

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 05, 2020**

**CASE NOS. 21088 & 21089**

*OXBOW CC 17-8 FED COM 31H, 32H, 37H  
OXBOW CC 17-8 FED COM 31H, 33H*

**EDDY COUNTY, NEW MEXICO**



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

**APPLICATION OF OXY USA INC.  
TO POOL AN ADDITIONAL WORKING  
INTEREST OWNERS UNDER THE TERMS  
OF ORDER NO. R-21020, EDDY COUNTY,  
NEW MEXICO**

**APPLICATION OF OXY USA INC.  
TO POOL AN ADDITIONAL WORKING  
INTEREST OWNERS UNDER THE TERMS  
OF ORDER NO. R-21021, EDDY COUNTY,  
NEW MEXICO**

**CASE NOS. 21088 & 21089  
(ORDER NOS. R-21020 & R-21021)**

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

APPLICATION OF OXY USA INC.  
TO POOL AN ADDITIONAL WORKING  
INTEREST OWNER UNDER THE TERMS  
OF ORDER NO. R-21020, EDDY COUNTY,  
NEW MEXICO.

CASE NO. 21088  
ORDER NO. R-21020

APPLICATION

OXY USA Inc. ("OXY" or "Applicant") (OGRID No. 16696) through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional working interests under the terms of Order No. R-21020. In support of its application, OXY states:

1. Division Order No. R-21020, entered on January 15, 2020, created a 640-acre, more or less, standard horizontal spacing unit consisting of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-21020 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring Pool (Pool Code 50371)) in the Unit and dedicated the Unit to the initial **Oxbow CC 17-8 Fed Com #33H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8.

3. Since the entry of Order No. R-21020, Oxy has determined that there is an additional working interest owner in the Unit that requires pooling because Oxy has been unable to obtain voluntary joinder.

4. The pooling of the additional working interest owner under the terms of Order No. R-21020 will prevent waste, will protect correlative rights, and will promote administrative efficiency.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the working interest owner should be pooled in the Unit pursuant to the terms of Order No. R-21020.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and after notice and hearing as required by law, the Division pool the additional working interest owner pursuant to the terms of Order No. R-21020.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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**ATTORNEYS FOR OXY USA INC.**

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

**APPLICATION OF OXY USA INC.  
TO POOL AN ADDITIONAL WORKING  
INTEREST OWNER UNDER THE TERMS  
OF ORDER NO. R-21021, EDDY COUNTY,  
NEW MEXICO.**

CASE NO. 21089  
ORDER NO. R-21021

**APPLICATION**

OXY USA Inc. ("OXY" or "Applicant") (OGRID No. 16696) through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional working interests under the terms of Order No. R-21021. In support of its application, OXY states:

1. Division Order No. R-21021, entered on January 15, 2020, created a 640-acre, more or less, standard horizontal spacing unit consisting of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-21021 further pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) in the Unit and dedicated the Unit to the following initial wells:

- The **Oxbow CC 17-8 Fed Com #31H Well** and the **Oxbow CC 17-8 Fed Com #32H Well**, to be horizontally drilled from surface locations in the SW/4 SW/4 (Unit M) of Section 17 to bottom-hole locations in the NW/4 NW/4 (Unit D) of Section 8.
- The **Oxbow CC 17-8 Fed Com #37H Well** to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8.

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. B**  
Submitted by: **OXY USA INC.**  
Hearing Date: March 05, 2020  
Case Nos 21088 & 21089

3. Since the entry of Order No. R-21021, Oxy has determined that there is an additional working interest owner in the Unit that requires pooling because Oxy has been unable to obtain voluntary joinder.

4. The pooling of the additional working interest owner under the terms of Order No. R-21021 will prevent waste, will protect correlative rights, and will promote administrative efficiency.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the working interest owner should be pooled in the Unit pursuant to the terms of Order No. R-21021.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and after notice and hearing as required by law, the Division pool the additional working interest owner pursuant to the terms of Order No. R-21021.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR OXY USA INC.**

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

**APPLICATION OF OXY USA INC.  
TO POOL AN ADDITIONAL WORKING  
INTEREST OWNERS UNDER THE TERMS  
OF ORDER NO. R-21020, EDDY COUNTY,  
NEW MEXICO**

**APPLICATION OF OXY USA INC.  
TO POOL AN ADDITIONAL WORKING  
INTEREST OWNERS UNDER THE TERMS  
OF ORDER NO. R-21021, EDDY COUNTY,  
NEW MEXICO**

**CASE NOS. 21088 & 21089  
(ORDER NOS. R-21020 & R-21021)**

**AFFIDAVIT OF PETER R. VAN LIEW  
IN SUPPORT OF CASE NOS. 21088 & 21089**

Peter R. Van Liew, of lawful age and being first duly sworn, declares as follows:

1. My name is Peter R. Van Liew. I work for OXY USA Inc. ("Oxy") as a Senior Land Negotiator.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum land negotiator have been accepted by the Division and made a matter of record.
3. I do not anticipate any opposition to these consolidated cases.

**Case No. 20765**

4. Division Order No. R-21020, entered on January 15, 2020, created a 640-acre, more or less, standard horizontal spacing unit consisting of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C  
Submitted by: OXY USA INC.  
Hearing Date: March 05, 2020  
Case Nos 21088 & 21089**

(the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-21020 further pooled the uncommitted interests in the Bone Spring formation (Pierce Crossing; Bone Spring Pool (Pool Code 50371)) in the Unit and dedicated the Unit to the initial **Oxbow CC 17-8 Fed Com #33H Well** to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8.

5. A true and correct copy of Division Order R-21020 is attached hereto as **Oxy Exhibit C-1**.

6. Order No. R-21020 pooled the ownership interests of MW Petroleum, which is a subsidiary of Apache Corporation. In the interim period, Oxy has learned that Apache Corporation owns the interest directly and therefore, Oxy respectfully requests that Apache Corporation be pooled pursuant to the terms of Order No. R-21020.

**Case No. 20766**

7. Division Order No. R-21021, entered on January 15, 2020, created a 640-acre, more or less, standard horizontal spacing unit consisting of the W/2 equivalent of Section 8 and the W/2 of Section 17, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Oxy as the operator of the Unit. Order No. R-21021 further pooled the uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (Pool Code 98220)) in the Unit and dedicated the Unit to the following initial wells:

- The **Oxbow CC 17-8 Fed Com #31H Well** and the **Oxbow CC 17-8 Fed Com #32H Well**, to be horizontally drilled from surface locations in the SW/4 SW/4 (Unit M) of Section 17 to bottom-hole locations in the NW/4 NW/4 (Unit D) of Section 8.




- The **Oxbow CC 17-8 Fed Com #37H Well** to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 17 to a bottom-hole location in the NE/4 NW/4 (Unit C) of Section 8.
8. A true and correct copy of Division Order R-21021 is attached hereto as **Oxy Exhibit C-2**.
9. Order No. R-21020 pooled the ownership interests of MW Petroleum, which is a subsidiary of Apache Corporation. In the interim period, Oxy has learned that Apache Corporation owns the interest directly and therefore, Oxy respectfully requests that Apache Corporation be pooled pursuant to the terms of Order No. R-21020. **Oxy Exhibit C-3** is an exhibit I prepared that identifies Apache Corporation's ownership interest by tract and by unit for both consolidated cases.
10. Oxy sent a well proposal letter for the Oxbow CC 17-8 Fed Com Nos. 33H, 31H, 32H, and 37H Wells to Apache Corporation. Copies of the well proposal letters, along with AFEs, are attached hereto as **Exhibit C-4**.
11. Oxy has undertaken good faith efforts to reach a voluntary agreement with Apache Corporation. A chronology of contacts with Apache Corporation to obtain voluntary joinder is attached hereto as **Exhibit C-5**.
12. I provided the law firm of Holland & Hart LLP the name and mailing address for Apache Corporation for purposes of providing notice of this hearing
13. **Oxy Exhibit Nos. C-3 through C-5** were either prepared by me or compiled under my direction and supervision.

  
PETER R. VAN LIEW

STATE OF TEXAS                    )  
  )  
COUNTY OF Harris            )

SUBSCRIBED and SWORN to before me this 4th day of March 2020, by Peter R. Van Liew.

  
NOTARY PUBLIC

My Commission Expires:  
4/7/23



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

**IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION TO  
CONSIDER:**

**CASE NO. 20765  
ORDER NO. R-21020**

**APPLICATION OF OXY USA INC FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on September 6, 2019, at Santa Fe, New Mexico, before Examiner Dylan Rose-Coss.

NOW, on this 15<sup>th</sup> day of January 2020, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.
  - (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C1  
Submitted by: OXY USA INC.  
Hearing Date: March 05, 2020  
Case Nos 21088 & 21089**

instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.

- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

- (6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.
- (7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.
- (8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).
- (9) There are interest owners in the Unit that have not agreed to pool their interests.
- (10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.
- (11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.
- (12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.
- (13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

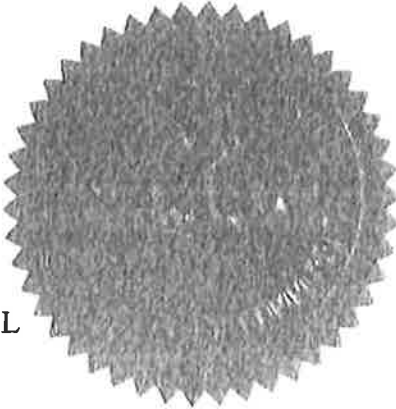
(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'ASandoval', written over the printed name.

ADRIENNE SANDOVAL  
Director



**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: 640 acres (more or less)  
Orientation of Unit: North/South

Spacing Unit Description:  
W/2 Equivalent of Section 8 and W/2 of Section 17,  
Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

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

Pool: Pierce Crossing; Bone Spring (Pool code 50371)  
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. 33H 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 Well:**

**Oxbow CC 17-8 Fed Com Well No. 33H, API No. 30-015-45085**  
SHL: 432 feet from the South line and 1293 feet from the West line,  
(Unit M) of Section 17, Township 24 South, Range 29 East, NMPM.  
BHL: 20 feet from the North line and 1650 feet from the West line,  
(Unit C) of Section 8, Township 24 South, Range 29 East, NMPM.

Completion Target: 3rd Bone Spring Sand at approx 9820 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: Standard

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

**IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION TO  
CONSIDER:**

**CASE NO. 20766  
ORDER NO. R-21021**

**APPLICATION OF OXY USA INC FOR  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on September 6, 2019, at Santa Fe, New Mexico, before Examiner Dylan Rose-Coss.

NOW, on this 15th day of January 2020, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT**

- (1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.
- (2) Applicant seeks to compulsory pool all uncommitted oil and gas interests within a spacing unit, as that unit is described in the attached Exhibit "A".
- (3) Applicant seeks to dedicate the Proposed Well(s) detailed in Exhibit "A" to the Unit.
- (4) No other party appeared or otherwise opposed the case.
- (5) Applicant appeared at the hearing through counsel and presented evidence to the effect that:
  - (a) All completed well locations are expected to be standard or Applicant will apply administratively for approval of location exceptions.
  - (b) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. C2  
Submitted by: OXY USA INC.  
Hearing Date: March 05, 2020  
Case Nos 21088 & 21089**

instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instrument.

- (c) Notice to certain affected parties was posted in a newspaper of general circulation in the county as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(6) If the location of any of the Well(s) is unorthodox when the well is completed under the spacing rules then in effect and applicable to the well, the operator must obtain a non-standard location approval prior to producing the well.

(7) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(8) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s). Applicant should be allowed a one year period to complete at least one of the Well(s) after commencing drilling of the Well(s).

(9) There are interest owners in the Unit that have not agreed to pool their interests.

(10) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the pooled depth interval within the Unit.

(11) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(12) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(13) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional reasonable charge [see Exhibit "A"] for the risk involved in drilling the Well(s).

**IT IS THEREFORE ORDERED THAT**

(1) All uncommitted interests, whatever they may be, in the oil and gas within the spacing unit (or the portion thereof within the pooled vertical extent) described in Exhibit "A" are hereby pooled. Exhibit "A" hereto is incorporated herein by this reference and made a part of this order for all purposes.

(2) The Unit shall be dedicated to the proposed "Well(s)".

(3) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(4) The operator of the Unit shall commence drilling the Well(s) on or before the end of the month corresponding to the date of this order, in the year following the date of issuance of this order and shall thereafter continue drilling the Well(s) with due diligence to test the pooled formation or pooled vertical depths. The Well(s) shall be drilled approximately to the proposed true vertical and measured depths.

(5) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(6) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(8) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(9) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(10) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the

Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(11) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 30 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(12) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(13) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(14) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, the percent (shown in Exhibit "A") of the above costs.

(15) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs"

reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(16) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(17) Reasonable charges for supervision (combined fixed rates) are hereby fixed at the rates shown in Exhibit "A" per month, per well, while drilling and while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(18) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

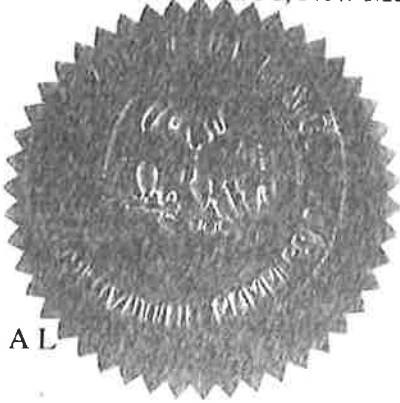
(19) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(20) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(21) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(22) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "ASandoval".

ADRIENNE SANDOVAL  
Director

**Exhibit "A"**

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

Spacing Unit: Horizontal Gas  
Building Blocks: Half Section Equivalent  
Spacing Unit Size: 320.64 acres (more or less)  
Orientation of Unit: North/South

Spacing Unit Description:  
W/2 Equivalent of Section 8 and W/2 of Section 17,  
Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico

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

Pool: Purple Sage; Wolfcamp Gas (Pool code 98220)  
Pool Spacing Unit Size: Half Sections  
Governing Well Setbacks: Special Rules for the Purple Sage Gas Pool Apply  
Pool Rules: Purple Sage and Horizontal Well Rules

Proximity Tracts: No

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

**Proposed Wells:**

**Oxbow CC 17-8 Fed Com Well No. 31H, API No. 30-015-45083**

SHL: 432 feet from the South line and 1223 feet from the West line,  
(Unit M) of Section 17, Township 24 South, Range 29 East, NMPM.  
BHL: 180 feet from the North line and 380 feet from the West line,  
(Unit D) of Section 8, Township 24 South, Range 29 East, NMPM.

Completion Target: Upper Wolfcamp at approx 9881 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

**Oxbow CC 17-8 Fed Com Well No. 32H, API No. 30-015-45084**

SHL: 432 feet from the South line and 1258 feet from the West line,  
(Unit M) of Section 17, Township 24 South, Range 29 East, NMPM.  
BHL: 180 feet from the North line and 1260 feet from the West line,  
(Unit D) of Section 8, Township 24 South, Range 29 East, NMPM.

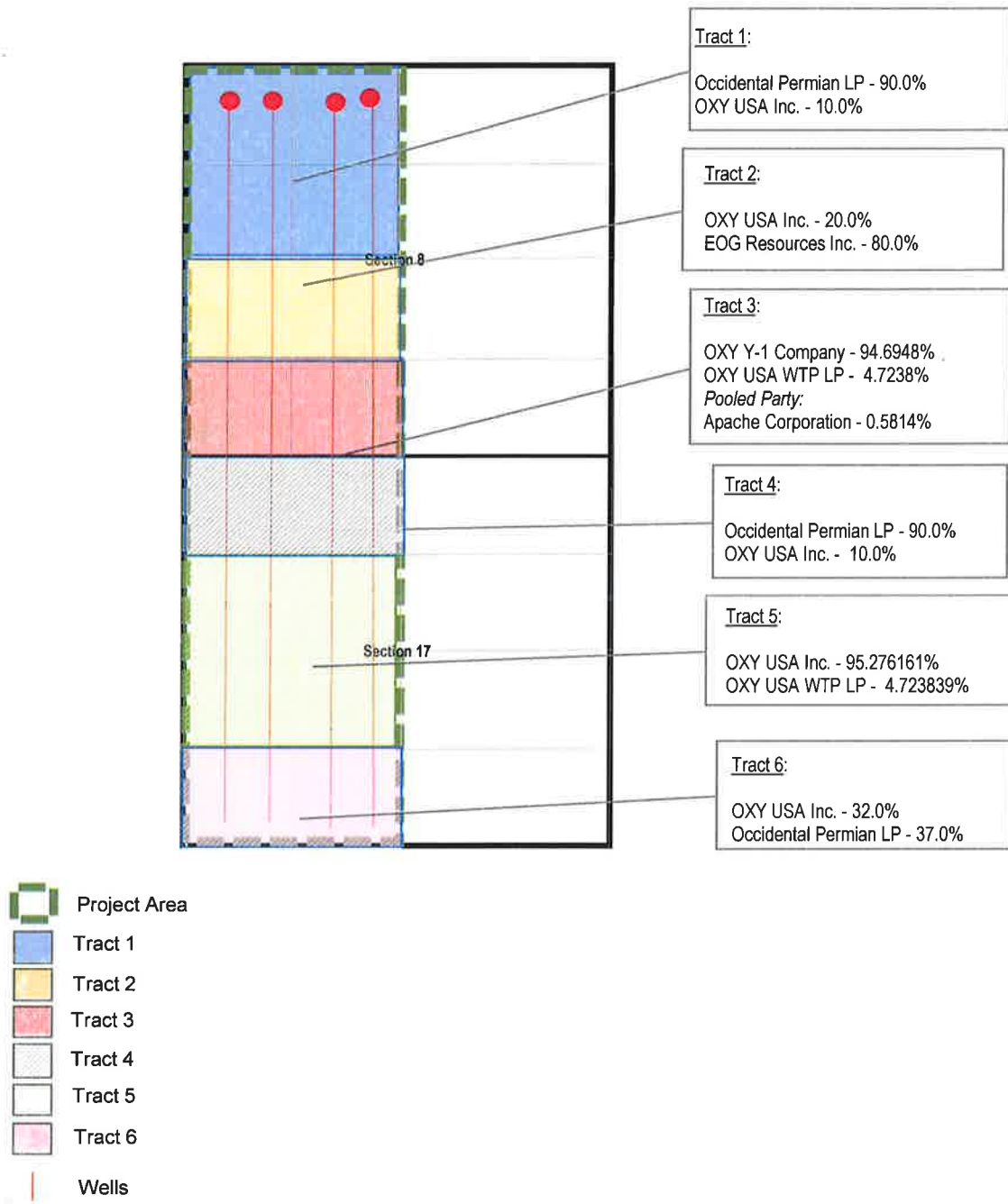


Completion Target: Wolfcamp A at approx 9908 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: standard

**Oxbow CC 17-8 Fed Com Well No. 37H, API No. 30-015-pending**  
SHL: 255 feet from the South line and 1765 feet from the West line,  
(Unit N) of Section 17, Township 24 South, Range 29 East, NMPM.  
BHL: 20 feet from the North line and 2300 feet from the West line,  
(Unit C) of Section 8, Township 24 South, Range 29 East, NMPM.

Completion Target: Wolfcamp A at approx 10040 feet TVD.  
Well Orientation: South to North  
Completion Location expected to be: Non-standard

**W/2 Sections 8 & 17, T24S-R29E, NMPM**  
**Eddy County, New Mexico, containing 640 acres**



**Oxbow CC 17-8 Fed Com #31H, #32H, #33H, #37H**

W/2 Sections 8 & 17, T24S-R29E, NMPM, Eddy County, New Mexico

**Total Acres in proposed spacing unit: 640**

<b>Tract 1</b>	<b>NW/4 Section 8, T24S-R29E, Eddy Co., NM</b>	<b>Acres contributed to proposed spacing unit: 160</b>
	10.000000% OXY USA Inc.	
	90.000000% Occidental Permian LP	
	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>N/2SW/4 Section 8, T24S-R29E, Eddy Co., NM</b>	<b>Acres contributed to proposed spacing unit: 80</b>
	20.000000% OXY Y-1 Company	
	80.000000% EOG Resources, Inc.	
	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>S/2SW/4 Section 8, T24S-R29E, Eddy Co., NM</b>	<b>Acres contributed to proposed spacing unit: 80</b>
	94.694800% OXY USA Inc.	
	4.723800% OXY USA WTP LP	
	0.581400% Apache Corporation	
	100.000000%	
	<b>Total Committed Interest</b>	<b>99.418600%</b>
	<b>Total Uncommitted Interest</b>	<b>0.581400%</b>
<b>Tract 4</b>	<b>N/2NW/4 Section 17, T24S-R29E, Eddy Co., NM</b>	<b>Acres contributed to proposed spacing unit: 80</b>
	10.000000% OXY USA Inc.	
	90.000000% Occidental Permian LP	
	100.000000%	
	<b>Total Committed Interest</b>	<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>	<b>0.000000%</b>
<b>Tract 5</b>	<b>S/2NW/4 &amp; N/2SW/4 Section 17, T24S-R29E, Eddy Co., NM</b>	<b>Acres contributed to proposed spacing unit: 160</b>
	95.276161% OXY USA Inc.	
	4.723839% OXY USA WTP LP	
	100.000000%	
	<b>Total Committed Interest</b>	<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>	<b>0.000000%</b>
<b>Tract 6</b>	<b>S/2SW/4 Section 17, T24S-R29E, Eddy Co., NM</b>	<b>Acres contributed to proposed spacing unit: 80</b>
	63.000000% OXY USA Inc.	
	37.000000% Occidental Permian LP	
	100.000000%	
	<b>Total Committed Interest</b>	<b>100.000000%</b>
	<b>Total Uncommitted Interest</b>	<b>0.000000%</b>

**Working Interest for each party in 640.0 acre proposed spacing unit:**

OXY USA Inc.	47.280890%
OXY USA WTP LP	1.771435%
OXY Y-1 Company	2.500000%
Occidental Permian LP	38.375000%
EOG Resources Inc.	10.000000%
Apache Corporation	0.072675%
<b>Total</b>	<b>100.000000%</b>
<b>OXY Entity Totals</b>	<b>89.927325%</b>



**OXY USA Inc.**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 4294, Houston, Texas 77210-4294

Direct: 713.985.6972 Fax: 713.985.1278

Peter\_VanLiew@Oxy.com

January 16, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Apache Corporation  
303 Veterans Airpark Lane, Suite 1000  
Midland, Texas 79705  
Attn: Nick Laris

Re: **Well Proposal – Oxbow CC 17-8 Fed Com #31H**  
SHL – 432' FSL & 1223' FWL  
Section 17-24S-29E, Eddy County, NM  
BHL – 180' FNL & 380' FWL  
Section 8-24S-29E, Eddy County, NM

Dear Mr. Laris,

OXY USA Inc. ("OXY") hereby proposes the drilling of the Oxbow CC 17-8 Fed Com #31H well at the referenced surface location to its terminus at the referenced bottom hole location in Section 8-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,881', and to an approximate measured depth of 20,104' to evaluate the Wolfcamp. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill this well under the terms of a newly proposed modified 1989 AAPL form of Operating Agreement, dated May 3, 2019, by and between OXY USA Inc., as Operator, and EOG Resources, Inc., et al as Non-Operators, covering the W/2 of Sections 17 and 8, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico. A copy of the proposed operating agreement is included in this mailing. OXY plans to batch drill the Oxbow CC 17-8 Fed Com #31H, #32H and #33H wells from a common surface location.

Please indicate your election to participate in the drilling, completing, and equipping of the proposed well by executing and returning one copy of this letter and enclosed AFE.

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

Very truly yours,

OXY USA Inc.

Peter R. Van Liew  
Senior Land Negotiator

Apache Corporation elects to:

\_\_\_\_ participate in the drilling of the Oxbow CC 17-8  
Federal Com #31H

\_\_\_\_ non-consent the drilling of the Oxbow CC 17-8  
Federal Com #31H

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

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

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

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

Enclosures

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

Exhibit No. C4

Submitted by: **OXY USA INC.**

Hearing Date: March 05, 2020

Case Nos 21088 & 21089



Occidental Oil and Gas Corporation  
10k WC

RMT:	PRN
State & County:	NM, Eddy
Field:	Purple Sage WC
Well Type:	10k WC
Well Name:	Oxbow CC 17-8 Fed Corn #31H
Date:	2/13/2020

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	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3006	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 18,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,728	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4006	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
<b>Consur Consumables</b>									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 280,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5606	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8946	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ -	\$ -

Company Name
Name/Title
Signature
Date

Total Drilling (1+2+3+4):	\$ 4,017,000
Total Completion (5+6+7):	\$ 5,169,415
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,186,415
Assumptions:	



**OXY USA Inc.**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 4294, Houston, Texas 77210-4294

Direct: 713.985.6972 Fax: 713.985.1278

Peter\_VanLiew@Oxy.com

January 16, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Apache Corporation  
303 Veterans Airpark Lane, Suite 1000  
Midland, Texas 79705  
Attn: Nick Laris

Re: **Well Proposal – Oxbow CC 17-8 Fed Com #32H**  
SHL – 432' FSL & 1258' FWL  
Section 17-24S-29E, Eddy County, NM  
BHL – 180' FNL & 1260' FWL  
Section 8-24S-29E, Eddy County, NM

Dear Mr. Laris,

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

Very truly yours,

OXY USA Inc.

Peter R. Van Liew  
Senior Land Negotiator

Apache Corporation elects to:

\_\_\_\_ participate in the drilling of the Oxbow CC 17-8  
Federal Com #32H

\_\_\_\_ non-consent the drilling of the Oxbow CC 17-8  
Federal Com #32H

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

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

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

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

Enclosures



	<h2 style="text-align: center;">Occidental Oil and Gas Corporation</h2> <h3 style="text-align: center;">10k WC</h3>						RMT: PRN	
							State & County: NM, Eddy	
							Field: Purple Sage WC	
							Well Type: 10k WC	
							Well Name: Oxbow CC 17-8 Fed Com #32H	
								Date: 2/13/2020

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	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
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3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,728	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4006	Rental Downhole Equipment &Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consur Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,987	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
6000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,886	\$ 8,160	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ -	\$ -

Company Name

Name/Title

Signature

Date

Total Drilling (1+2+3+4):	\$	4,017,000
Total Completion (5+6+7):	\$	5,169,415
Total Facilities (8):	\$	-
Total Well Cost (1+2+3+4+5+6+7+8):	\$	9,186,415
Assumptions:		



**OXY USA Inc.**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 4294, Houston, Texas 77210-4294

Direct: 713.985.6972 Fax: 713.985.1278

Peter\_VanLiew@Oxy.com

January 16, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Apache Corporation  
303 Veterans Airpark Lane, Suite 1000  
Midland, Texas 79705  
Attn: Nick Laris

Re: **Well Proposal – Oxbow CC 17-8 Fed Com #33H**  
SHL – 432' FSL & 1293' FWL  
Section 17-24S-29E, Eddy County, NM  
BHL – 20' FNL & 1650' FWL  
Section 8-24S-29E, Eddy County, NM

Dear Mr. Laris,

OXY USA Inc. ("OXY") hereby proposes the drilling of the Oxbow CC 17-8 Fed Com #33H well at the referenced surface location to its terminus at the referenced bottom hole location in Section 8-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 9,820', and to an approximate measured depth of 19,820' to evaluate the 3<sup>rd</sup> Bone Spring. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill this well under the terms of a newly proposed modified 1989 AAPL form of Operating Agreement, dated May 3, 2019, by and between OXY USA Inc., as Operator, and EOG Resources, Inc., et al as Non-Operators, covering the W/2 of Sections 17 and 8, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico. A copy of the proposed operating agreement is included in this mailing. OXY plans to batch drill the Oxbow CC 17-8 Fed Com #31H, #32H and #33H wells from a common surface location.

Please indicate your election to participate in the drilling, completing, and equipping of the proposed well by executing and returning one copy of this letter and enclosed AFE.

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

Very truly yours,

OXY USA Inc.

Peter R. Van Liew  
Senior Land Negotiator

Apache Corporation elects to:

\_\_\_ participate in the drilling of the Oxbow CC 17-8  
Federal Com #33H

\_\_\_ non-consent the drilling of the Oxbow CC 17-8  
Federal Com #33H

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

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

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

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

Enclosures





Occidental Oil and Gas Corporation  
10K Bone Spring

RMT: PRN  
State & County: NM, Eddy  
Field: Pierce Crossing  
Well Type: 10k BS  
Well Name: Oxbow CC 17-8 Fed Com #33H  
Date: 2/13/2020

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	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Labor, Services &amp; Equipment Rentals</b>									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 488,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
<b>Consumables</b>									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Acces	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7604	Utilities: Electricity, Water & Sewers & Trash	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
<b>Logistics, Insurance &amp; Tax</b>									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ -	\$ -

Company Name
Name/Title
Signature
Date

Total Drilling (1+2+3+4):	\$ 4,017,000
Total Completion (5+6+7):	\$ 5,169,415
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,186,415
Assumptions:	



**OXY USA Inc.**

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 4294, Houston, Texas 77210-4294

Direct: 713.985.6972 Fax: 713.985.1278

Peter\_VanLiew@Oxy.com

January 16, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Apache Corporation  
303 Veterans Airpark Lane, Suite 1000  
Midland, Texas 79705  
Attn: Nick Laris

Re: **Well Proposal – Oxbow CC 17-8 Fed Com #37H**  
SHL – 225' FSL & 11765' FWL  
Section 17-24S-29E, Eddy County, NM  
BHL – 20' FNL & 2460' FWL  
Section 8-24S-29E, Eddy County, NM

Dear Mr. Laris,

OXY USA Inc. ("OXY") hereby proposes the drilling of the Oxbow CC 17-8 Fed Com #37H well at the referenced surface location to its terminus at the referenced bottom hole location in Section 8-24S-29E, Eddy County, New Mexico. The proposed horizontal well will be drilled to an approximate vertical depth of 10,040', and to an approximate measured depth of 20,040' to evaluate the Wolfcamp. A detailed description of the total estimated cost to drill and complete the well is set out in the enclosed AFE.

OXY proposes to drill this well under the terms of a newly proposed modified 1989 AAPL form of Operating Agreement, dated May 3, 2019, by and between OXY USA Inc., as Operator, and EOG Resources, Inc., et al as Non-Operators, covering the W/2 of Sections 17 and 8, Township 24 South, Range 29 East, N.M.P.M., Eddy Co., New Mexico. A copy of the proposed operating agreement is included in this mailing.

Please indicate your election to participate in the drilling, completing, and equipping of the proposed well by executing and returning one copy of this letter and enclosed AFE.

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

Very truly yours,

OXY USA Inc.

Peter R. Van Liew  
Senior Land Negotiator

Apache Corporation elects to:

\_\_\_\_ participate in the drilling of the Oxbow CC 17-8  
Federal Com #37H

\_\_\_\_ non-consent the drilling of the Oxbow CC 17-8  
Federal Com #37H

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

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

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

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

Enclosures



Occidental Oil and Gas Corporation  
10k WC

RMT: PRN  
State & County: NM, Eddy  
Field: Purple Sage WC  
Well Type: 10k WC  
Well Name: Oxbow CC 17-8 Fed Com #37H  
Date: 2/13/2020

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	\$ -	\$ -	\$ -	\$ -	\$ 8,163	\$ -	\$ -	\$ -
3011	Location & Roads + Maintenance	\$ -	\$ 103,000	\$ -	\$ -	\$ 3,500	\$ -	\$ -	\$ -
3021	Rig Move	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Labor, Services & Equipment Rentals									
1000	Employee Wages	\$ -	\$ 4,000	\$ 141,000	\$ -	\$ 100,000	\$ -	\$ -	\$ -
1050	Location Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2004	Contractor Maintenance/Roustabouts	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ -
2017	Contract Supervision	\$ -	\$ -	\$ -	\$ -	\$ 57,400	\$ 8,678	\$ -	\$ -
2019	Contractor HES	\$ -	\$ -	\$ -	\$ -	\$ 10,931	\$ -	\$ -	\$ -
2034	Labor services	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ -	\$ -	\$ -	\$ -
3001	Services Hot Oiling	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ 5,710	\$ -	\$ -
3002	Services Misc Heavy Equipment	\$ -	\$ -	\$ -	\$ -	\$ 40,500	\$ 1,713	\$ -	\$ -
3003	Fluid Haul	\$ -	\$ 7,000	\$ 53,000	\$ -	\$ -	\$ -	\$ -	\$ -
3005	Services Inspection	\$ -	\$ -	\$ 38,000	\$ -	\$ 4,500	\$ -	\$ -	\$ -
3009	Services Wellhead	\$ -	\$ -	\$ 16,000	\$ -	\$ 45,100	\$ 5,710	\$ -	\$ -
3012	Cased/Open Hole Logging	\$ -	\$ -	\$ -	\$ -	\$ 9,500	\$ -	\$ -	\$ -
3013	Services Coiled Tubing	\$ -	\$ -	\$ -	\$ -	\$ 178,535	\$ -	\$ -	\$ -
3014	Directional Drilling & LWD	\$ -	\$ -	\$ 486,000	\$ -	\$ -	\$ -	\$ -	\$ -
3015	Fishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3016	Mud Logging	\$ -	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
3018	Services Perforating	\$ -	\$ -	\$ -	\$ -	\$ 172,200	\$ -	\$ -	\$ -
3019	Wire line & Slick line	\$ -	\$ -	\$ -	\$ -	\$ 42,000	\$ 7,422	\$ -	\$ -
3020	Rig Work	\$ -	\$ -	\$ 727,000	\$ -	\$ -	\$ 24,936	\$ -	\$ -
3022	Drilling & Completion Fluids	\$ -	\$ 6,000	\$ 69,000	\$ -	\$ -	\$ -	\$ -	\$ -
3023	Cementing	\$ -	\$ -	\$ 249,000	\$ -	\$ -	\$ -	\$ -	\$ -
3024	Services Stimulation	\$ -	\$ -	\$ -	\$ -	\$ 3,188,848	\$ -	\$ -	\$ -
3025	Services Downhole Other	\$ -	\$ -	\$ 13,000	\$ -	\$ 53,550	\$ 13,726	\$ -	\$ -
3026	Formation Testing and Coring	\$ -	\$ -	\$ -	\$ -	\$ 224,269	\$ -	\$ -	\$ -
3029	Camp & Catering	\$ -	\$ 8,000	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -
3032	Communications & IT	\$ -	\$ 1,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -
3035	Services Disposal	\$ -	\$ -	\$ 135,000	\$ -	\$ 179,000	\$ 4,111	\$ -	\$ -
3039	Services Fluid Hauling from Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4005	Rental Downhole Equipment & Tools	\$ -	\$ -	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -
4007	HES & Industrial waste handling	\$ -	\$ -	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -
4013	Rental Surface Equipment & Tools	\$ -	\$ 19,000	\$ 104,000	\$ -	\$ 125,908	\$ 7,177	\$ -	\$ -
Consur Consumables									
5021	Material Surface Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5023	Wellhead & X-mas tree	\$ -	\$ -	\$ 69,000	\$ -	\$ 22,500	\$ -	\$ -	\$ -
5027	Material Subsurface Lift Equipment Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,231	\$ -	\$ -
5028	Casing and Casing Accessories	\$ -	\$ -	\$ 775,000	\$ -	\$ -	\$ -	\$ -	\$ -
5029	Material Tubing and Accs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,967	\$ -	\$ -
5500	Material Consumables	\$ -	\$ 10,000	\$ -	\$ -	\$ 260,131	\$ -	\$ -	\$ -
5502	Drilling Fluids Products	\$ -	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -
5503	Bits, Reamers, Scrapers, HO's	\$ -	\$ -	\$ 78,000	\$ -	\$ -	\$ -	\$ -	\$ -
5505	Fuel & Lubricants	\$ -	\$ 2,000	\$ 77,000	\$ -	\$ -	\$ -	\$ -	\$ -
7004	Utilities: Electricity, Water & Sewers & Trasl	\$ -	\$ -	\$ 12,000	\$ -	\$ 3,196	\$ 1,440	\$ -	\$ -
Logistics, Insurance & Tax									
8000	Land Transportation	\$ -	\$ 1,000	\$ 47,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -
8102	Tax & contingency	\$ -	\$ 12,000	\$ 297,000	\$ -	\$ 220,686	\$ 8,180	\$ -	\$ -
8918	Permits/Settlements/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8921	Waste Handling and Disp	\$ -	\$ -	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
8945	Loss & Loss Expenses Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9999	Other Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 249,000	\$ 3,768,000	\$ -	\$ 4,974,415	\$ 195,000	\$ -	\$ -

Company Name
Name/Title
Signature
Date

Total Drilling (1+2+3+4):	\$ 4,017,000
Total Completion (5+6+7):	\$ 5,169,415
Total Facilities (8):	\$ -
Total Well Cost (1+2+3+4+5+6+7+8):	\$ 9,186,415
Assumptions:	

[FAQs >](#)[Track Another Package +](#)**Tracking Number:** EK944231838US[Remove X](#)

Your item was delivered at 9:21 am on January 21, 2020 in MIDLAND, TX 79705. The item was signed for by R FOREE.

 **Delivered**

January 21, 2020 at 9:21 am  
Delivered  
MIDLAND, TX 79705

[Feedback](#)[Get Updates](#) ✓[Text & Email Updates](#)[Proof of Delivery](#)[Tracking History](#)[Product Information](#)[See Less](#) ^**Can't find what you're looking for?**

Go to our FAQs section to find answers to your tracking questions.

## FAQs

Feedback

**From:** Van Liew, Peter R <Peter\_VanLiew@oxy.com>  
**Sent:** Thursday, January 23, 2020 3:53 PM  
**To:** maggie.hegenbart@apachecorp.com  
**Cc:** Laris, Nick  
**Subject:** Update: Oxbow CC 17-8 Fed Com #37H Proposal  
**Attachments:** Apache Oxbow Delivery.pdf

Maggie,

OXY USA Inc. ("OXY") recently proposed the Oxbow CC 17-8 Fed Com #37H well by letter dated January 16, 2020 (delivered January 21, 2020). Upon further review, it came to our attention that the surface hole and bottom hole locations listed in that proposal were listed incorrectly. Below, I have listed both the original, incorrect locations and our new, corrected locations for that proposal.

If you should have any questions or concerns, please do not hesitate to call or email.

Original SHL/BHL

SHL – 225' FSL & 11765' FWL  
Section 17-24S-29E, Eddy County, NM  
BHL – 20' FNL, 2460' FWL  
Section 8-24S-29E, Eddy County, NM

Corrected SHL/BHL

SHL – 255' FSL & 1765' FWL  
Section 17-24S-29E, Eddy County, NM  
BHL – 20' FNL, 2300' FWL  
Section 8-24S-29E, Eddy County, NM

Sincerely,

**Peter R. Van Liew, RPL**  
Senior Land Negotiator  
Occidental Oil & Gas Corporation  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046  
713.985.6972

CONFIDENTIALITY NOTICE

The information in this e-mail may be confidential and/or privileged. This e-mail is intended for review only by the individual or organization named above. If you are not the intended recipient, you are hereby notified that any review, dissemination or copying of this e-mail or the information contained herein and in its attachments, if any, is prohibited. If you have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your system.

**Date****Action**

5/24/2019

Initial well proposals mailed out for 31H, 32H, 33H & 37H

6/3/2019 - 8/9/2019

A total of 8 emails were exchanged between Apache and OXY in the 2 1/2 months following Apache's receipt of the proposals. The email exchanges covered topics regarding OXY's drill schedule, the ownership OXY credited to Apache and potential trade ideas between the two companies.

A total of 7 emails were exchanged between staff at Apache and OXY during this one month time period. The email exchanges covered discussions about a proposed trade in place and a lengthy breakdown of how OXY arrived at the interest currently credited to Apache, including title chain history and supporting title opinion history.

1/22/2020 - 2/21/2020





**HOLLAND & HART**<sup>LLP</sup>



**Michael H. Feldewert**

**Phone** (505) 988-4421

**Fax** (505) 983-6043

[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)

February 5, 2020

**VIA CERTIFIED MAIL**

**CERTIFIED RECEIPT REQUESTED**

**Apache Corporation**

**303 Veterans Airpark Lane, Suite 1000**

**Midland, Texas 79705**

**Attn: Nick Laris**

**Re: Application of OXY USA Inc. to Pool an Additional Working Interest Owner  
Under the Terms of Order No. R-21020, Eddy County, New Mexico.  
Oxbow CC 17-8 Fed Com #33H Well**

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 March 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Peter Van Liew, at (713) 985-6972, or [Peter\\_VanLiew@oxy.com](mailto:Peter_VanLiew@oxy.com).

Sincerely,

for Michael H. Feldewert

**ATTORNEY FOR OXY USA INC.**

**HOLLAND & HART**<sup>LLP</sup>



**Michael H. Feldewert**

**Phone** (505) 988-4421

**Fax** (505) 983-6043

[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)

February 5, 2020

**VIA CERTIFIED MAIL**

**CERTIFIED RECEIPT REQUESTED**

**Apache Corporation**

**303 Veterans Airpark Lane, Suite 1000**

**Midland, Texas 79705**

**Attn: Nick Laris**

**Re: Application of OXY USA Inc. to Pool an Additional Working Interest Owner  
Under the Terms of Order No. R-21021, Eddy County, New Mexico.  
Oxbow CC 17-8 Fed Com #31H, #32H, #37H 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 March 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

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If you have any questions about this matter, please contact Peter Van Liew, at (713) 985-6972, or [Peter\\_VanLiew@oxy.com](mailto:Peter_VanLiew@oxy.com).

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR OXY USA INC.**

OXY - Oxbow 33H, 31H, 32H, 37H  
Case Nos. 21088, 21089Postal Delivery REport

Tracking Number      Recipient

9214890194038305619077 Apache Corporation Attn: Nick Laris 303 Veterans Airpark Lane Suite 1000 Midland TX 79705

Status

In-Transit

1  
\$5.90



## Shipment Confirmation Acceptance Notice

### A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

**OXY - Oxbow 33H, 31H, 32H, 37H Wells**  
**Case No. 21088-21089**  
**CM# 44506.0005**

Shipment Date: 02/05/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	1
Total	1

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

### B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count **message** by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0020 0750 56





## Firm Mailing Book For Accountable Mail

[illegible]