

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 17, 2018**

CASE No. 16013

NIMITZ MDP1 “13” FEDERAL COM 2H WELL

EDDY COUNTY, NEW MEXICO



District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 746-1283 Fax: (575) 746-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-44498	Pool Code 13367	Pool Name Cotton Draw Bone Spring
Property Code 319776	Property Name NIMITZ MDP1 "13" FEDERAL COM	Well Number 2H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3525.9'

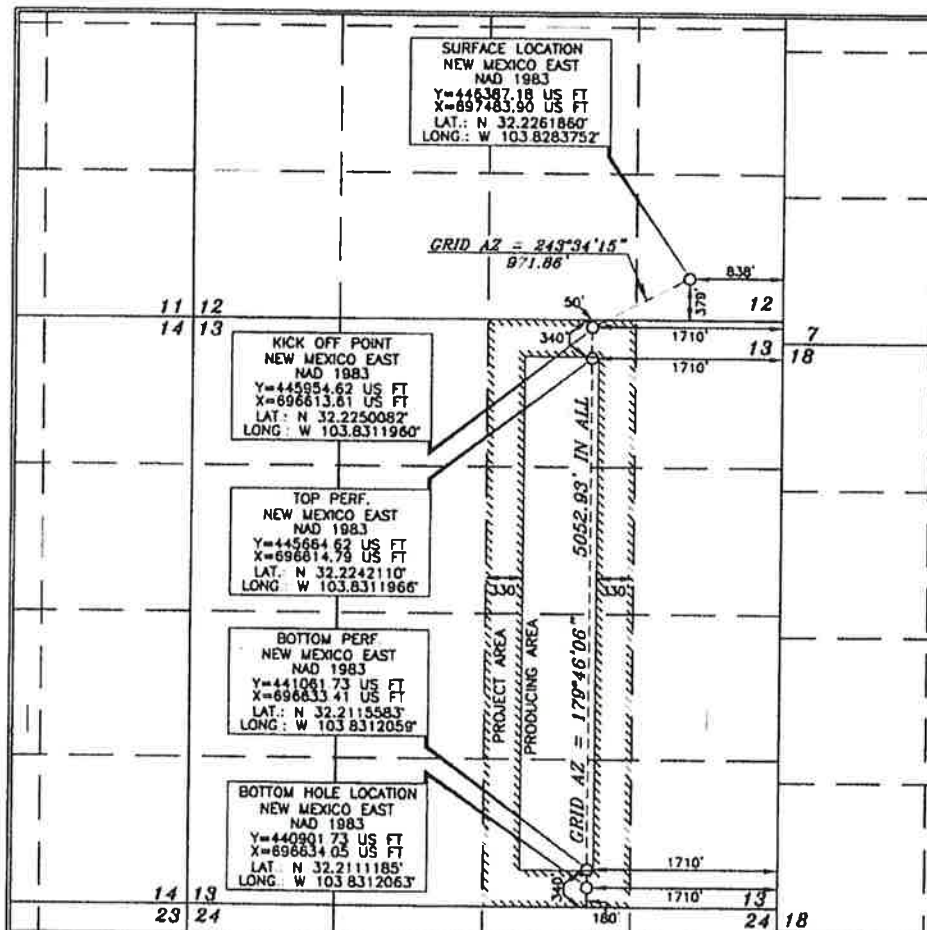
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	12	24 SOUTH	30 EAST, N.M.P.M.		379'	SOUTH	838'	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	24 SOUTH	30 EAST, N.M.P.M.		180'	SOUTH	1710'	EAST	EDDY
Dedicated Acres 160	Joint or Infill Y	Consolidation Code	Order No.						

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order.

Authorized by the division:

Signature: *David Stewart* Date: 4/18/18
Printed Name: David Stewart
E-mail Address: david.stewart@oxy.com

SURVEYOR CERTIFICATION

I hereby certify that the information shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: APRIL 10, 2018
Signature and Stamp: *Terry J. As...*
Professional Surveyor: 15079

Certificate Number: 15079

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 9

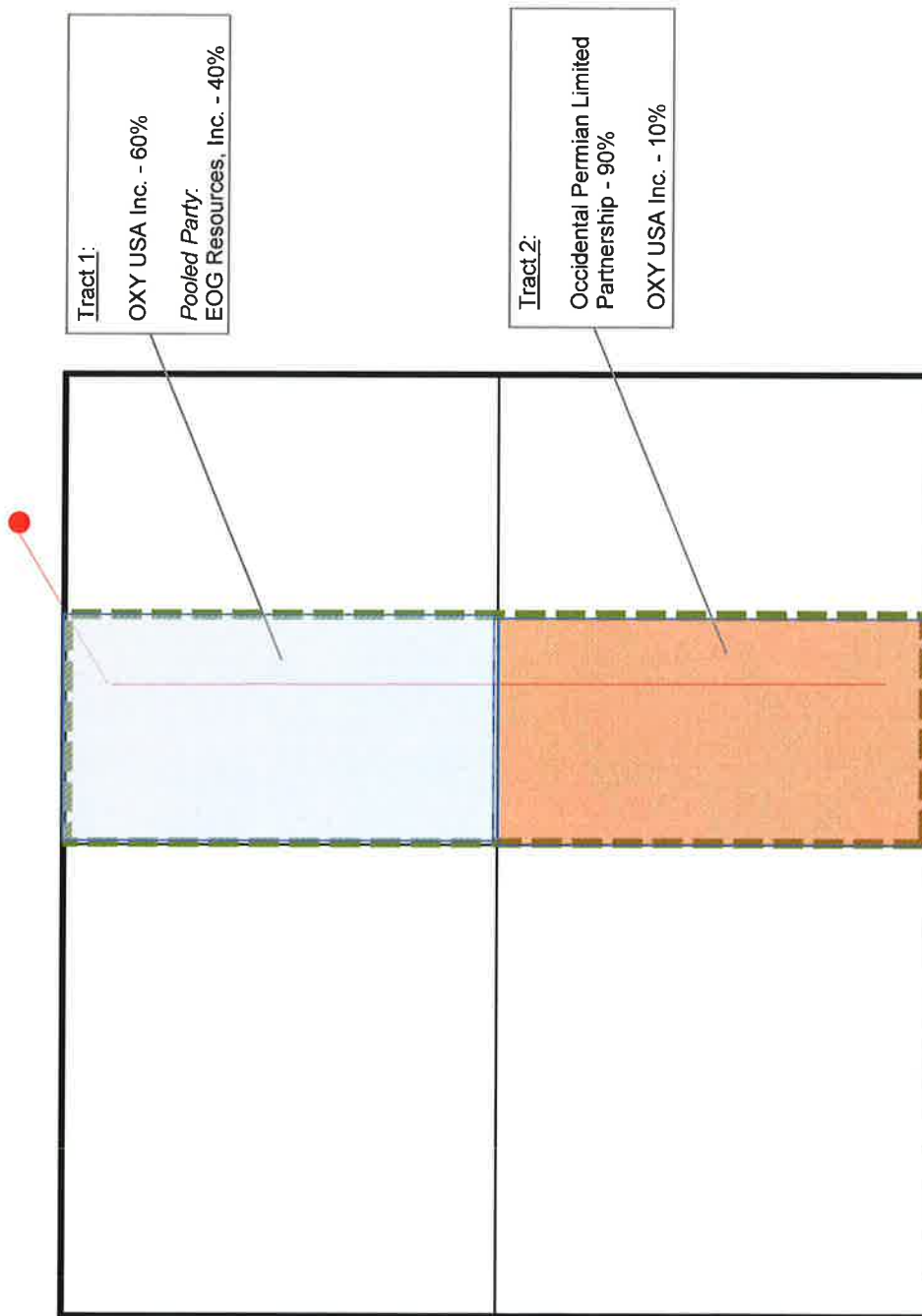
Submitted by: OXY USA WTP

Hearing Date: May 17, 2018

Case No. 16013

WO# 16020JWL-a (Rev. C) (KA)

**Section 13, Township 24 South, Range 30 East
Eddy Co., NM**



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 10

Submitted by: **OXY USA WTP**

Hearing Date: May 17, 2018

Case No. 16013

Nimitz MDP1 13 Federal Com #2H - W/2E/2 Section 13, T24S-R30E, Eddy Co., NM

Tract 1	W/2NE/4 of Section 13, T24S-R30E, Eddy Co., NM (80 acres)	
	60.000000%	OXY USA Inc.
	40.000000%	EOG Resources, Inc.
	100.000000%	
Tract 2	W/2 SE/4 of Section 13, T24S-R30E, Eddy Co., NM (80 acres)	
	90.000000%	Occidental Permian Limited Partnership
	10.000000%	OXY USA Inc.
	100.000000%	
Total Committed Interest		60.000000%
Total Uncommitted Interest		40.000000%
Total Committed Interest		100.000000%
Total Uncommitted Interest		0.000000%

Working Interest for each party in 160.0 acre proposed proration/spacing unit:

OXY USA Inc.	35.00%
Occidental Permian Limited Partnership	45.00%
EOG Resources, Inc.	20.00%



OXY USA Inc.
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston TX 77046
PO Box 27757, Houston TX 77227-7757

India Isbell, Land Negotiator Advisor
Office: 713.366.5161
Fax: 713.985.8898
E-mail: india_isbell@oxy.com

April 5, 2018

FEDERAL EXPRESS

EOG Resources, Inc.
5509 Champions Dr.
Midland, Texas 79706
Attn: Sherman Young

Re: **Modified Location Well Proposal – Nimitz MDP1 13 Federal Com 2H**
API: 30-015-44498
Section 13, Township 24 South, Range 30 East, Eddy Co., NM

Dear Mr. Young,

Via letter dated January 23, 2018, OXY USA Inc. ("OXY") previously proposed the drilling, completing and equipping of the Nimitz MDP1 13 Federal Com 2H well at a surface location of 379' FSL & 838' FEL, Section 12, T24S-R30E, Eddy Co., NM, and a bottom hole location of 180' FSL & 1270' FEL, Section 13, T24S-R30E, Eddy Co., NM, being a non-standard location in the E/2 E/2 of Section 13. OXY now proposes to drill, complete and equip the Nimitz MDP1 13 Federal Com 2H at the same surface hole location, but with a bottom hole location of 180' FSL, 1710' FEL, Section 13, T24S-R30E, Eddy Co., NM, ("Section 13") with a standard location in the W/2 E/2 of Section 13.

As previously proposed, OXY still plans to drill the well as an approximately 5000' lateral well to test the 2nd Bone Spring formation with an estimated TVD of 9,962'. The estimated cost of the well also remains the same at \$6,481,000. The AFE for this well is enclosed. The well was originally proposed and remains proposed under the Operating Agreement that was proposed and sent to EOG Resources, Inc. under letter dated October 17, 2017, covering Section 13 as to the Bone Spring formation.

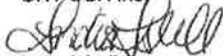
If EOG would like to participate in the drilling, completing, and equipping of the proposed well at its modified location, please execute and return one copy of this letter and the enclosed AFE in the self-addressed, stamped envelope provided. OXY remains interested in acquiring EOG's interest (by trade, term assignment, etc.) if EOG does not wish to participate in the proposed operation.

Please note OXY has deferred the drilling of the Nimitz MDP1 13 Federal Com 1H, which was also proposed to EOG via letter dated January 23, 2018, located at a standard location in the W/2 E/2 of Section 13. The Nimitz MDP1 13 Federal Com 2H, as modified, will be the first well drilled in the W/2 E/2 of Section 13.

If you have any questions, or would like to discuss these proposals in more detail, please do not hesitate to call or e-mail.

Very truly yours,

OXY USA Inc.


India Isbell

Enclosures

EOG Resources, Inc. elects as follows:

Nimitz MDP1 13 Federal Com 2H, at modified location

_____ **PARTICIPATE** in the drilling, completion, and equipping of the well

_____ **NOT** to participate in the drilling, completion, and equipping of the well

BEFORE THE OIL CONSERVATION DIVISION


Santa Fe, New Mexico

Exhibit No. 11

Submitted by: **OXY USA WTP**

Hearing Date: May 17, 2018

Case No. 16013

	Occidental Oil and Gas Corporation Nimitz MDP1 13 Federal Com 2H		RMT: South New Mexico	
			State & County: NM, Eddy	
			Field: Sand Dunes	
			Well Type: SD Sk 2BS Date: 1/22/2018	

Code	Element Name	1 Prep Phase	2 Location/Rig Move	3 Drilling	4 P&A	5 Completion	6 Artificial Lift	7 Hookup	8 Facilities
Location, Mobilization, Rig Move									
3010	Major Mob / Demob	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -
3011	Location & Roads - Maintenance	\$ -	\$ 299,000	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 5,900	\$ 61,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ 2,000	\$ 23,000	\$ -	\$ 39,000	\$ 9,000	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 12,000	\$ 68,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 13,000	\$ 6,000	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 27,000	\$ 2,000	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ -	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ 1,000	\$ 42,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 15,000	\$ -	\$ 45,000	\$ 8,000	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 133,000	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 283,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 7,000	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 538,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -
3023	Drilling & Completion Fluids	\$ -	\$ 3,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 1,610,000	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 24,000	\$ -	\$ 29,000	\$ 14,000	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 38,000	\$ -	\$ -	\$ -
3028	Camp & Catering	\$ -	\$ 4,000	\$ 13,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 68,000	\$ -	\$ 9,000	\$ 189,000	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ 1,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 22,000	\$ 71,000	\$ -	\$ 103,000	\$ 7,000	\$ -	\$ -
Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 125,000	\$ -
5023	Wellhead & X mas tree	\$ -	\$ -	\$ 74,000	\$ -	\$ 23,000	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,000	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 403,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ -	\$ -
5500	Material Consumables	\$ -	\$ -	\$ 12,000	\$ -	\$ 229,000	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 168,000	\$ -	\$ -	\$ -	\$ -	\$ -
5502	Bits, Reamers, Scrapers, HD's	\$ -	\$ -	\$ 49,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 4,000	\$ 62,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ 1,000	\$ 17,000	\$ -	\$ 3,000	\$ 1,000	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 32,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 255,000	\$ -	\$ 129,000	\$ 8,000	\$ -	\$ -
8918	Permits/Statements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9990	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 442,000	\$ 2,819,000	\$ -	\$ 2,718,000	\$ 580,000	\$ 125,000	\$ -

EQO RESOURCES, INC.	
By: _____	
Name: _____	
Title: _____	
Date: _____	

Total Drilling (1+2+3+4):	\$ 3,061,000
Total Completion (5+6+7):	\$ 3,420,000
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 6,481,000
Assumptions:	

From: Clay Haggard <Clay_Haggard@eogresources.com>
Sent: Monday, May 14, 2018 6:07 PM
To: Isbell, India M <India_Isbell@oxy.com>
Cc: Clay Haggard <Clay_Haggard@eogresources.com>
Subject: [EXTERNAL] RE: Nimitz MDPI 13 Federal Com #2H

India

EOG Resources, Inc. is agreeable to a one-time waiver of hearing notice in regards to the change of location of the Nimitz MDP1 Fed Com #2H.

Clay Haggard, CPL
Land Advisor, EOG Resources, Inc.
5509 Champions Dr.
Midland, Texas 79706
Office (432) 686-3722



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 12
Submitted by: OXY USA WTP
Hearing Date: May 17, 2018
Case No. 16013

From: Clay Haggard
Sent: Monday, May 14, 2018 5:24 PM
To: Isbell, India M <India_Isbell@oxy.com>
Cc: Clay Haggard <Clay_Haggard@eogresources.com>
Subject: RE: Nimitz MDPI 13 Federal Com #2H

I'm trying to get you an answer on this as soon as possible. Our Land Manager is out of the office most of this week. I'm trying to get in touch with them to see if EOG is willing to grant the waiver.

From: Isbell, India M [mailto:India_Isbell@oxy.com]
Sent: Monday, May 14, 2018 5:15 PM
To: Clay Haggard <Clay_Haggard@eogresources.com>
Subject: RE: Nimitz MDPI 13 Federal Com #2H

** External email. Use caution.**
Hi Clay,

We're planning to proceed with the hearing later this week for the location move associated with the well referenced above. If you could provide a waiver of hearing notice by reply email that would save some additional administrative tasks after-the-fact.

I'm happy to talk through this with you – and please let me know if you need additional information.

Look forward to hearing from you,
India

From: Isbell, India M

Sent: Wednesday, May 09, 2018 4:44 PM

To: 'Clay Haggard' <Clay_Haggard@eogresources.com>

Subject: RE: Nimitz MDPI 13 Federal Com #2H

Hi Clay,

Oxy is on the docket for hearing next week (May 17th) to adjust the Nimitz MDP1 Fed Com 2H location from its prior location in the E/2 E/2 to the new location in the W/2 E/2 (as discussed, within the spacing unit originally dedicated to the Nimitz MDP1 13 Fed Com 1H).

Under these somewhat unique circumstances, I would like to request a waiver of hearing notice from EOG as it relates to this well/hearing, which can be provided via reply email.

Please give me a call if you have any questions or would like to discuss further.

Thank you,
India