a draft Form C-102 for the wells. The exhibit shows that the wells will be assigned to the Pierce Crossing; Bone Spring, South [96671].

8. **OXY Exhibit C-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of state and federal lands. The parties OXY seeks to pool are highlighted in yellow.

9. The diagram included with OXY Exhibit C-3 also depicts the newly proposed spacing unit in relation to the existing spacing units. A sample copy of the notice, and mailing report, is included in OXY Exhibit E.

10. **OXY Exhibit C-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what OXY and other operators have incurred for drilling similar horizontal wells in the area in this formation.

11. OXY requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$12,000 per month while drilling and \$1,200 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

12. **OXY Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, OXY has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an

effort to reach voluntary joinder. In my opinion, OXY has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

13. OXY has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that OXY seeks to pool and instructed that they be notified of this hearing. OXY has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

14. **OXY Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Alissa Payne  
Alissa Payne

4/3/25  
Date

---

## Alissa Dawn Payne

| 2000 Taylor St. Houston, TX 77007 | (940) 231-4103 |alissa\_payne@oxy.com|

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### PROFESSIONAL EXPERIENCE

#### Occidental Petroleum Corporation

Houston, TX

*Land Negotiator- Senior*

*Present*

*Land Negotiator-Staff*

*April 2022-April 2025*

- Effectively communicate with landowners from different backgrounds, tailoring strategies to meet specific needs while securing favorable deal terms for Oxy
- Maintain critical development positions by overseeing the production status of operated wells proactively evaluating lease performance to prevent loss
- Coordinate with federal and state agencies to obtain approval for Oxy developments on government owned leases

*Land Negotiator*

*July 2018-April 2022*

- Evaluated non-operated JOAs from industry competitors, ensuring data driven decision making of time sensitive offers
- Transacted with third party buyers to sell down interests in non-operated wellbores, preventing loss of value by circumventing non-consent penalties
- Evaluated lease obligations such as pooling authority and offset wells to help maintain legal agreements
- Initiated and closed valuable divestitures of non-core assets including Operated wells and leases

*Land Negotiator Intern*

*May 2017-August 2017*

- Conducted mineral leasing in Reeves County to core up future development areas for Oxy
- Corresponded with mineral owners and working interest partners in Oxy developments
- Evaluated lease obligations such as pooling authority and offset wells for Delaware Texas team
- Formally presented two summer projects to upper management at the conclusion of the internship

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### EDUCATION

#### Texas Tech University, Rawls College of Business

Lubbock, TX

*Bachelor of Business Administration, Energy Commerce*

*Graduation: May 2018*

- Terry Foundation Scholar

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### COMMUNITY ENAGAMENT AND PROFESSIONAL ORGANIZATIONS

- |   |               |
|---|---------------|
| • Municipal Utility District Board 578, Assistant Secretary | 2021- Present |
| • American Association of Professional Landmen, Member      | 2018- Present |
| • Houston Livestock Show and Rodeo, Volunteer               | March 2022    |

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-1

Submitted by: OXY USA INC.

Hearing Date: April 10, 2025

Case No. 25108

<b>C-102</b>  Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department <b>OIL CONSERVATION DIVISION</b>	Santa Fe, New Mexico Revised Exhibit No. C-2 Submitted by: <b>OXY USA INC.</b> Hearing Date: April 10, 2025 Case No. 25108 Submittal Type: <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
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**WELL LOCATION INFORMATION**

API Number 30-015	Pool Code 50371	Pool Name <b>PIERCE CROSSING; BONE SPRING</b>
Property Code	Property Name <b>SORO CC 19_30 FED COM</b>	Well Number 74H
OGRID No. 16696	Operator Name <b>OXY USA INC.</b>	Ground Level Elevation 2946'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

**Surface Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>H</b>	<b>19</b>	<b>24S</b>	<b>29E</b>		<b>1336' FNL</b>	<b>633' FEL</b>	<b>32.20669420</b>	<b>-104.01716566</b>	<b>EDDY</b>

**Bottom Hole Location**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>O</b>	<b>30</b>	<b>24S</b>	<b>29E</b>		<b>20' FSL</b>	<b>2180' FEL</b>	<b>32.18119996</b>	<b>-104.02218288</b>	<b>EDDY</b>

Dedicated Acres <b>320</b>	Infill or Defining Well <b>INFILL</b>	Defining Well API <b>14H - pending</b>	Overlapping Spacing Unit (Y/N) <b>N</b>	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**Kick Off Point (KOP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>B</b>	<b>19</b>	<b>24S</b>	<b>29E</b>		<b>50' FNL</b>	<b>2180' FEL</b>	<b>32.21023230</b>	<b>-104.02214192</b>	<b>EDDY</b>

**First Take Point (FTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>B</b>	<b>19</b>	<b>24S</b>	<b>29E</b>		<b>100' FNL</b>	<b>2180' FEL</b>	<b>32.21009485</b>	<b>-104.02214297</b>	<b>EDDY</b>

**Last Take Point (LTP)**

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
<b>O</b>	<b>30</b>	<b>24S</b>	<b>29E</b>		<b>100' FSL</b>	<b>2180' FEL</b>	<b>32.18141987</b>	<b>-104.02218432</b>	<b>EDDY</b>

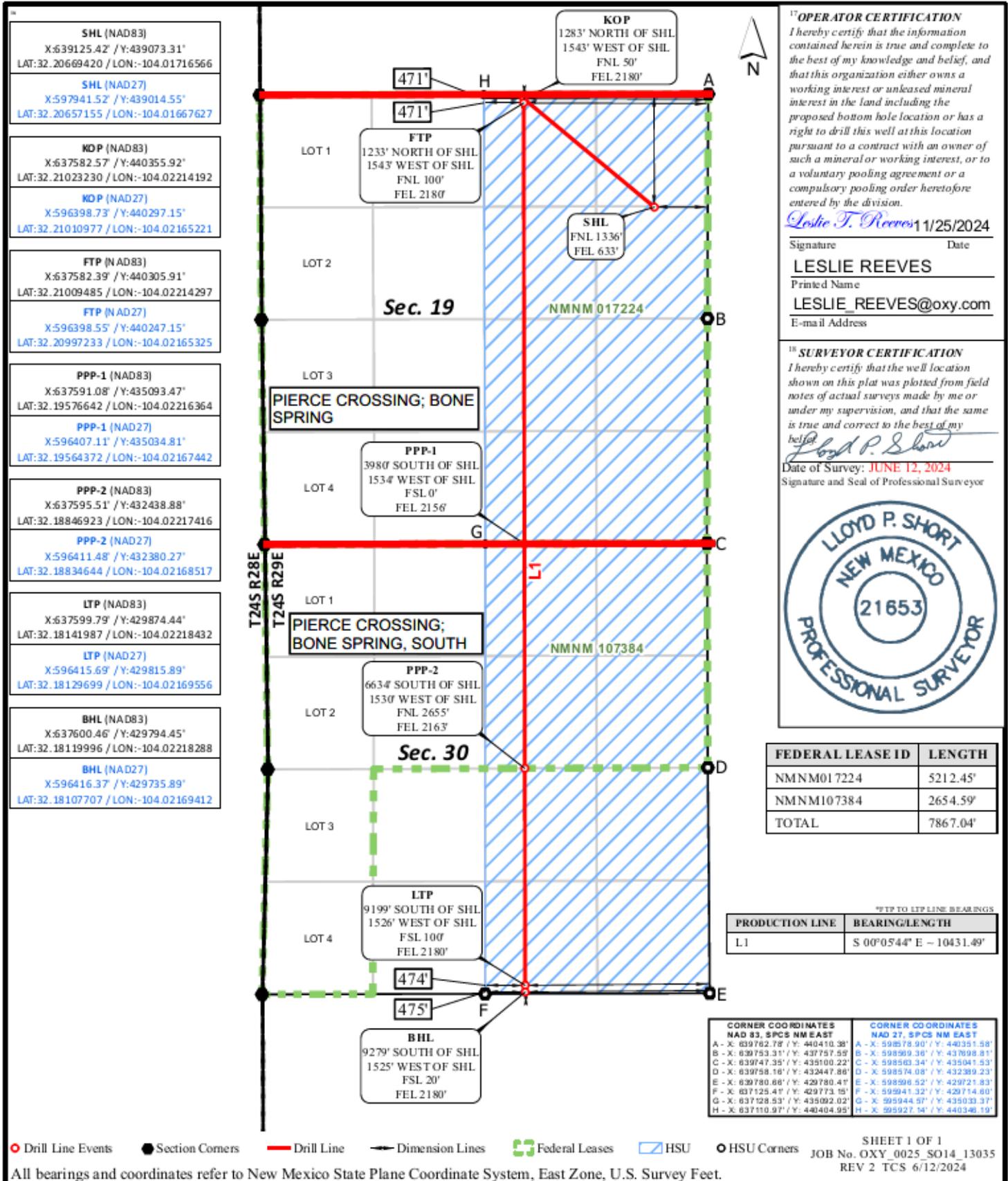
Unitized Area or Area of Uniform Interest	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: <b>2946'</b>
---	--	---

<p><b>OPERATOR CERTIFICATIONS</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p><b>Melissa Guidry</b>      04/11/25</p>	<p><b>SURVEYOR CERTIFICATIONS</b></p> <p><i>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.</i></p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="font-size: small;">15 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. <i>Lloyd P. Short</i> Date of Survey: JUNE 12, 2024 Signature and Seal of Professional Surveyor</p>  </div>
Signature <b>Melissa Guidry</b>	Signature and Seal of Professional Surveyor
Printed Name <b>melissa_guidry@oxy.com</b> Email Address	Certificate Number  Date of Survey <b>June 12, 2024</b>

Note: 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.

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

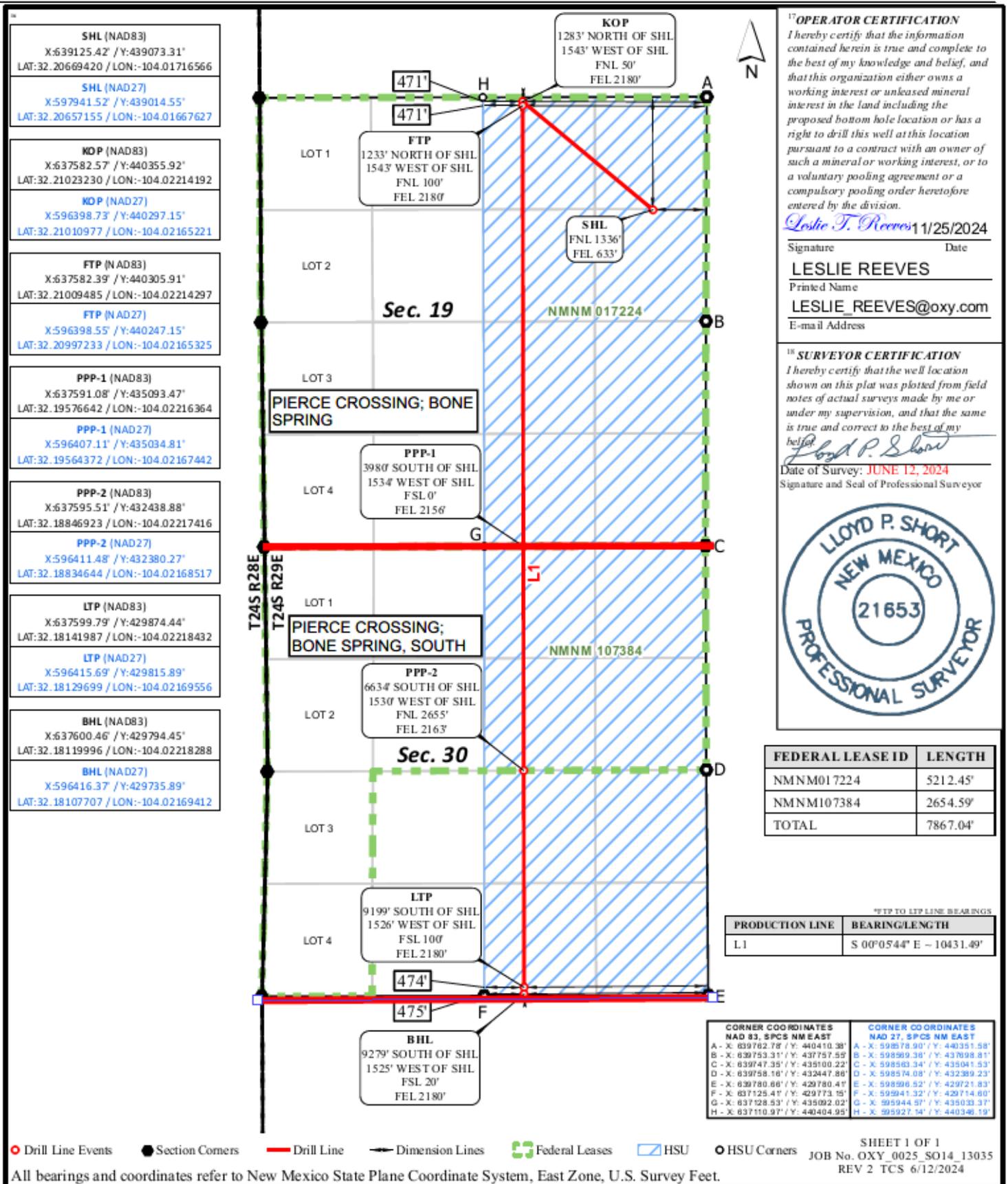


All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.  
Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99978281 and a Convergence Angle: 0.16875833°  
Released to Imaging: 4/16/2025 9:51:14 AM



This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

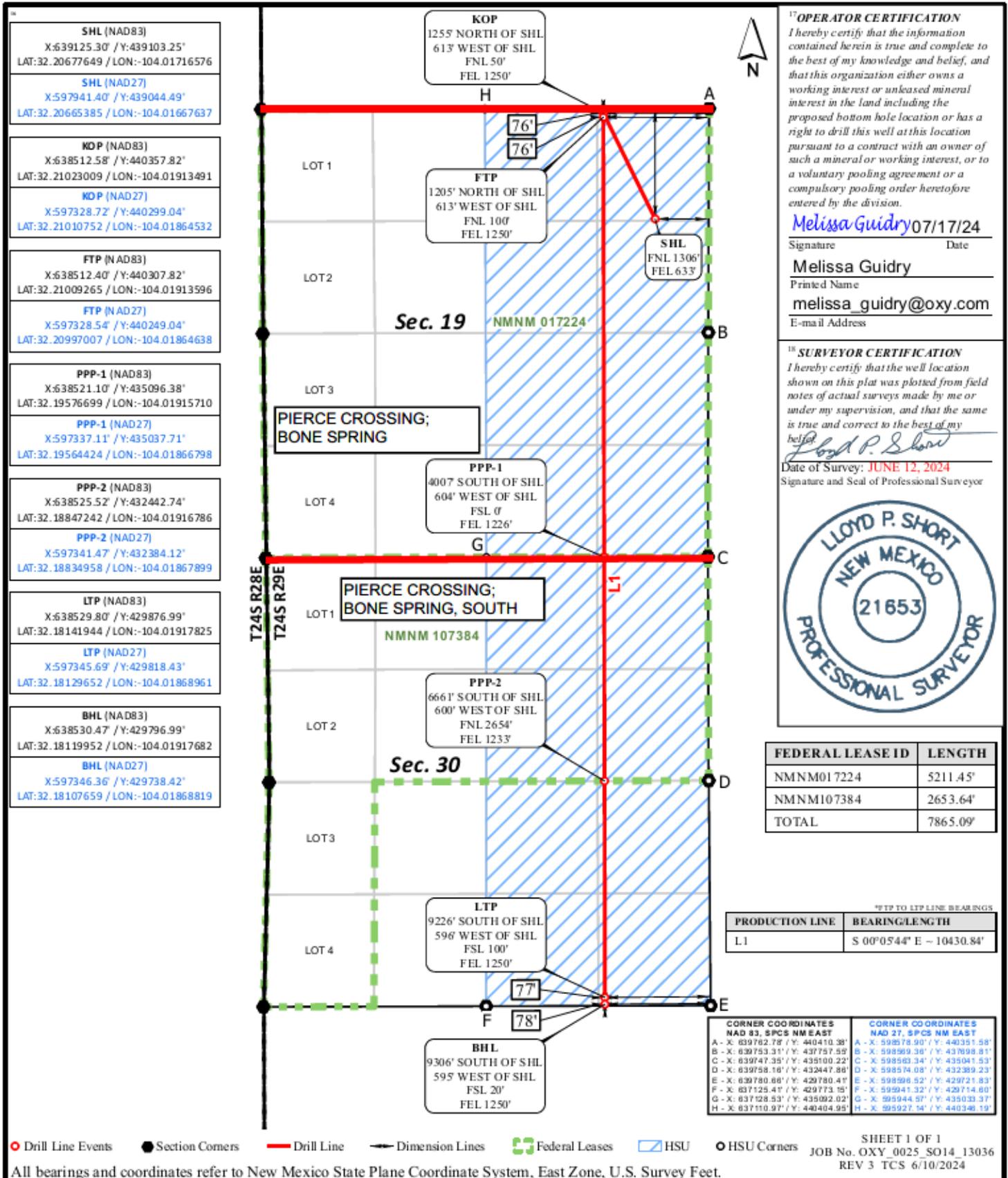
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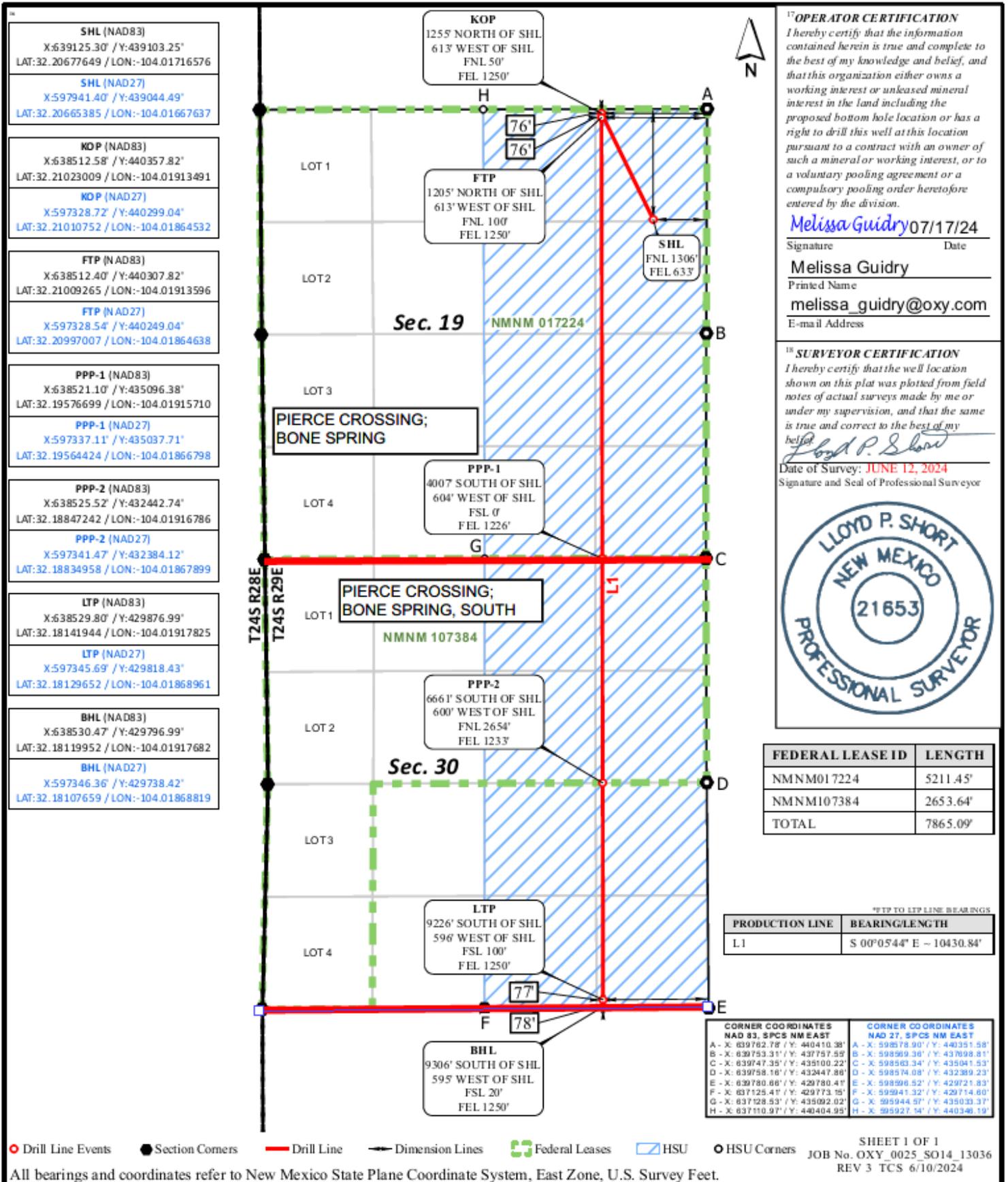
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Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



**17 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.

*Melissa Guidry* 07/17/24  
Signature Date

Melissa Guidry  
Printed Name

melissa\_guidry@oxy.com  
E-mail Address

**18 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.

*Lloyd P. Short*  
Date of Survey: JUNE 12, 2024  
Signature and Seal of Professional Surveyor



FEDERAL LEASE ID	LENGTH
NMNM017224	5211.45'
NMNM107384	2653.64'
<b>TOTAL</b>	<b>7865.09'</b>

\*FTP TO LTP LINE BEARINGS

PRODUCTION LINE	BEARING/LENGTH
L1	S 00°05'44" E ~ 10430.84'

CORNER COORDINATES NAD 83, SPCS NM EAST		CORNER COORDINATES NAD 27, SPCS NM EAST	
A - X: 639762.78 / Y: 440410.38	B - X: 639753.31 / Y: 437757.58	A - X: 598578.50 / Y: 440351.58	B - X: 598569.38 / Y: 437808.81
C - X: 639747.35 / Y: 435100.22	D - X: 639758.18 / Y: 432447.88	C - X: 598563.34 / Y: 435041.53	D - X: 598574.08 / Y: 432389.23
E - X: 639780.68 / Y: 429780.41	F - X: 637125.41 / Y: 429773.15	E - X: 598586.52 / Y: 429721.83	F - X: 598541.32 / Y: 429714.60
G - X: 637128.53 / Y: 435092.02	H - X: 637110.97 / Y: 440404.95	G - X: 598544.97 / Y: 435033.37	H - X: 598527.94 / Y: 440346.19

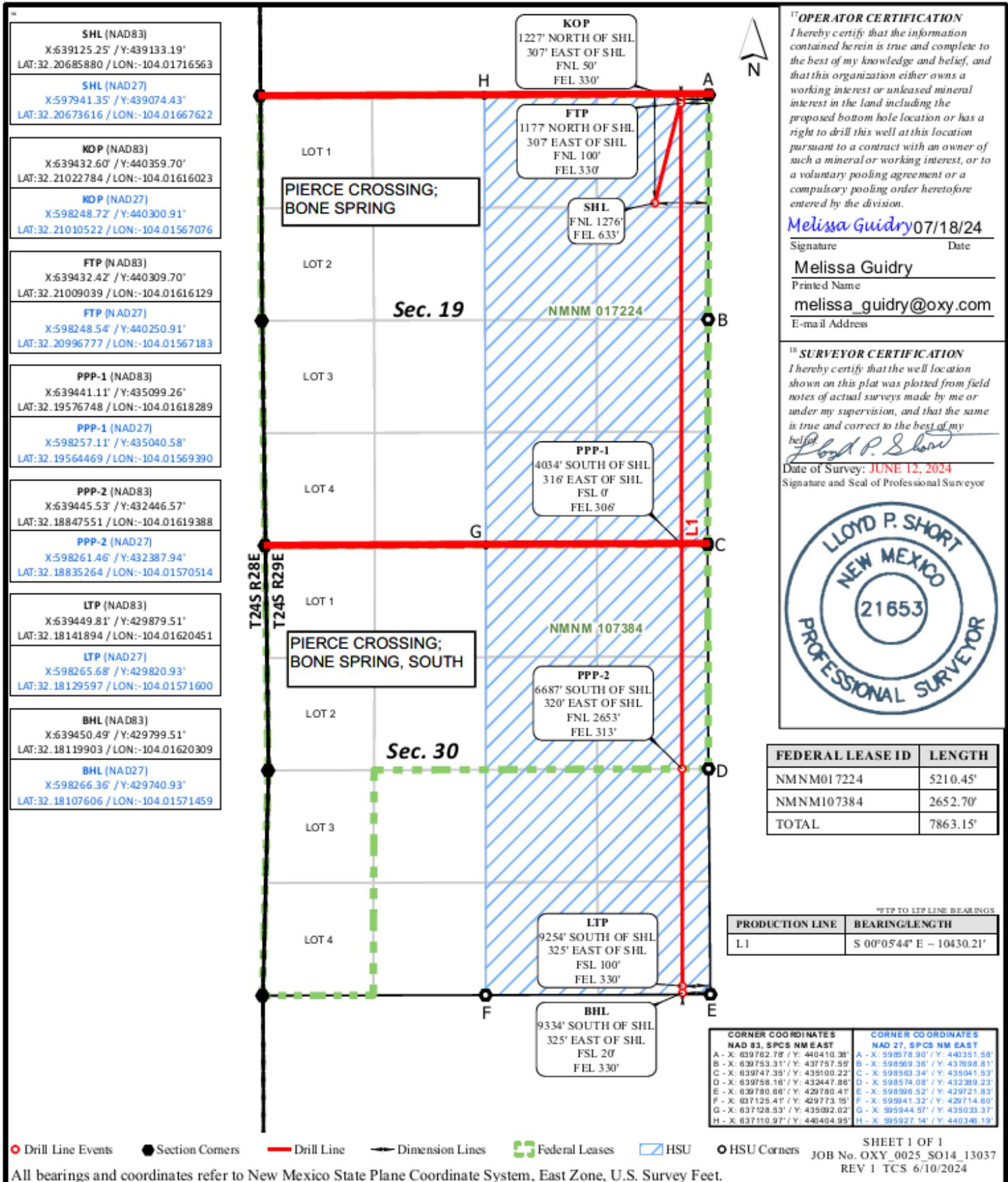
○ Drill Line Events ● Section Corners — Drill Line — Dimension Lines 🟩 Federal Leases 🟦 HSU ○ HSU Corners

SHEET 1 OF 1  
JOB No. OXY\_0025\_S014\_13036  
REV 3 TCS 6/10/2024



This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

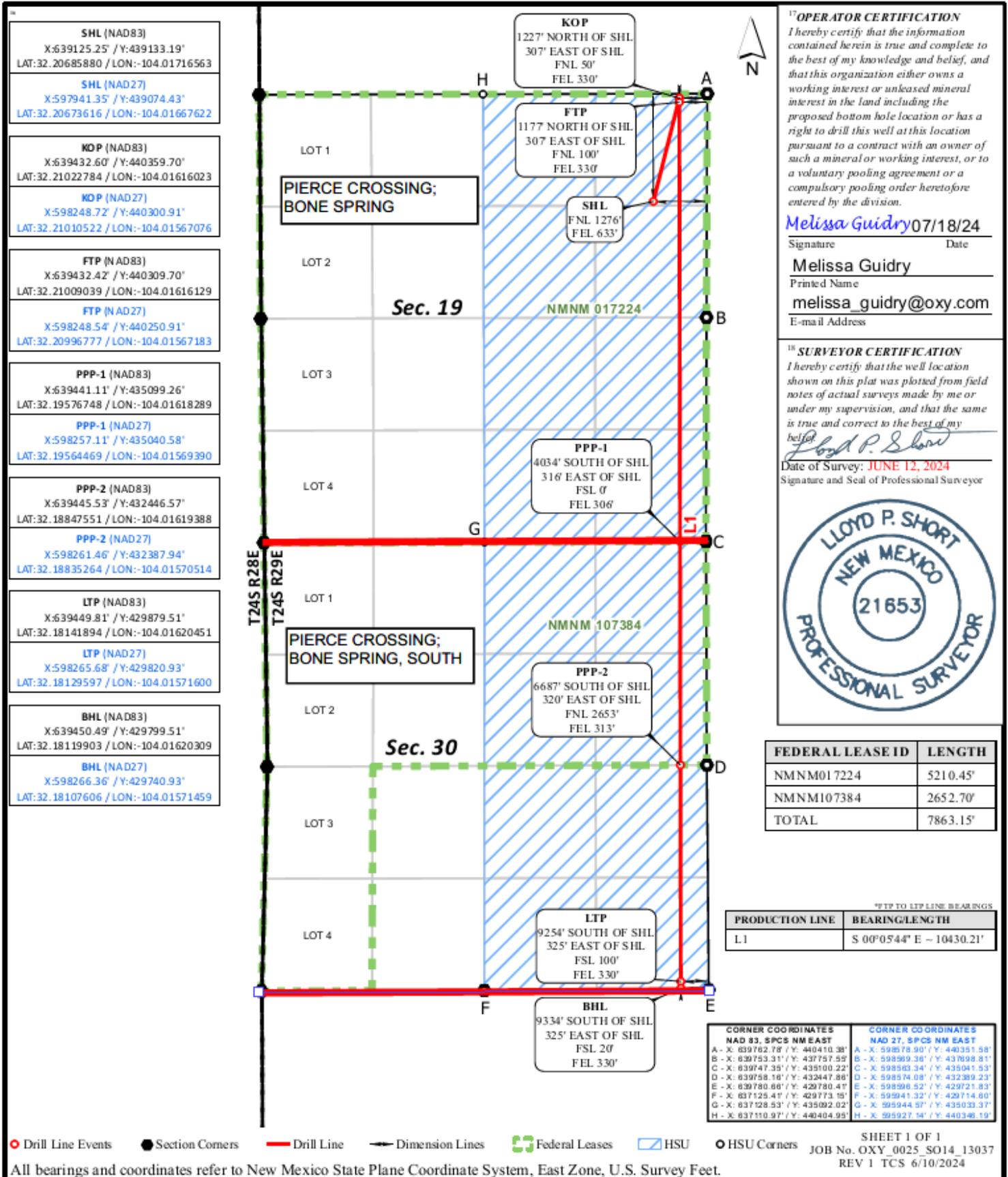
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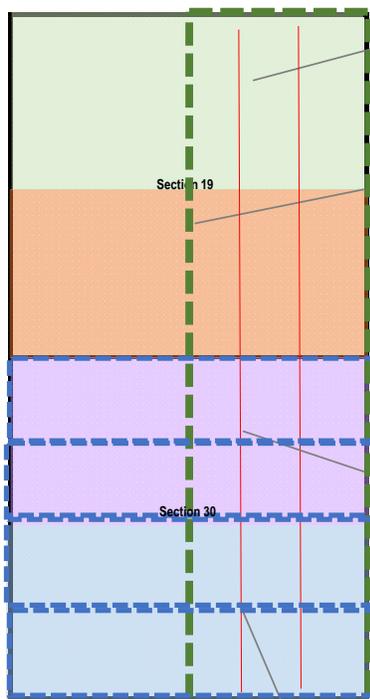


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Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



**E/2 of Section 19 and 30, T24S-R29E,  
Eddy County, New Mexico, containing 640 acres**



**Tract 1:**  
 25.000000% Oxy USA Inc  
 25.000000% Occidental Permian Limited Partnership  
 50.000000% OXY Y-1 Company

**Pooled Parties:**  
 None

**Tract 2:**  
 43.750000% Oxy USA Inc  
 18.750000% Occidental Permian Limited Partnership  
 37.500000% OXY Y-1 Company

**Pooled Parties:**  
 None

**Tract 3:**  
 29.949000% Ridge Runner II Nominee Corp  
 8.514000% OXY USA Inc.  
 6.332900% Occidental Permian Limited Partnership  
 0.237500% LHAH Properties LLC  
 0.118700% Hanley Petroleum LLC  
 0.023700% TBO Oil & Gas LLC  
 0.126700% David W Cromwell d/b/a Paleozoic Petroleum LLC  
 21.046500% COG Production LLC  
 9.322000% Marathon Oil Permian LLC  
 1.791700% COG Acreage LP

**Pooled Parties:**  
 1.576300% MEC Petroleum Corp.  
 0.644400% CD Ray Exploration, LLC  
 0.197900% Stillwater Investments- assigned to JL Erwin Family Partnership, LP  
 0.118700% H6 Holdings LLC

**Tract 4:**  
 31.356159% OXY USA Inc.  
 3.207953% OXY USA WTP LP  
 32.657599% Occidental Permian Limited Partnership  
 0.013542% TBO Oil & Gas, LLC  
 0.118969% JGCB Energy Services, LLC  
 0.067825% Hanley Petroleum LLC  
 0.072396% David W Cromwell d/b/a Paleozoic Petroleum LLC  
 0.135706% LHAH Properties, LLC  
 1.275000% Ellipsis Oil & Gas, Inc.  
 12.025868% COG Production LLC  
 1.023768% COG Acreage LP

**Pooled Parties:**  
 17.390073% McCombs Energy Ltd.  
 0.368207% CD Ray Exploration, LLC  
 0.113080% Stillwater Investments- assigned to JL Erwin Family Partnership, LP  
 0.067825% H6 Holdings, LLC  
 0.106031% Chief Capital (O&G) II, LLC

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

- Well- SoRo CC 19-30 Fed Com 13H and 14H
- Overlapping Bone Spring Spacing:  
**N2N2 of Sec. 30**  
 Rock Ridge Red Com BSS 4H (API: 30-015-45730)  
**N2S2 of Sec. 30**  
 Rock Ridge Red Com BSS 3H (API: 30-015-39543)  
 Rock Ridge Red Com BSS 8H (API: 30-015-45874)  
**N2 of Sec. 30**  
 Rock Ridge Federal BSS 7H (API: 30-015-45731)  
**N2S2 of Sec. 30**  
 Malaga 30 LI Fed Com 1H (API: 30-015-42193)  
**S2S2 of Sec. 30**  
 Malaga 30 MP Fed Com 1H (API: 30-015-41461)

**BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Revised Exhibit No. C-3  
 Submitted by: OXY USA INC.  
 Hearing Date: April 10, 2025  
 Case No. 25108**

E/2 of Sec. 19 and E/2 of Sec. 30, Township 24 South, Range 29 East, Eddy County, NM

		<b>Total Acres in proposed spacing unit:</b>	<b>640</b>
<b>Tract 1</b>	<b>NE/4 of Section 19</b>		
		<b>Acres contributed to proposed spacing unit:</b>	<b>160</b>
	25.000000% Oxy USA Inc		
	25.000000% Occidental Permian Limited Partnership		
	<u>50.000000%</u> OXY Y-1 Company		
	100.000000%		
	<b>Total Committed Interest</b>		<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>		<b>0.000000%</b>
<b>Tract 2</b>	<b>Lots 3 and 4 of Section 19</b>		
		<b>Acres contributed to proposed spacing unit:</b>	<b>160</b>
	43.750000% Oxy USA Inc		
	18.750000% Occidental Permian Limited Partnership		
	<u>37.500000%</u> OXY Y-1 Company		
	100.000000%		
	<b>Total Committed Interest</b>		<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>		<b>0.000000%</b>
<b>Tract 3</b>	<b>Lots 1 and 2 of Section 30</b>		
		<b>Acres contributed to proposed spacing unit:</b>	<b>160</b>
	29.949000% Ridge Runner II Nominee Corp		
	28.514000% OXY USA Inc.		
	21.046500% COG Production LLC		
	6.332900% Occidental Permian Limited Partnership		
	9.322000% Marathon Oil Permian LLC		
	1.791700% COG Acreage LP		
	1.576300% MEC Petroleum Corp.		
	0.644400% CD Ray Exploration, LLC		
	0.237500% LHAH Properties LLC		
	0.197900% Stillwater Investments- assinged to JL Erwin Family Partnership, LP		
	0.126700% David W Cromwell d/b/a Paleozoic Petroleum LLC		
	0.118700% H6 Holdings LLC		
	0.118700% Hanley Petroleum LLC		
	<u>0.023700%</u> TBO Oil & Gas LLC		
	100.000000%		
	<b>Total Committed Interest</b>		<b>97.462700%</b>
	<b>Total Uncommitted Interest</b>		<b>2.537300%</b>
<b>Tract 4</b>	<b>Lots 3 and 4 of Section 30</b>		
		<b>Acres contributed to proposed spacing unit:</b>	<b>160</b>
	31.356159% OXY USA Inc.		
	3.207953% OXY USA WTP LP		
	32.657599% Occidental Permian Limited Partnership		
	17.390073% McCombs Energy Ltd.		
	12.025868% COG Production LLC		
	1.275000% Ellipsis Oil & Gas, Inc.		
	1.023768% COG Acreage LP		
	0.368207% CD Ray Exploration, LLC		
	0.135706% LHAH Properties, LLC		
	0.113080% Stillwater Investments- assinged to JL Erwin Family Partnership, LP Jan. 2025		
	0.072396% David W Cromwell d/b/a Paleozoic Petroleum LLC		
	0.067825% H6 Holdings, LLC		
	0.013542% TBO Oil & Gas, LLC		
	0.118969% JGCB Energy Services, LLC		
	0.067825% Hanley Petroleum LLC		
	<u>0.106031%</u> Chief Capital (O&G) II, LLC		
	100.000000%		

<b>Total Committed Interest</b>	<b>81.954784%</b>
<b>Total Uncommitted Interest</b>	<b>18.045216%</b>

**Working Interest for each party in 640 acre proposed spacing unit:**

Oxy USA Inc	32.15504%
Occidental Permian Limited Partnership	20.68512%
OXY USA WTP LP	0.80199%
OXY Y-1 Company	21.875000%
Ridge Runner II Nominee Corp	7.487250%
McCombs Energy Ltd.	4.347518%
COG Production LLC	8.268092%
Marathon Oil Permian LLC	2.330500%
COG Acreage LP	0.703867%
MEC Petroleum Corp.	0.394075%
CD Ray Exploration, LLC	0.253152%
LHAH Properties LLC	0.093302%
Stillwater Investments- assigned to JL Erwin Family Partnership, LP Jan. 2025	0.077745%
David W Cromwell d/b/a Paleozoic Petroleum LLC	0.049774%
H6 Holdings LLC	0.046631%
Hanley Petroleum LLC	0.046631%
TBO Oil & Gas LLC	0.009311%
Ellipsis Oil & Gas, Inc.	0.318750%
Chief Capital (O&G) II, LLC	0.026508%
JGCB Energy Services, LLC	0.029742%
<b>Total:</b>	<b>100.000000%</b>

KEY: Parties highlighted yellow are being pooled.



**OXY USA INC.**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521  
P.O. Box 27570, Houston, Texas 77227-7570

October 17, 2024

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

WORKING INTEREST PARTIES

Re: Ten Well Proposals – SORO CC 19\_30 Fed Com Wells  
All of Sections 19 and 30  
Township 24 South, Range 29 East  
Eddy County, New Mexico

Dear WI Owner,

OXY USA Inc. (“OXY”) hereby proposes the drilling of eight wells at the following locations:

- SORO CC 19\_30 Fed Com 11H- First Bone Spring
  - SHL: 426' FSL, 1626' FWL (Section 30)
  - BHL: 20' FNL, 330' FWL (Section 19)
  - Approximate TVD: 7,568'
- SORO CC 19\_30 Fed Com 12H - First Bone Spring
  - SHL: 415' FSL, 1654' FWL (Section 30)
  - BHL: 20' FNL, 1770' FWL (Section 19)
  - Approximate TVD: 7,590'
- SORO CC 19\_30 Fed Com 13H - First Bone Spring
  - SHL: 1246' FNL, 633' FEL (Section 19)
  - BHL: 20' FSL, 2480' FWL (Section 30)
  - Approximate TVD: 7,601'
- SORO CC 19\_30 Fed Com 14H - First Bone Spring
  - SHL: 1216' FNL, 633' FEL (Section 19)
  - BHL: 20' FSL, 1600' FEL (Section 30)
  - Approximate TVD: 7,626'
- SORO CC 19\_30 Fed Com 71H – Harkey
  - SHL: 391' FSL, 1710' FWL (Section 30)
  - BHL: 20' FNL, 450' FWL (Section 19)
  - Approximate TVD: 8,898'
- SORO CC 19\_30 Fed Com 72H – Harkey
  - SHL: 380' FSL, 1738' FWL (Section 30)
  - BHL: 20' FNL, 900' FWL (Section 19)
  - Approximate TVD: 9,045'
- SORO CC 19\_30 Fed Com 73H – Harkey
  - SHL: 368'FSL, 1766' FWL (Section 30)
  - BHL: 20' FN, 2170FWL (Section 19)
  - Approximate TVD: 8,901'
- SORO CC 19\_30 Fed Com 74H-- Harkey
  - SHL: 1336'FNL, 633' FEL (Section 19)
  - BHL: 20' FSL, 2180FEL (Section 30)
  - Approximate TVD: 9,046'
- SORO CC 19\_30 Fed Com 75H - Harkey
  - SHL: 1306'FNL, 633' FEL (Section 19)
  - BHL: 20' FSL, 1250FEL (Section 30)
  - Approximate TVD: 8,886'
- SORO CC 19\_30 Fed Com 76H- Harkey

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
Exhibit No. C-4  
Submitted by: OXY USA INC.  
Hearing Date: April 10, 2025  
Case No. 25108

- SHL: 1276'FNL, 633' FEL (Section 19)
- BHL: 20' FSL, 330FEL (Section 30)
- Approximate TVD: 9,115'

The proposed operations include drilling and completing these SORO CC 19\_30 Fed Com wells at the above stated locations, subject to modification, as approximate 10,000' laterals in the above stated formation. A detailed description of the total estimated cost to drill and complete the wells is provided in the enclosed AFEs.

Simultaneously with this letter, OXY is proposing to drill these wells under the terms of a modified 1989 AAPL form of Operating Agreement, with two separate contract areas one limited to the First Bone Spring and another limited to the Third Bone Spring/Harkey Formations covering all of Sections 19 and 30-24S-29E, Eddy County, New Mexico. A form of said Operating Agreement will be forwarded to you following your receipt of this proposal. This proposed Operating Agreement will supersede any and all existing Operating Agreements as to these wells.

If we do not reach an agreement within 30 days of the date of this letter, OXY will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed wells.

Please indicate your elections to participate in the drilling, completing, and equipping of the proposed wells by executing and returning one copy of this letter and the enclosed AFEs in the self-addressed stamped envelope provided.

In the event you do not wish to participate in this development, OXY is willing to discuss a deal to either trade for or purchase your interest in the proposed development area.

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

OXY USA Inc.

Alissa Payne  
713.497.2413  
Alissa\_payne@oxy.com

Enclosures

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 11H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 11H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 12H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 12H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 13H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 13H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 14H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 14H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 71H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 71H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 72H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 72H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 73H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 73H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 74H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 74H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 75H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 75H

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

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

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

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

WIO elects to:

\_\_\_ participate in the drilling of the SORO CC 19\_30 Fed Com 76H

\_\_\_ non-consent the drilling of the SORO CC 19\_30 Fed Com 76H

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

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

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

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

	<b>Occidental Oil and Gas Corporation</b> <b>SORO CC 19-30 FED COM 74H</b>	RMT: PERMIAN RESOURCES NEW MEXICO
		State & County: NEW MEXICO, EDDY
		Field: Cedar Canyon
		Well Type: CC_DEEP_3BS_3S_LS_H_2500_250_1.4_3_10K
		Date: 10/22/2024

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 150,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 147,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 13,000	\$ 151,000	\$ -	\$ 105,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 63,000	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 4,000	\$ 111,000	\$ -	\$ 158,000	\$ 104,000	\$ 236,000	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 125,000	\$ -	\$ 86,000	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ 1,000	\$ 71,000	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ 2,000	\$ 16,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 362,000	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 762,000	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 5,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,104,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 9,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 3,000	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ 10,000	\$ 229,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 77,000	\$ -	\$ 624,000	\$ 155,000	\$ 354,000	\$ -
<b>Consur Consumables</b>									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 116,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 808,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 17,000	\$ -	\$ 593,000	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 456,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 48,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 11,000	\$ 138,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 2,000	\$ 38,000	\$ -	\$ 16,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 18,000	\$ 326,000	\$ -	\$ -	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ 106,000	\$ (106,000)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 500,000	\$ 4,077,000	\$ -	\$ 4,353,000	\$ 259,000	\$ 590,000	\$ -

Signature:	
Company:	
Printed Name:	
Title:	
Date:	Approval % WI
<p>This AFE is only an estimate. By signing, you agree to pay your proportional share of the actual costs incurred.</p>	

<b>Total Drilling (1+2+3):</b>	<b>\$ 4,577,000</b>
<b>Total Completion (5+6):</b>	<b>\$ 4,612,000</b>
<b>Total Facilities (7+8):</b>	<b>\$ 590,000</b>
<b>Total Well Cost (1+2+3+4+5+6+7+8):</b>	<b>\$ 9,779,000</b>
Michael Brake - Project Manager Alissa Payne - Land Negotiator	

	<b>Occidental Oil and Gas Corporation</b> <b>SORO CC 19-30 FED COM 75H</b>	RMT: PERMIAN RESOURCES NEW MEXICO
		State & County: NEW MEXICO, EDDY
		Field: Cedar Canyon
		Well Type: CC_DEEP_3BS_3S_LS_H_2500_250_1.4_3_10K
		Date: 10/22/2024

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
<b>Location, Mobilization, Rig Move</b>									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 150,000	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 147,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 13,000	\$ 151,000	\$ -	\$ 105,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,000	\$ -	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 4,000	\$ 111,000	\$ -	\$ 158,000	\$ 104,000	\$ 236,000	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 125,000	\$ -	\$ 83,000	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ 1,000	\$ 71,000	\$ -	\$ -	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ 2,000	\$ 16,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 144,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 292,000	\$ -	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 762,000	\$ -	\$ -	\$ -	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 5,000	\$ 74,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,003,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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4005	Rental Downhole Equipment & Tools	\$ -	\$ 10,000	\$ 229,000	\$ -	\$ -	\$ -	\$ -	\$ -
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<b>Consur Consumables</b>									
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5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 116,000	\$ -	\$ 14,000	\$ -	\$ -	\$ -
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8000	Land Transportation	\$ -	\$ 2,000	\$ 38,000	\$ -	\$ 16,000	\$ -	\$ -	\$ -
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8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ 106,000	\$ (106,000)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal</b>		\$ -	\$ 500,000	\$ 4,077,000	\$ -	\$ 4,145,000	\$ 259,000	\$ 590,000	\$ -

Signature:	
Company:	
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<b>Total Drilling (1+2+3):</b>	<b>\$ 4,577,000</b>
<b>Total Completion (5+6):</b>	<b>\$ 4,404,000</b>
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<b>Total Well Cost (1+2+3+4+5+6+7+8):</b>	<b>\$ 9,571,000</b>
Michael Brake - Project Manager Alissa Payne - Land Negotiator	

	<b>Occidental Oil and Gas Corporation</b> <b>SORO CC 19-30 FED COM 76H</b>	RMT: PERMIAN RESOURCES NEW MEXICO
		State & County: NEW MEXICO, EDDY
		Field: Cedar Canyon
		Well Type: CC_DEEP_3BS_3S_LS_H_2500_250_1.4_3_10K
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3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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3020	Rig Work	\$ -	\$ -	\$ 762,000	\$ -	\$ -	\$ -	\$ -	\$ -
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3023	Cementing	\$ -	\$ -	\$ 214,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 2,104,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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8000	Land Transportation	\$ -	\$ 2,000	\$ 38,000	\$ -	\$ 16,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 18,000	\$ 326,000	\$ -	\$ -	\$ -	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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<b>Subtotal</b>		\$ -	\$ 500,000	\$ 4,077,000	\$ -	\$ 4,353,000	\$ 259,000	\$ 590,000	\$ -

Signature: \_\_\_\_\_

Company: \_\_\_\_\_

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

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

Date: \_\_\_\_\_ Approval % WI

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<b>Total Drilling (1+2+3):</b>	\$	<b>4,577,000</b>
<b>Total Completion (5+6):</b>	\$	<b>4,612,000</b>
<b>Total Facilities (7+8):</b>	\$	<b>590,000</b>
<b>Total Well Cost (1+2+3+4+5+6+7+8):</b>	\$	<b>9,779,000</b>

Michael Brake - Project Manager  
Alissa Payne - Land Negotiator

Partner Ballots	BALLOT		JOA			Comments
	Correspondence	Ballot Rcvd. Election Rcvd.	Tracking No.	Rcvd.	JOA Signed	
<b>COG PRODUCTION LLC/COG ACREAGE LP</b> ATTN: OUTSIDE OPERATED PROPERTIES 600 W ILLINOIS AVE MIDLAND, TX 79701 (432)683-7443 7794 4364 0110	JOA Signed 4/8/25	10/23/2024	7799 6475 6662	11/15/2024	4/8/2025	
<b>MCCOMBS ENERGY LTD</b> NOJV - LAND DEPARTMENT 755 E MULBERRY AVE STE 600 SAN ANTONIO, TX 78212 (713)621-0033 7794 4373 7194	1/7/25 Emails exchanged to relay new well timing and JOA progress.	10/23/2024 11/19/2024	7799 6574 9862	11/15/2024		
<b>MARATHON OIL PERMIAN LLC</b> ATTN: RYAN GYLLENBAND 990 TOWN & COUNTRY BLVD HOUSTON, TX 77024 (713)296-2453 <a href="mailto:MRGYLLENBAND@MARATHONOIL.COM">MRGYLLENBAND@MARATHONOIL.COM</a> 7794 4380 0487	JOA Signed 4/8/25	10/23/2024	7799 6563 6469	11/15/2024	4/8/2025	Will be executed with COG's interest
<b>COG ACREAGE LP</b> ATTN: OUTSIDE OPERATED PROPERTIES 600 W ILLINOIS AVE MIDLAND, TX 79701 (432)683-7443 7794 4364 0110	JOA Signed 4/8/25	10/23/2024	7799 6475 6662	11/15/2024	4/8/2025	
<b>MEC PETROLEUM CORP</b> 414 W TEXAS, STE 410 MIDLAND, TX 79701 (432)556-3881 (281)840-2259 GCAUSEY@ROCKETMAIL.COM 7794 4387 5886  <b>MEC PETROLEUM CORP</b> 500 W ILLINOIS AVE, STE 610 MIDLAND, TX 79701  <b>MEC PETROLEUM CORP</b> PO BOX 11265 MIDLAND, TX 79702-8265  7794 4387 5886	3/27/25 Emails exchanged to confirm MEC's working interest and discuss JOA provisions. Indicated they will participate.	10/24/2024	7799 6591 7678  7704 8238 8919  9481 7118 9876 5455 4446 82		12/11/2024  12/9/2024	
<b>ELLIPSIS OIL &amp; GAS INC.</b> ATTN: PETE MARSHALL 3500 MAPLE AVE STE 1080 DALLAS, TX 75219 (713)594-2809 PETE.MARSHALL@ELIPSIS.US 7706 8891 1620	JOA signed 1/7/2025	12/12/2024	770 6889 11620	12/12/2024	1/7/2025	JOA pending amendments
<b>Ridge Runner II Nominee Corp</b>  20405 TX-249 STE 820 HOUSTON, TX, US 77070	JOA Signed 3/6/25	3/6/2025	Via email		3/6/2025	JOA pending amendments
<b>HANLEY PETROLEUM LLC</b>					3/24/2025	JOA pending amendments

ATTN: BRETT BRACKEN 415 W WALL STREET, STE 1500 MIDLAND, TX 79707 7794 4406 8411						
<b>HANLEY PETROLEUM LLC</b> DENNIS SLEDGE PO BOX 1348 FORT WORTH, TX 76101 (432)684-8051 <a href="mailto:DSLEDGE@HANLEYPETROLEUM.COM">DSLEDGE@HANLEYPETROLEUM.COM</a> 9481 7118 9876 5486 3751 84	3/26/25 Received JOA signatures via email	10/24/2024		9481 7118 9876 5483 8549 96	11/25/2024	
<b>CD RAY EXPLORATION, LLC</b>  ATTN: CHARLES D & LYNN W RAY PO BOX 51608 MIDLAND, TX 79710 <a href="mailto:CDR8602@AOL.COM">CDR8602@AOL.COM</a> 9481 7118 9876 5486 3751 39	3/27/25 Emails exchanged to confirm AFE costs. Indicated they are in the process of executing and returning AFEs and JOA.	10/29/2024		9481 7118 9876 5483 8549 41	11/21/2024	
<b>LHAH PROPERTIES LLC</b> ATTN: DENNIS SLEDGE 415 W WALL STREET STE 1500 MIDLAND, TX 79707 (432)684-8051 <a href="mailto:DSLEDGE@HANLEYPETROLEUM.COM">DSLEDGE@HANLEYPETROLEUM.COM</a> 7794 4431 0686	3/26/25 Received JOA signatures via email			7799 6597 4620	3/24/2025	JOA pending amendments
<b>LHAH PROPERTIES LLC</b> ATTN: DENNIS SLEDGE PO BOX 1348 FORT WORTH, TX 76101-1348 9481 7118 9876 5481 2652 68		11/7/2024		9481 7118 9876 5483 7808 99	11/25/2024	
<b>STILLWATER INVESTMENTS</b> ATTN: JACK ERWIN 6403 SEQUOIA MIDLAND, TX 79707 7794 4435 3174	11/15/25- Mailed Proposals/AFE/JOA. AFE's signed. Pending JOA execution.	10/28/2024	10/31/2024	7799 6608 8926	11/15/2024	
<b>PALEOZOIC PETROLEUM LLC</b> ATTN: DAVID CROMWELL 2008 COUNTRY CLUB DR MIDLAND, TX 79701 (432)689-8722 <a href="mailto:DCROMWELL2017@SUDDENLINK.NET">DCROMWELL2017@SUDDENLINK.NET</a> (432)528-2245 (CELL) 7794 4442 1561	JOA Singed 12/2/24	10/23/2024	11/4/2024	7799 6613 9460	11/15/2024	12/2/2024 Pending amendments
<b>H6 HOLDINGS LLC</b> ATTN: JANET HANSON 2300 N STREET MIDLAND, TX 79705 (432)638-5498 <a href="mailto:EKJRHANSON@SUDDENLINK.NET">EKJRHANSON@SUDDENLINK.NET</a> 7794 4532 5457 <b>H6 HOLDINGS LLC</b> ATTN: JANET HANSON PO BOX 1212 MIDLAND, TX 79702 9481 7118 9876 5459 5359 66	12/23/24- Mailed Proposals/AFE/JOA.	12/26/2024		7799 6617 3959	12/26/2024	
<b>TBO OIL &amp; GAS LLC</b>		10/23/2024	11/14/2024	7799 6620 6689	11/15/2024	12/4/2024

ATTN: TAMMY MCCOMIC 415 WEST WALL STREET STE 475 MIDLAND, TX 79701 (432)682-1119 <a href="mailto:TMCCOMIC@SBCGLOBAL.NET">TMCCOMIC@SBCGLOBAL.NET</a> 7794 4453 3752	JOA signed 12/4/2024			
<b>JCGB Energy Services, LLC</b> 23 Applehead Island Dr. Horseshoe Bay, TX 78657	3/28/25- Mailed Proposals/AFE/JOA.	3/31/2025	880143605139	4/2/2025
<b>CHIEF CAPITAL (O&amp;G) II LLC</b> ATTN: CHRISTINA GEORGE 8111 WESTCHASETER DR STE 9000 DALLAS, TX 75225 (281)884-3207 <a href="mailto:CGEORGE@CHIEF.ENERGY.COM">CGEORGE@CHIEF.ENERGY.COM</a> 7709 1765 2087	3/26/25- Emailed JOA to new land contact per previous contact's direction. They have siged AFEs and indicated they will participate.	12/20/2024	1/13/2025 7709 1765 2087	12/20/2024

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

**APPLICATION OF OXY USA INC. FOR APPROVAL  
OF AN OVERLAPPING HORIZONTAL WELL  
SPACING UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25108**

**SELF-AFFIRMED STATEMENT OF SETH BRAZELL**

1. My name is Seth Brazell, and I work for OXY USA Inc. (“OXY”) as a Geologist. I am familiar with the application filed in this case and have personal knowledge of the information provided in this self-affirmed statement.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters and my credentials as an expert petroleum geologist have been accepted by the Division and been made a matter of record.

3. In this case, OXY is targeting the Third Bone Spring formation.

4. **OXY Exhibit D-1** is a locator map depicting OXY’s proposed spacing unit. Existing producing wells in the Bone Spring formation are also depicted. The approximate wellbore paths for the proposed initial wells in this case are shown with dashed lines.

5. **OXY Exhibit D-2** shows a subsea structure map that I prepared for the top of the Bone Spring formation. The contour interval is 100-feet and the approximate wellbore paths for the proposed initial wells are depicted with dashed lines. This map shows that the Bone Spring formation gently dips to the east. I do not observe any faulting, pinch outs, or geologic impediments to developing this targeted interval with horizontal wells.

6. **OXY Exhibit D-3** is a structural cross-section that identifies the four wells penetrating the targeted intervals that I used to construct a cross-section from A to A’. I utilized

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: OXY USA INC.  
Hearing Date: April 10, 2025  
Case No. 25108**

these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology within the proposed spacing unit.

7. **OXY Exhibit D-4** is a stratigraphic cross section using the representative wells depicted on Exhibit D-3. It contains a gamma ray, resistivity, and porosity logs for each well. The proposed target interval within the Bone Spring formation is labeled on the exhibit. The cross-section demonstrates that the targeted interval is continuous and consistent in thickness across the proposed spacing unit.

8. Oxy seeks to pool only a portion of the Bone Spring formation, limited to the depths from the top of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 8,653 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292) to the base of the Third Bone Spring Formation, being the stratigraphic equivalent of that certain depth of 9,687 feet TVD as found in the gamma ray log run in the Queen Lake 19 Federal 1 well (API:30-015-24292).

9. In my opinion, the standup orientation of the wells is the preferred orientation for horizontal well development of the targeted interval in the Bone Spring formation in this area. This standup orientation will efficiently and effectively develop the subject acreage.

10. Based on my geologic study, the targeted interval within the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the tracts comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores.

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

12. **OXY Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

13. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

Signed by:  
  
03ED46701C984FC...

Seth Brazell

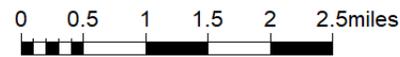
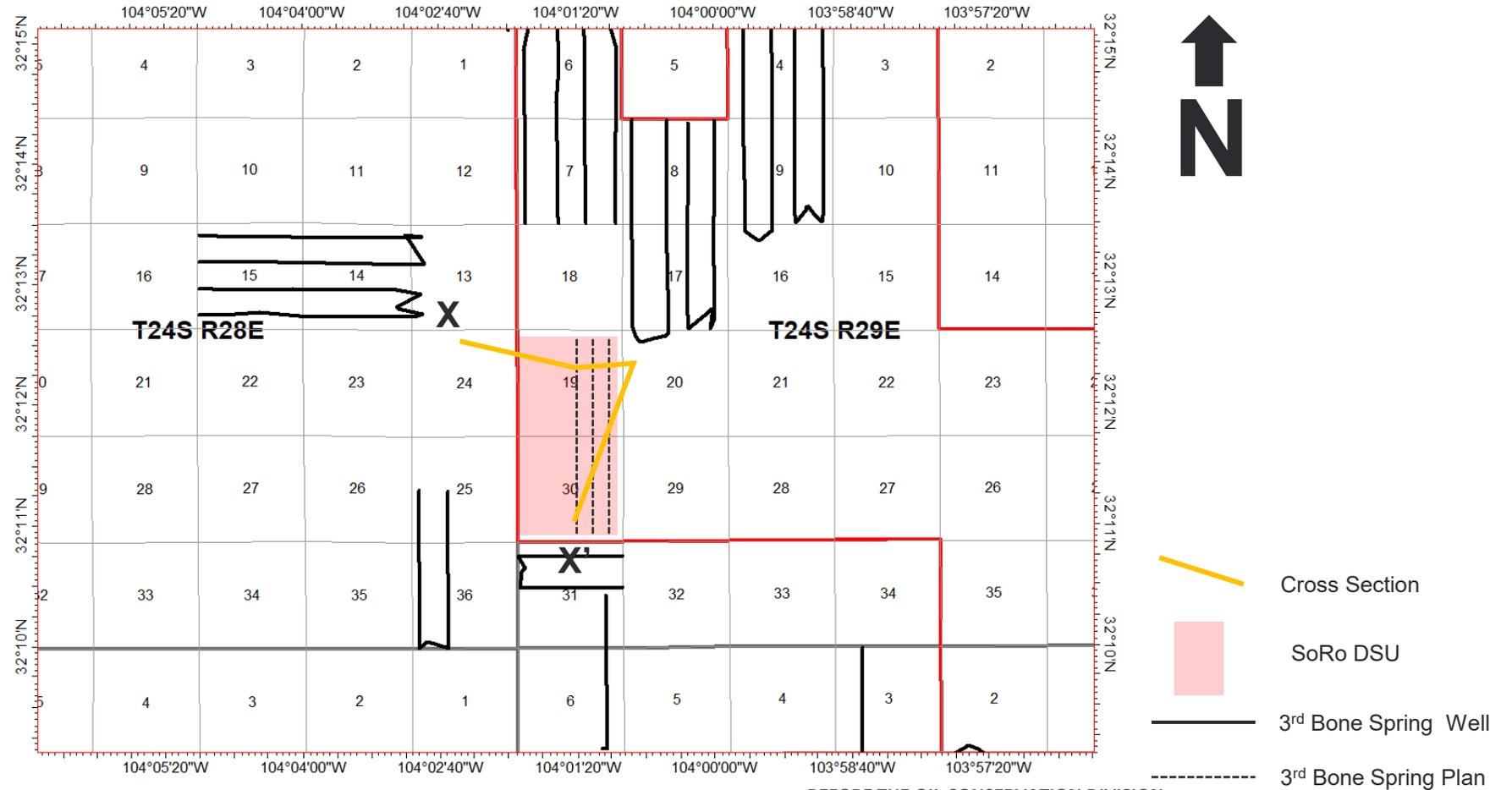
4/3/2025

Date

# **SORO 19-30 74H, 75H & 76H E2 25108**



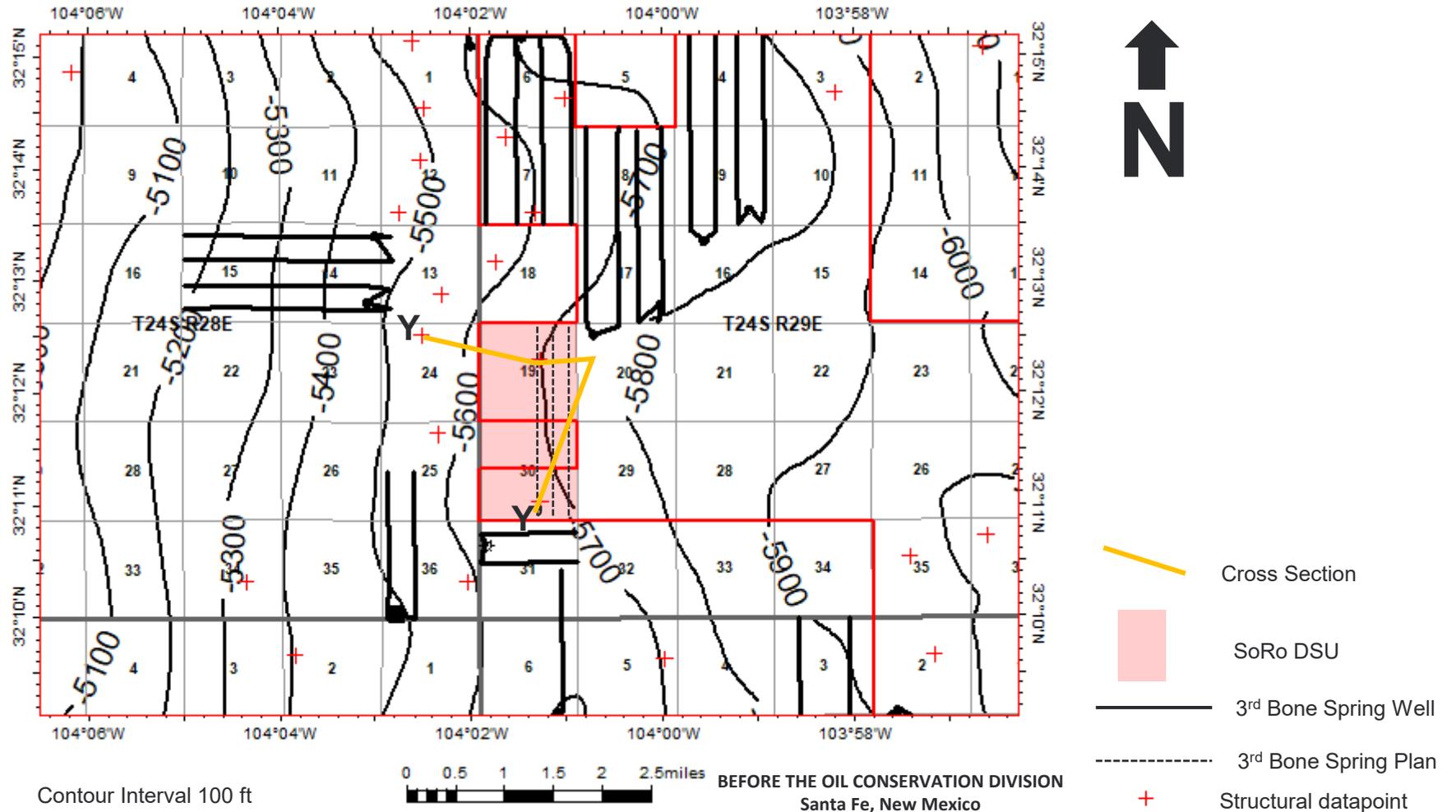
# LOCATOR MAP – SORO DSU – 3<sup>RD</sup> BONE SPRING SAND



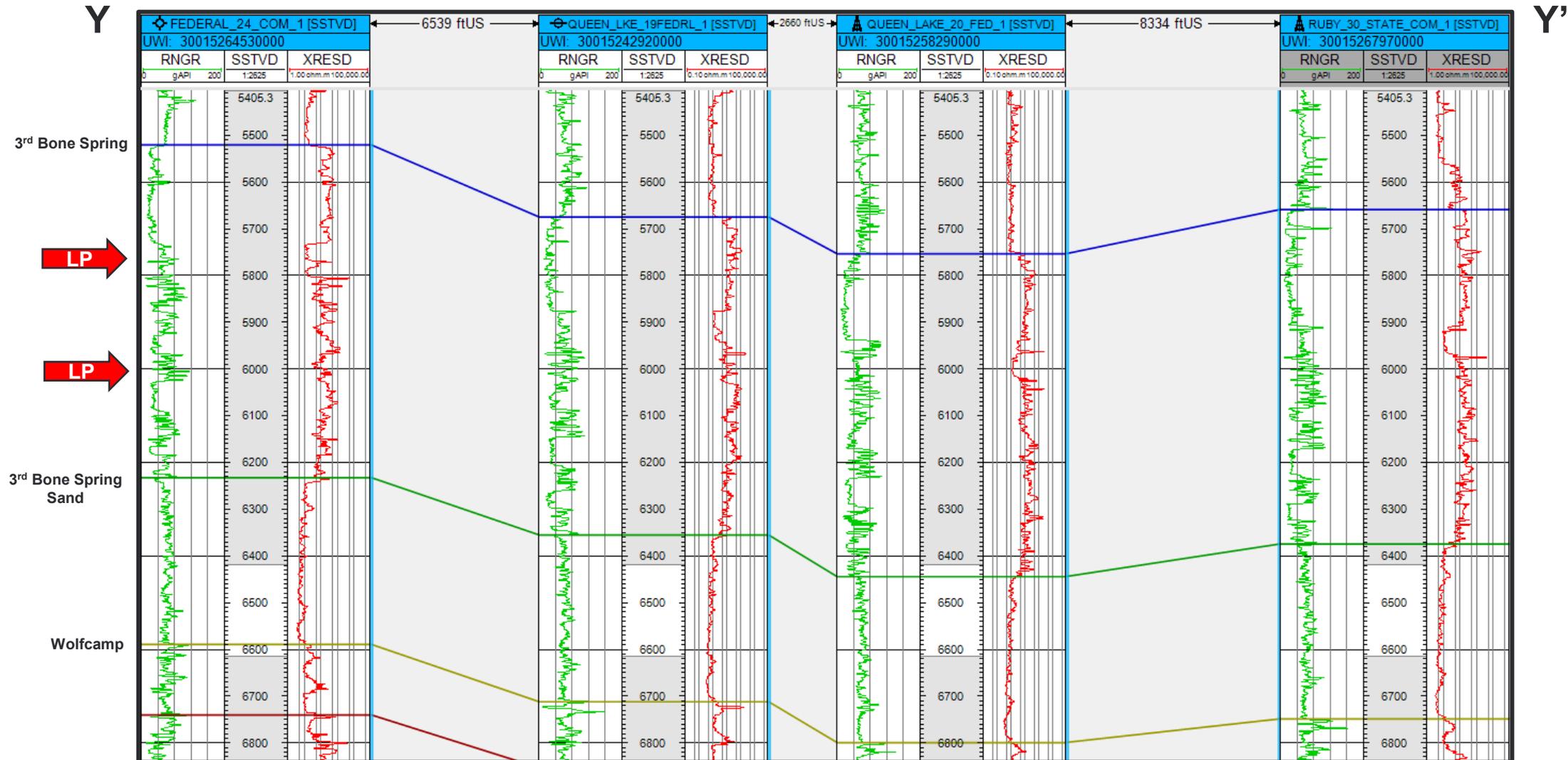
BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Revised Exhibit No. D-1  
 Submitted by: OXY USA INC.  
 Hearing Date: April 10, 2025  
 Case No. 25108



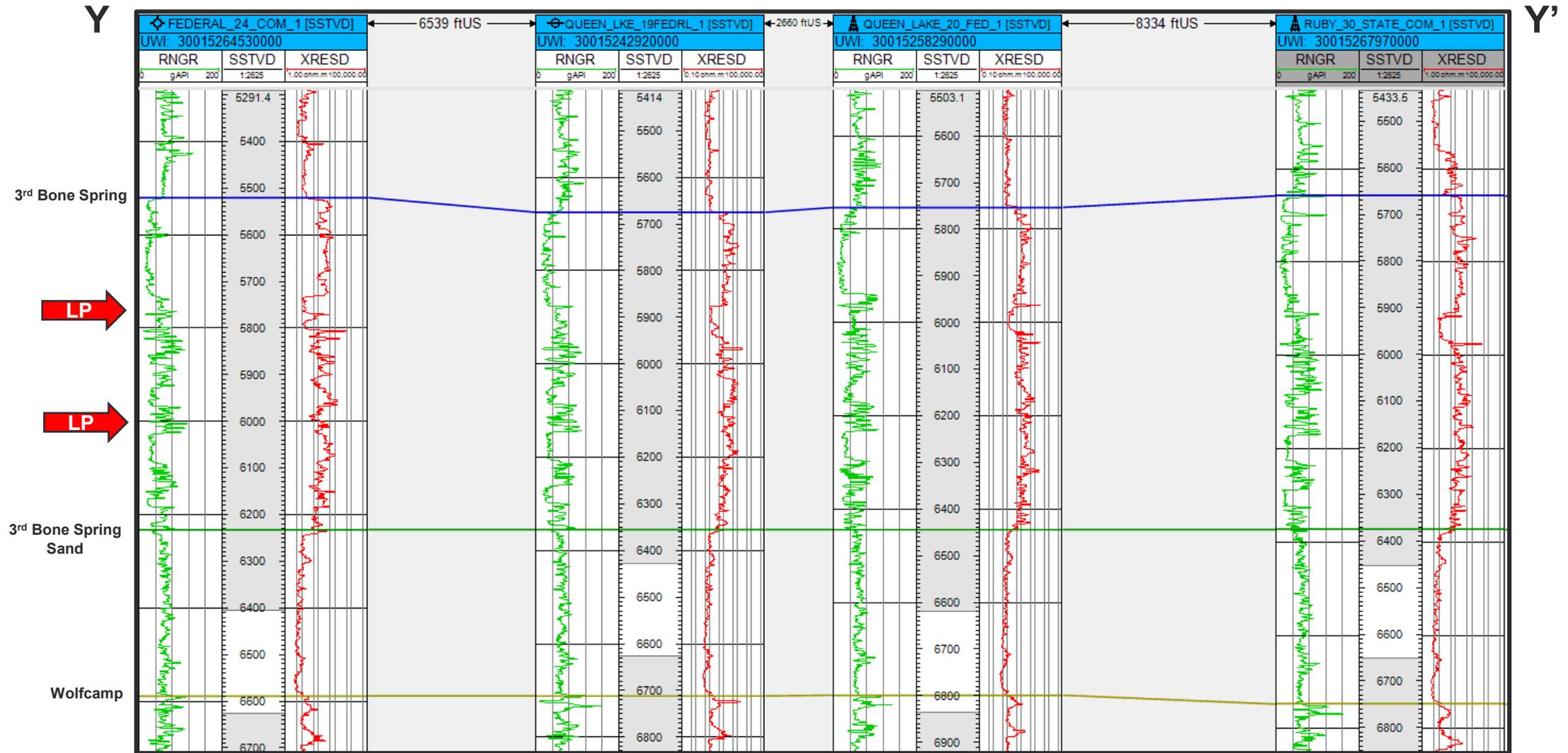
# STRUCTURE MAP (SSTVD) - 3<sup>RD</sup> BONE SPRING



# STRUCTURAL CROSS SECTION - 3<sup>RD</sup> BONE SPRING



# STRATIGRAPHIC CROSS SECTION – 3<sup>RD</sup> BONE SPRING



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico  
Revised Exhibit No. D-4

Submitted by: OXY USA INC.

Hearing Date: April 10, 2025

Case No. 25108

PRESENTATION TITLE

Released to Imaging: 4/16/2025 9:51:14 AM



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

**APPLICATION OF OXY USA INC. FOR APPROVAL  
OF OVERLAPPING HORIZONTAL WELL  
SPACING UNITS AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25108**

**SELF-AFFIRMED STATEMENT OF  
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of OXY USA Inc. (“Oxy”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of March 28, 2025.

5. I caused a notice to be published to all affected parties subject to this proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. E  
Submitted by: OXY USA INC.  
Hearing Date: April 10, 2025  
Case No. 25108**



\_\_\_\_\_  
Paula M. Vance

4/3/2025

\_\_\_\_\_  
Date



**Paula M. Vance**  
**Associate Attorney**  
Phone (505) 988-4421  
Email pmvance@hollandhart.com

December 20, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS AND AFFECTED BY THE OVERLAPPING HORIZONTAL WELL SPACING UNIT**

**Re: Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico: *SORO CC 19\_30 Fed Com 74H, 75H, and 76H 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. A hearing has been requested before a Division Examiner on January 9, 2025, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

**It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.**

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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Alissa Payne at (713) 497-2413 or [alissa\\_payne@oxy.com](mailto:alissa_payne@oxy.com)

Sincerely,

Paula M. Vance  
**ATTORNEY FOR OXY USA INC.**

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

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



**Paula M. Vance**  
**Associate Attorney**  
Phone (505) 988-4421  
Email pmvance@hollandhart.com

December 20, 2024

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY  
PROPOSED OVERLAPPING SPACING UNIT**

Re: Notice of Overlapping Spacing Unit  
Bone Spring Formation  
SORO CC 19\_30 Fed Com 11H-14H and 71H-76H  
Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

To Whom It May Concern:

Oxy USA Inc. has proposed the Soro wells for the initial development of the Bone Spring formation underlying Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of the following spacing units:

- 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections 19 and 30, and the proposed **SORO CC 19\_30 Fed Com 11H** well;
- 320-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, comprised of the E/2 W/2 of irregular Sections 19 and 30, and the proposed **SORO CC 19\_30 Fed Com 12H** well;
- 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the First Bone Spring formation to the base of the First Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, and the proposed **SORO CC 19\_30 Fed Com 13H** and **SORO CC 19\_30 Fed Com 14H** wells;
- 317.34-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of Lots 1-4 (W/2 W/2 equivalent) of irregular Sections

19 and 30, and the proposed **SORO CC 19\_30 Fed Com 71H** and **SORO CC 19\_30 Fed Com 72H** wells;

- 320-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 W/2 of irregular Sections 19 and 30, and the proposed **SORO CC 19\_30 Fed Com 73H** well; and
- 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, proposed **SORO CC 19\_30 Fed Com 74H** well.

The proposed spacing units will overlap the following existing spacing units and wells:

Proposed Bone Spring:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30:
  - Rock Ridge Red Com BSS 14H (API: 30-015-49370) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
  - Rock Ridge Fed Com BSS 13H (API: 30-015-49369) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30:
  - Rock Ridge Red Com BSS 12H (API: 30-015-49368) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC

Existing Bone Spring:

- 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30:
  - Rock Ridge Red Com BSS 4H (API: 30-015-45730) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
- 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30:
  - Rock Ridge Red Com BSS 3H (API: 30-015-39543) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
  - Rock Ridge Red Com BSS 8H (API: 30-015-45874) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
- 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30:
  - Rock Ridge Federal BSS 7H (API: 30-015-45731) – Pierce Crossing; Bone Spring, South [96671] – 3R Operating, LLC
- 160-acre spacing unit comprised of the E/2 W/2 of irregular Section 19:

- Rustler Bluff 19 24 29 Fed 3H (API: 30-015-42593) – Pierce Crossing; Bone Spring, South [96671] – SMC Oil & Gas, Inc.
- 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30:
  - Malaga 30 LI Fed Com 1H (API: 30-015-42193) – Pierce Crossing; Bone Spring, South [96671] – Mewbourne Oil Company
- 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30:
  - Malaga 30 MP Fed Com 1H (API: 30-015-41461) – Pierce Crossing; Bone Spring, South [96671] – Mewbourne Oil Company

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

If you have any questions about this matter, please contact my office.

Sincerely,



Paula M. Vance  
ATTORNEY FOR OXY USA INC.

OXY - Soro 11H-14H, 71H-76H wells - Case nos. 25103-25108  
Postal Delivery Report

9414811898765459526792	CD Ray Exploration, LLC	PO Box 51608	Midland	TX	79710-1608	Your item was picked up at a postal facility at 8:45 am on December 31, 2024 in MIDLAND, TX 79705.
9414811898765459526747	COG Acreage LP	600 W Illinois Ave	Midland	TX	79701-4882	Your item has been delivered and is available at a PO Box at 8:12 am on December 27, 2024 in MIDLAND, TX 79701.
9414811898765459526785	COG Production LLC	600 W Illinois Ave	Midland	TX	79701-4882	Your item has been delivered and is available at a PO Box at 8:12 am on December 27, 2024 in MIDLAND, TX 79701.
9414811898765459526730	H6 Holdings LLC	2300 N N St	Midland	TX	79705-7423	Your item was delivered to an individual at the address at 12:20 pm on December 24, 2024 in MIDLAND, TX 79705.
9414811898765459526778	Hanley Petroleum LLC	PO Box 1348	Fort Worth	TX	76101-1348	Your item was delivered to an individual at the address at 11:15 am on January 2, 2025 in FORT WORTH, TX 76102.
9414811898765459526914	Lhah Properties LLC	415 W Wall St Ste 1500	Midland	TX	79701-4455	Your item has been delivered to the original sender at 3:27 pm on February 4, 2025 in SANTA FE, NM 87504.
9414811898765459526952	Marathon Oil Permian LLC	990 Town And Country Blvd	Houston	TX	77024-2217	Your item was delivered to the front desk, reception area, or mail room at 1:41 pm on December 26, 2024 in HOUSTON, TX 77024.

OXY - Soro 11H-14H, 71H-76H wells - Case nos. 25103-25108  
Postal Delivery Report

9414811898765459526969	McCombs Energy LTD	755 E Mulberry Ave Ste 403	San Antonio	TX	78212-3129	Your item was delivered to an individual at the address at 9:40 am on December 27, 2024 in SAN ANTONIO, TX 78212.
9414811898765459526921	MEC Petroleum Corp	414 W Texas Ave Ste 410	Midland	TX	79701-4415	Your item was delivered to an individual at the address at 12:44 pm on December 24, 2024 in MIDLAND, TX 79701.
9414811898765459526907	Murchison Oil & Gas LLC	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Your item was delivered to the front desk, reception area, or mail room at 12:24 pm on December 26, 2024 in PLANO, TX 75024.
9414811898765459526990	Paleozoic Petroleum LLC	2008 Country Club Dr	Midland	TX	79701-5719	Your item was delivered to an individual at the address at 10:11 am on December 24, 2024 in MIDLAND, TX 79701.
9414811898765459526945	Ridge Runner II Nominee Corp.	20405 State Highway 249 Ste 820	Houston	TX	77070-2893	Your item was delivered to the front desk, reception area, or mail room at 1:16 pm on December 26, 2024 in HOUSTON, TX 77070.
9414811898765459526983	RSC Resources LP	PO Box 8329	Horseshoe Bay	TX	78657-8329	Your item has been delivered to the original sender at 3:26 pm on February 4, 2025 in SANTA FE, NM 87504.
9414811898765459526938	Stillwater Investments	6403 Sequoia Dr	Midland	TX	79707-1547	Your item was delivered to an individual at the address at 11:55 am on December 24, 2024 in MIDLAND, TX 79707.

OXY - Soro 11H-14H, 71H-76H wells - Case nos. 25103-25108

Postal Delivery Report

9414811898765459526976	TBO Oil & Gas LLC	415 W Wall St Ste 475	Midland	TX	79701-4482	Your item was delivered to an individual at the address at 4:28 pm on December 26, 2024 in MIDLAND, TX 79701.
9414811898765459526617	Murchison Oil & Gas LLC	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Your item was delivered to the front desk, reception area, or mail room at 12:24 pm on December 26, 2024 in PLANO, TX 75024.

OXY - Soro 11H-14H, 71H-73H - Case nos. 25103-25108

Postal Delivery Report

9214 8901 9403 8392 6526 12	3R OPERATING LLC 20405 STATE HIGHWAY 249 STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 6526 29	CHARLES D AND LYNN W RAY PO BOX 51608 MIDLAND TX 79710	Delivered Signature Received
9214 8901 9403 8392 6526 36	CHIEF CAPITAL (O&G)II LLC 8111 WESTCHESTER DRIVE SUITE 900 DALLAS TX 75225	Delivered Signature Received
9214 8901 9403 8392 6526 43	CONVENANT NATURAL RESOURCES 9001 AIRPORT FREEWAY SUITE 825 NORTH RICHLAND HILLS TX 76180	Delivered Signature Received
9214 8901 9403 8392 6526 50	H6 Holdings LLC PO BOX 1212 Midland TX 79702	Return To Sender
9214 8901 9403 8392 6526 67	LHAH PROPERTIES LLC PO BOX 1348 FORT WORTH TX 76101	Delivered Signature Received
9214 8901 9403 8392 6526 74	MEC PETROLEUM CORP PO BOX 112665 MIDLAND TX 79701	Return To Sender
9214 8901 9403 8392 6526 81	PALEOZOIC PETROLEUM LLC PO BOX 50820 MIDLAND TX 79701	Delivered Signature Received
9214 8901 9403 8392 6526 98	PONTEM ENERGY PARTNERS 1 LP 9001 AIRPORT FREEWAY SUITE 825 NORTH RICHLAND HILLS TX 76180	Delivered Signature Received
9214 8901 9403 8392 6527 04	RIDGE RUNNER ASSET CO II LLC 20405 STATE HIGHWAY 249 STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 6527 11	RIDGE RUNNER RESOURCES INTERMEDIATE II LLC 20405 STATE HIGHTWAY 249 STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 6527 28	TBO OIL & GAS LLC PO BOX 10502 MIDLAND TX 79702	Delivered Signature Received

OXY - Soro 11H-14H 71H-72H wells - Case nos. 25103-25108 - Overlap  
Postal Delivey Report

9214 8901 9403 8392 5740 44	3R OPERATING LLC 20405 STATE HIGHWAY 249 STE 820 HOUSTON TX 77070	Delivered Signature Received
9214 8901 9403 8392 5740 51	MEWBOURNE OIL CO PO BOX 5270 HOBBS NM 88241	Delivered Signature Received
9214 8901 9403 8392 5740 68	SMC OIL & GAS INC PO BOX 50907 MIDLAND TX 79710	Delivered Signature Received

AFFIDAVIT OF PUBLICATION

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STATE OF NEW MEXICO } SS  
COUNTY OF EDDY }

Account Number: 1232  
Ad Number: 27140  
Description: Oxy - SORO 74H-76H - 25108  
Ad Cost: \$201.04

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

December 21, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

*Sherry Groves*

Agent

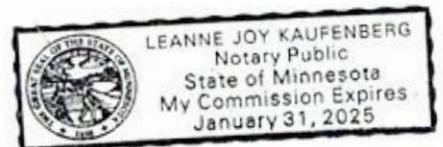
Subscribed to and sworn to me this 21<sup>th</sup> day of December 2024.

*Leanne Kaufenberg*

Leanne Kaufenberg, Notary Public (Bedwood County Minnesota

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BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. F  
Submitted by: OXY USA INC.  
Hearing Date: April 10, 2025  
Case No. 25108



## PUBLIC NOTICE

**Case No. 25108: Application of OXY USA Inc. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Notice to all affected interest owners, including all heirs, devisees and successors of: CD Ray Exploration, LLC; COG Acreage LP; COG Production LLC; H6 Holdings LLC; Hanley Petroleum LLC; Lhah Properties LLC; Marathon Oil Permian LLC; McCombs Energy LTD; MEC Petroleum Corp; Murchison Oil & Gas LLC; Paleozic Petroleum LLC; Ridge Runner II Nominee Corp.; RSC Resources LP; Stillwater Investments; TBO Oil & Gas LLC; Murchison Oil & Gas LLC.** The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearing 8:30 a.m. on January 9, 2025, to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the hearings electronically, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/> or contact Freya Tschantz, at [Freya.Tschantz@emnrd.nm.gov](mailto:Freya.Tschantz@emnrd.nm.gov). Applicant seeks an order (a) approving a standard 640-acre, more or less, overlapping horizontal well spacing unit in a portion of the Bone Spring formation, from the top of the Third Bone Spring formation to the base of the Third Bone Spring formation, comprised of the E/2 of irregular Sections 19 and 30, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and (b) pooling all uncommitted mineral owners in this acreage. This spacing unit will be initially dedicated to the **SORO CC 19\_30 Fed Com 74H**, to be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of irregular Section 19, with a first take point in the NW/4 NE/4 (Unit B) of irregular Section 19, and last take point in the SW/4 SE/4 (Unit O) of irregular Section 30; and **SORO CC 19\_30 Fed Com 75H** and **SORO CC 19\_30 Fed Com 76H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of irregular Section 19, with a first take point in the NE/4 NE/4 (Unit A) of irregular Section 19, and last take point in the SE/4 SE/4 (Unit P) of irregular Section 30. The completed interval of the **SORO CC 19\_30 Fed Com 75H** well is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal well spacing unit under 19.15.16.15.B(1)(b) NMAC. This proposed horizontal well spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- o 160-acre spacing unit comprised of the N/2 NE/4, NE/4 NW/4 and Lot 1 (N/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 4H (API: 30-015-45730) well currently operated by 3R Operating, LLC;
- o 160-acre spacing unit comprised of the S/2 NE/4, SE/4 NW/4 and Lot 2 (S/2 N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Red Com BSS 3H (API: 30-015-39543) and Rock Ridge Red Com BSS 8H (API: 30-015-45874) wells currently operated by 3R Operating, LLC;
- o 320-acres spacing unit comprised of the NW/4, E/2 NW/4, and Lots 1-2 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal BSS 7H (API: 30-015-45731) well currently operated by 3R Operating, LLC;
- o 160-acre spacing unit comprised of the N/2 SE/4, NE/4 SW/4 and Lot 3 (N/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 LI Fed Com 1H (API: 30-015-42193) well currently operated by Mewbourne Oil Company; and
- o 160-acre spacing unit comprised of the S/2 SE/4, SE/4 SW/4 and Lot 4 (S/2 S/2 equivalent) of irregular Section 30 dedicated to the Malaga 30 MP Fed Com 1H (API: 30-015-41461) well currently operated by Mewbourne Oil Company.

This proposed horizontal well spacing unit will overlap the following proposed spacing unit in the Bone Spring formation:

- o 320-acre spacing unit comprised of Lots 1-2, E/2 NW/4, and NE/4 (N/2 equivalent) of irregular Section 30 dedicated to the Rock Ridge Federal #551H (API: 30-015-PENDING).

Also, to be considered will be approval of the overlapping spacing unit, the cost of drilling and completing the wells and the allocation of the costs thereof, operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing the wells. Said area is approximately 4 miles southeast of Malaga, New Mexico.

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