

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



January 21, 2016

OXY USA INC.  
Attn: Mr. David Stewart

ADMINISTRATIVE NON-STANDARD LOCATION

**Administrative Order NSL-7382**  
**Administrative Application Reference No. pLEL1602250915**

**OXY USA INC**  
OGRID 16696  
**Cedar Canyon29 Federal Well No. 21 H**  
**API No. 30-015-PENDING**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1989` FNL & 150` FEL	H	29	24S	29E	Lea
Penetration Point	1342` FNL & 340` FEL	H	29	24S	29E	Lea
Final perforation	1336` FNL & 340` FWL	E	29	24S	29E	Lea
Terminus	1336` FNL & 160` FWL	E	29	24S	29E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 N/2 of Section 29	160	Pierce Crossing; Bone Spring	50371

Reference is made to your application received on December 28, 2015.

You have requested to drill and complete 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 location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location to allow efficient spacing for horizontal wells and thereby preventing waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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 January 21, 2016.



**DAVID R. CATANACH**  
**Director**

DRC/lrl

cc: New Mexico Oil Conservation Division – Artesia  
Bureau Land Management - Artesia