

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



**NM OIL CONSERVATION
ARTESIA DISTRICT**

November 8, 2017

JUN 26 2018

Oxy USA Inc.
Attn: Ms. Sarah Mitchell

RECEIVED

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7569-A

Oxy USA Inc.
OGRID 16696
Nimitz MDP1 12 Federal Well No. 2H
API No. 30-015-Pending

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	450' FNL & 1760' FWL	C	13	24S	30E	Eddy
Penetration Point	340' FSL & 1271' FWL	M	12	24S	30E	Eddy
Final perforation	340' FNL & 1270' FWL	4	1	24S	30E	Eddy
Terminus	180' FNL & 1270' FWL	4	1	24S	30E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 12	319.94	Cotton Draw; Bone Spring	13367
W/2 W/2 of Section 1			

Reference is made to your application received on October 19, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15. B (4) NMAC which allows for surface locations outside project area. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries