

Additional Information

2/07/2020

Exhibit "A"

Applicant: OXY USA Inc.
 Operator: OXY USA Inc. (OGRID 16696)

Spacing Unit: Horizontal Oil
 Building Blocks: quarter-quarter section equivalents
 Spacing Unit Size: 639.33 acres (more or less)
 Orientation of Unit: North/South

Spacing Unit Description:
E/2 of Sections 4 and 9, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

Pooling this Vertical Extent: Bone Spring Formation
 Depth Severance? (Yes/No): No

Pool: Cedar Canyon; Bone Spring (Pool Code 11520)
 Pool Spacing Unit Size: quarter-quarter sections
 Governing Well Setbacks: Horizontal Oil Well Rules
 Pool Rules: Latest Horizontal Rules Apply.

Proximity Tracts: Yes
 Proximity Defining Well: Well No. 25H is to be drilled closer than 330 feet from the Proximity Tracts and therefore defines the Horizontal Spacing Unit.

Monthly charge for supervision: While drilling: \$7500 While producing: \$750
 As the charge for risk, 200 percent of reasonable well costs.

Proposed Wells:**Heads CC 9-4 Federal Com Well No. 24H, API No. 30-015-Pending**

SHL: 487 feet from the South line and 1667 feet from the East line,
 (Unit O) of Section 9, Township 24 South, Range 29 East, NMPM.
 BHL: 20 feet from the North line and 2240 feet from the East line,
 (Lot 2) of Section 4, Township 24 South, Range 29 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 8790 feet TVD.
 Well Orientation: South to North
 Completion Location expected to be: standard

Heads CC 9-4 Federal Com Well No. 25H, API No. 30-015-Pending

SHL: 482 feet from the South line and 1632 feet from the East line,
 (Unit O) of Section 9, Township 24 South, Range 29 East, NMPM.
 BHL: 20 feet from the North line and 1340 feet from the East line,

(Lot 2) of Section 4, Township 24 South, Range 29 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 8790 feet TVD.

Well Orientation: South to North

Completion Location expected to be: standard

Heads CC 9-4 Federal Com Well No. 26H, API No. 30-015-Pending

SHL: 478 feet from the South line and 1597 feet from the East line,
(Unit P) of Section 9, Township 24 South, Range 29 East, NMPM.

BHL: 20 feet from the North line and 440 feet from the East line,
(Lot 1) of Section 4, Township 24 South, Range 29 East, NMPM.

Completion Target: 2nd Bone Spring Sand at approx 8790 feet TVD.

Well Orientation: South to North

Completion Location expected to be: standard

Garcia, John A, EMNRD

From: Kaitlyn A. Luck <KALuck@hollandhart.com>
Sent: Friday, February 7, 2020 2:20 PM
To: Garcia, John A, EMNRD
Subject: [EXT] RE: Case Number: 20786 / 20788 / 20789 / 20813_ OXY USA
Attachments: OXY_ Heads W2 BS (Case No. 20786)[13769463v1].DOCX; OXY_ Heads E2 BS (Case No. 20813)[13769467v1].DOCX; OXY_ Heads E2 WC (Case No. 20789)[13769911v1].DOCX; OXY_ Heads W2 WC (Case No. 20788)[13769740v1].DOCX

John,

Attached are revised pooling order Exhibit A's for your review in each of the above-referenced cases; thank you for bringing the OGRID and pool code to my attention. As for Case **Nos. 20788** and **20789**, these units are both located in the Purple Sage Wolfcamp pool, with 320-acre building blocks, which does not require proximity wells to pull in the tracts to create the spacing units under these circumstances.

Please let us know if you have any other questions. Have a nice weekend.

Best,

Kaitlyn

From: Garcia, John A, EMNRD <JohnA.Garcia@state.nm.us>
Sent: Friday, February 7, 2020 10:32 AM
To: Kaitlyn A. Luck <KALuck@hollandhart.com>
Subject: RE: Case Number: 20786 / 20788 / 20789 / 20813_ OXY USA

External Email

Kaitlyn,

I have a few questions in regards to the above listed cases.

- 1) All Exhibit As received have an OGRID listed ad 229137 however all applications and exhibits have the OGRID as 16696. I have 229137 showing up as COG Operating LLC.
- 2) Case 20786 the Exhibit A has the pool listed as the Pierce Crossing; Bone Spring East (96473) I have confirmed with the district geologist that these wells will be in the Cedar Canyon Bone Spring (11520)
- 3) Case 20813 the Exhibit A has the pool listed as the Pierce Crossing; Bone Spring East (96473) I have confirmed with the district geologist that these wells will be in the Cedar Canyon Bone Spring (11520)
- 4) In case 20788 I'm curious on why 32H isn't considered a proximity tract as it is within 90 feet from the unit line?
- 5) In case 20789 I'm curious on why 35H isn't considered a proximity tract as it is within 10 feet from the unit line?

If you could mend the exhibit A's for any changes needed.

Thank you,

John Garcia

Petroleum Specialist

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
505-476-3441



From: Kaitlyn A. Luck <KALuck@hollandhart.com>
Sent: Thursday, February 6, 2020 3:50 PM
To: Garcia, John A, EMNRD <JohnA.Garcia@state.nm.us>
Subject: [EXT] RE: Case Number: 20786 / 20788 / 20789 / 20813_ OXY USA

John,

Thanks for reaching out. Because the parties have not reached an agreement and orders are still required, please find attached the proposed Exhibit A's to the pooling orders. Let us know if you have any questions or concerns. We appreciate your ongoing assistance with these orders.

Best,

Kaitlyn

From: Garcia, John A, EMNRD <JohnA.Garcia@state.nm.us>
Sent: Thursday, February 6, 2020 3:34 PM
To: Kaitlyn A. Luck <KALuck@hollandhart.com>
Subject: Case Number: 20786 / 20788 / 20789 / 20813_ OXY USA

External Email

Kaitlyn,

I am attempting to draft the Hearing Orders in the above captioned cases and have a couple questions.

1. Have the parties reached an agreement between themselves, obviating the need for an orders?
2. If not, can you please provide a copy of Exhibit A for each case number, so the order can be drafted and sent up for signature?

Thank you,

John Garcia

Petroleum Specialist

Oil Conservation Division

1220 South St. Francis Drive

Santa Fe, New Mexico 87505

505-476-3441

