



**OXY USA WTP Limited Partnership**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521  
P.O. Box 4294, Houston, Texas 77210-4294

February 20, 2018

VIA CERTIFIED MAIL

FEB 26 2018 PM 03:15

**NON-CONSENTING POOLED WORKING INTEREST PARTIES**

HFB Investment Company LP  
415 W. Wall Street, Suite 1705  
Midland, Texas 79701

Herbert F. Boles, Trustee u/w/o Norma J. Boles, deceased  
415 W. Wall Street, Suite 1705  
Midland, Texas 79701

Re: Turkey Track Development  
Turkey Track 8-7 State Com #23H & #24H  
S/2 of Section 7 & S/2 of Section 8  
Township 19 South, Range 29 East  
Eddy County, New Mexico

Dear WI Party,

OXY USA WTP Limited Partnership ("OXY") has been granted Compulsory Pooling Order Nos. R-14469 and R-14470, covering the acreage described above as to the Bone Spring formation. Copies of these orders were provided to you via letter dated October 26, 2017. Per paragraph 11 of the orders, OXY hereby furnishes the itemized schedule of actual well costs.

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

Very truly yours,

OXY USA WTP Limited Partnership

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

Enclosure(s)

cc: New Mexico Oil Conservation Division

Well Name	Element Category	Element Number	Element Name	Drilling	Completion
TURKEY TRACK 8-7 STATE 23H	Services	3024	Services Stimulation	-	\$ 2,607,208
		3020	Services Rig Costs	\$ 696,770	-
		3014	Services Directional Well Drilling/LoggingDrillg	\$ 403,559	-
		3013	Services Coiled Tubing	-	\$ 266,196
		3025	Services Downhole Other	\$ 22,108	\$ 143,267
		3023	Services Cementing	\$ 142,648	-
		3022	Services Downhole Fluids	\$ 87,710	-
		3021	Services Rig Move	\$ 48,625	-
		3011	Services Locations	\$ 47,261	\$ 699
		3012	Services Cased Hole Logging	-	\$ 43,175
		3009	Services Wellhead	\$ 28,825	\$ 6,875
		3003	Services Fluid Hauling TO SITE	\$ 14,816	\$ 17,652
		3002	Services Misc Heavy Equipment	-	\$ 29,083
		3029	Services Catering	\$ 22,231	-
		3005	Services Inspection	\$ 20,832	\$ 1,148
		3026	Services Formation Test	-	\$ 19,182
		3019	Services Wireline/Slickline	-	\$ 17,595
		3006	Services Construction	\$ 14,124	-
		3035	Services Disposal	\$ 10,640	\$ 3,435
		3039	Services Fluid Hauling FROM SITE	\$ 7,836	-
		3034	Services Seismic	\$ 4,983	-
		3016	Services Mud Logging	\$ 1,796	-
		3031	Services HES	\$ 1,478	\$ 300
		3030	Services Building Maint/Repair	\$ 1,500	-
	Intangible	5500	Material Consumables	\$ 7,676	\$ 221,403
		5502	Material Drilling Fluids	\$ 169,563	-
		5505	Material Fuel / Off/road Diesel	\$ 94,172	-
		5503	Material Drilling Tools / Bits/Reamers/Scrapers	\$ 68,034	-
	Tangible	5028	Material Casing Liners and Accessories	\$ 423,929	-
		5023	Material Wellhead Equipment	\$ 65,026	\$ 4,835
		5008	Material Instrumt Elect Supp/Umbilicals/Bulks	\$ 15,771	-
		5014	Material Pipe Fittings	\$ 1,948	-
		5015	Material Valves	\$ 1,073	-
		5032	Material HES	\$ 595	-
		5026	Material Electrical Submersible Pump (ESP)	-	\$ 555
		5021	Material Surface Other	\$ 550	-
		5029	Material Tubing and Accs	\$ 494	-
		8103	Taxes Sales Tax	\$ 114,226	\$ 172,864
	Taxes/Tariff	8107	Taxes Other	\$ 37,384	\$ 134
	Chemicals and Injectants	6001	Chemicals Water Soluble	-	\$ 109,827
		6010	Chemicals Stimulation	-	\$ 50,715
	Other	6011	Chemicals Treat Paraffin/Asphaltenes	-	\$ 14
		8921	Waste Handling and Disposal	\$ 82,458	-
		8945	Loss and Loss Expenses Paid	\$ 49,000	-
		8919	Environmental Cleanup/Reclamation	\$ 17,149	\$ 915
		8912	Right of Way	\$ 10,442	-
	Rental	4013	Rental Surface Equipment and Tools	\$ 75,167	\$ 49,746
		4005	Rental Down hole Equipment and Tools	\$ 22,077	-
		4007	Rental HES Equipment and Tools	\$ 6,095	-
	Contract Labor	2017	Contractor Drilling/WO/Completion Rig Superv	\$ 25,598	\$ 49,500
		2034	Contr Other	\$ 40,397	-
		2025	Contractor Surveyor	\$ 8,620	-
		2019	Contractor HES	\$ 2,190	\$ 4,201
		2009	Contr Welding	\$ 5,175	-
		2012	Contractor Construction	\$ 2,223	-
		2004	Contractor Maintenance/Gangs/Roustabouts	\$ 773	-
	Defined as USD Payroll	2032	Contractor Oth Business Serv	\$ 350	-
		1000	Employee Wages	\$ 69,080	\$ 59,128
	Freight	1001	Employee Overtime	\$ 494	-
		8000	Freight Shipping	\$ 26,840	\$ 26,587
	Power/Utilities	7004	Utilities Water/Sewers/Trash	\$ 4,434	-
		7002	Field Consumption LPG/Diesel/Propane	\$ 1,500	-
	Benefits and Taxes	1206	Employee Benefits PRA/PSA/ESRP/ESOP	\$ 46	-
		1200	Emp Burden and Benefits	\$ 40	-
	Accrual			\$ -	\$ 152,682
TURKEY TRACK 8-7 STATE 23H Total				\$ 3,028,331	\$ 4,058,921

Well Name	Element Category	Element Number	Element Name	Drilling	Completion
TURKEY TRACK 8-7 STATE 24H	Services	3024	Services Stimulation	-	\$ 2,461,652
		3020	Services Rig Costs	\$ 719,856	-
		3013	Services Coiled Tubing	-	\$ 497,424
		3014	Services Directional Well Drilling/LoggingDrillg	\$ 396,521	-
		3025	Services Downhole Other	\$ 10,863	\$ 143,267
		3023	Services Cementing	\$ 131,754	-
		3021	Services Rig Move	\$ 109,875	-
		3022	Services Downhole Fluids	\$ 62,179	\$ 671
		3005	Services Inspection	\$ 48,760	\$ 1,122
		3011	Services Locations	\$ 47,353	\$ 699
		3003	Services Fluid Hauling TO SITE	\$ 36,103	\$ 11,608
		3012	Services Cased Hole Logging	-	\$ 44,783
		3029	Services Catering	\$ 42,921	-
		3009	Services Wellhead	\$ 35,175	\$ 7,100
		3002	Services Misc Heavy Equipment	-	\$ 38,353
		3026	Services Formation Test	-	\$ 20,982
		3019	Services Wireline/Slickline	-	\$ 18,756
		3039	Services Fluid Hauling FROM SITE	\$ 14,333	-
		3035	Services Disposal	\$ 10,402	\$ 3,070
		3006	Services Construction	\$ 12,510	-
		3016	Services Mud Logging	\$ 12,092	-
		3031	Services HES	\$ 3,832	-
		3034	Services Seismic	\$ 3,622	-
		3030	Services Building Maint/Repair	\$ 900	-
		3032	Services Communication	\$ 281	-
	Intangible	5500	Material Consumables	\$ 20,028	\$ 228,600
		5502	Material Drilling Fluids	\$ 150,993	-
		5503	Material Drilling Tools / Bits/Reamers/Scrapers	\$ 76,930	-
		5505	Material Fuel / Off/road Diesel	\$ 65,826	-
	Tangible	5510	Material Office Supplies	\$ 19	-
		5028	Material Casing Liners and Accessories	\$ 398,770	-
		5023	Material Wellhead Equipment	\$ 66,905	\$ 8,266
		5014	Material Pipe Fittings	\$ 9,362	-
		5015	Material Valves	\$ 2,400	-
		5026	Material Electrical Submersible Pump (ESP)	\$ 1,110	-
		5029	Material Tubing and Accs	\$ 491	-
		5037	Material Shop/Hand Tools	\$ 125	-
		5027	Material Subsurface Lift Equipment Other	-	-
	Taxes/Tariff	8103	Taxes Sales Tax	\$ 118,420	\$ 178,907
		8107	Taxes Other	\$ 46,473	-
	Other	8921	Waste Handling and Disposal	\$ 134,141	-
		8945	Loss and Loss Expenses Paid	\$ 44,500	-
		8919	Environmental Cleanup/Reclamation	\$ 31,904	\$ 1,296
		8925	Vehicle Diesel	\$ 3,815	-
	Rental	8912	Right of Way	\$ 3,117	-
		4013	Rental Surface Equipment and Tools	\$ 127,670	\$ 57,993
		4005	Rental Down hole Equipment and Tools	\$ 9,590	-
		4007	Rental HES Equipment and Tools	\$ 6,273	-
	Contract Labor	2017	Contractor Drilling/WO/Completion Rig Superv	\$ 46,685	\$ 58,845
		2034	Contr Other	\$ 37,341	-
		2004	Contractor Maintenance/Gangs/Roustabouts	\$ 14,448	\$ 2,671
		2002	Contractor Field Operator	\$ 10,076	-
		2019	Contractor HES	\$ 6,615	\$ 2,786
		2025	Contractor Surveyor	\$ 4,985	-
		2009	Contr Welding	\$ 4,210	-
		2032	Contractor Oth Business Serv	\$ 2,203	-
	Chemicals and Injectants	2007	Contractor Vessel Fabrication	\$ 1,095	-
		6001	Chemicals Water Soluble	-	\$ 108,350
		6010	Chemicals Stimulation	-	\$ 51,498
		6000	Chemicals Treat Corrosion	-	\$ 175
	Defined as USD Payroll	6011	Chemicals Treat Paraffin/Asphaltenes	-	\$ 28
		1000	Employee Wages	\$ 80,034	\$ 61,565
	Power/Utilities	7004	Utilities Water/Sewers/Trash	\$ 33,227	-
		7002	Field Consumption LPG/Diesel/Propane	\$ 1,650	-
	Freight	8000	Freight Shipping	\$ 27,629	\$ 6,485
	Travel and Entertainment	1500	Employee Business Meals/Entertainment	\$ 71	-
	Accrual			\$ 111,537	\$ 197,969
TURKEY TRACK 8-7 STATE 24H Total				\$ 3,400,000	\$ 4,214,921