

RECEIVED: 03/24/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2208732215
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA INC. (16696) **OGRID Number:** 16696
Well Name: JEFF SMITH MDP1 7-18 FEDERAL COM 171H **API:** 30-015-47258
Pool: PURPLE SAGE WOLFCAMP (GAS) **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☒ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

LESLIE REEVES

Print or Type Name

Leslie T. Reeves

Signature

3/24/2022

Date

713-497-2492

Phone Number

LESLIE_REEVES@OXY.COM

e-mail Address

**OXY USA Inc****5 Greenway Plaza, Suite 110
Houston, TX 77046-0521**

March 24, 2022

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Leonard Lowe

Re: ***Application for Administrative Approval of Non-Standard Location
Jeff Smith MDP1 7-18 Federal Com 171H – Purple Sage Wolfcamp
Surface – 779' FSL 705' FWL Unit M (Lot 7) Sec 6 T24S R31E
First Take Point – 100' FNL 340' FWL Unit D, Sec 7 T24S R31E
Last Take Point – 100' FSL 340' FWL Unit M (Lot 4), Sec 18 T24S R31E
Bottom Hole – 20' FSL 340' FWL Unit M (Lot 4), Sec 18 T24S R31E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Jeff Smith MDP1 7-18 Federal Com 171H well, API Number-30-015-47258, Property Code 328304. The #171H well is proposed to be completed in the Purple Sage Wolfcamp pool, Pool Code 98220 which has special pool rules specifying the completed interval must be located 330 feet from the exterior boundary of the applicable spacing unit. The proposed completed interval is projected as follows:

Surface – 779' FSL 705' FWL Unit M (Lot 7) Sec 6 T24S R31E
First Take Point – 100' FNL 340' FWL Unit D, Sec 7 T24S R31E
Last Take Point – 100' FSL 340' FWL Unit M (Lot 4), Sec 18 T24S R31E
Bottom Hole – 20' FSL 340' FWL Unit M (Lot 4), Sec 18 T24S R31E

The Horizontal Spacing Unit will be 640-acres including the West ½ of section 7 and section 18, T24S R31E.

- The adjoining units which the unorthodox location encroaches are located to the North in T24S R31E, Section 6 – Units M and N, which are 100% working interest owned by OXY.
- To the South the adjoining units which the unorthodox location encroaches are in T24S R31E, Section 19 & 30 – (West ½ HSU) Units D, C, E, F, L, K, M, N. which is operated by XTO Permian Operating, LLC.

Approval of the unorthodox, completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

To support this request, the following information has been submitted for your review:

1. C-102 Plat for the proposed well and additional plats with offsetting well and affected spacing units.
2. List of affected offset parties in each adjoining spacing unit in the same pool or formation located closer to the unorthodox well location than the minimum distance prescribed by applicable rule or order, copies of the signed certified return receipts will be furnished upon request.
3. Statement from Oxy Development Area Reservoir Engineer.

If you need any additional information, please call me at 713-497-2492.

Sincerely,

A handwritten signature in blue ink that reads "Leslie Reeves".

Leslie Reeves
Regulatory Advisor
Leslie_Reeves@oxy.com



OXY USA Inc

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

March 24, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location
Jeff Smith MDP1 7-18 Federal Com 171H – Purple Sage Wolfcamp
Surface – 779' FSL 705' FWL Unit M (Lot 7) Sec 6 T24S R31E
First Take Point – 100' FNL 340 FWL Unit D Sec 7 T24S R31E
Last Take Point – 100' FSL 340' FWL Unit M, Sec 18 T24S R31E
Bottom Hole – 20' FSL 340' FWL Unit M, Sec 18 T24S R31E
Eddy County, New Mexico***

To Whom it May Concern:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval for a non-standard location. As an affected party, notice is being provided to you pursuant to Rule 19.15.4.12(A)(2)(a), 19.15.15.9(A) and 19.15.16.15(B). The well is located as follows:

Surface – 779' FSL 705' FWL Unit M (Lot 7) Sec 6 T24S R31E
First Take Point – 100' FNL 340 FWL Unit D Sec 7 T24S R31E
Last Take Point – 100' FSL 340' FWL Unit M, Sec 18 T24S R31E
Bottom Hole – 20' FSL 340' FWL Unit M, Sec 18 T24S R31E

If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Leonard Lowe).

If you need any additional information, you can contact Matt Cole at 713-366-5928 or myself at 713-497-2492.

Thank you,

A handwritten signature in blue ink that reads "Leslie Reeves". The signature is fluid and cursive, with the first name "Leslie" and last name "Reeves" clearly distinguishable.

Leslie Reeves
Regulatory Advisor
OXY USA Inc.

District I
1625 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) 748-1283 Fax: (575) 748-9720
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

¹ API Number 30-015-47258	² Pool Code 98220	³ Pool Name PURPLE SAGE WOLFCAMP (GAS)
⁴ Property Code 328304	⁵ Property Name JEFF SMITH MDP1 7_18 FED COM	⁶ Well Number 171H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC.	⁹ Elevation 3451'

¹⁰ Surface Location

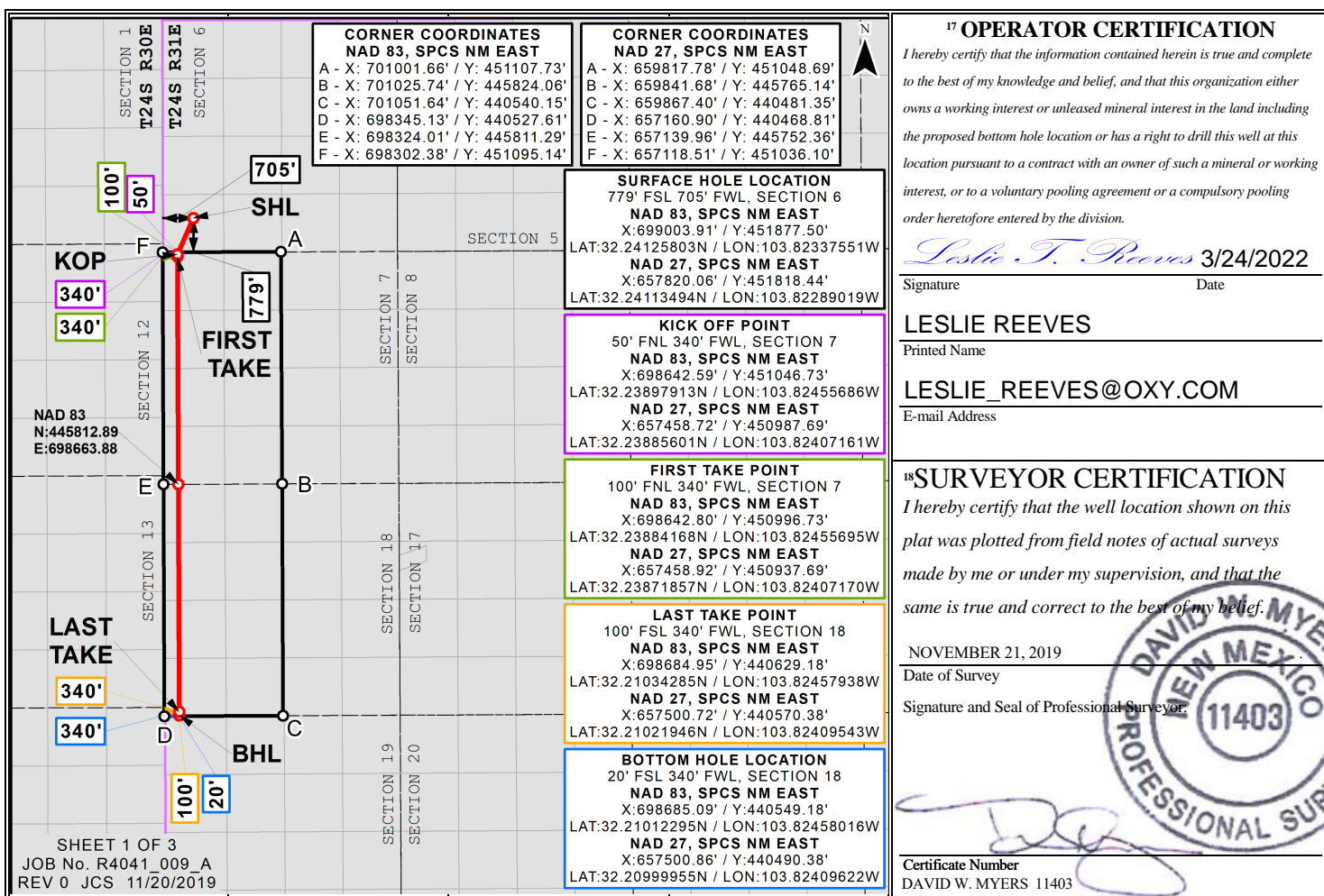
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L 7	6	24S	31E		779	SOUTH	705	WEST	EDDY

¹¹ 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
L 4	18	24S	31E		20	SOUTH	340	WEST	EDDY

¹² Dedicated Acres 655.04	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977704 Convergence: 00°16'56.57999"

Intent ☒ As Drilled ☐

API # 30-015-47258		
Operator Name: OXY USA Inc.	Property Name: JEFF SMITH MDP1 7-18 FEDERAL COM	Well Number 171H

Kick Off Point (KOP)

UL D	Section 7	Township 24S	Range 31E	Lot	Feet 50	From N/S FNL	Feet 340	From E/W FWL	County EDDY
Latitude 32.23897913					Longitude -103.82455686			NAD NAD83	

First Take Point (FTP)

UL D	Section 7	Township 24S	Range 31E	Lot	Feet 100	From N/S FNL	Feet 340	From E/W FWL	County EDDY
Latitude 32.23884168					Longitude -103.82455695			NAD NAD83	

Last Take Point (LTP)

UL M	Section 18	Township 24S	Range 31E	Lot	Feet 100	From N/S FSL	Feet 340	From E/W FWL	County EDDY
Latitude 32.21034285					Longitude -103.82457938			NAD NAD83	

Is this well the defining well for the Horizontal Spacing Unit? ☐ NIs this well an infill well? ☐ Y

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # 30-015-47249		
Operator Name: OXY USA INC.	Property Name: JEFF SMITH MDP1 7-18 FED COM	Well Number 172H

KZ 06/29/2018

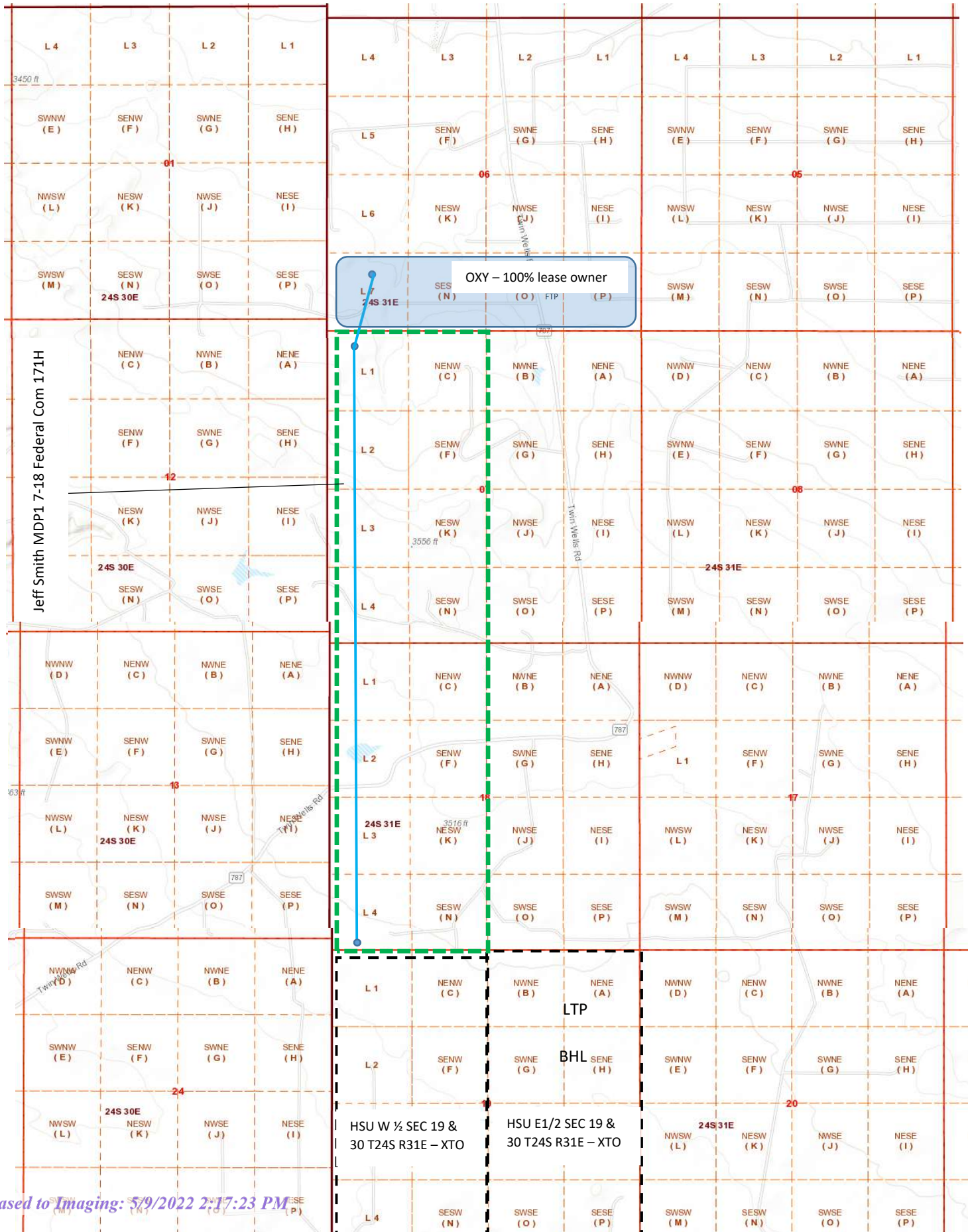
OXY USA Inc.

Jeff Smith MDP1 7-18 Federal Com 171H

Section 6 Township 24 South, Range 31

East, N.M.P.M.

Eddy County, New Mexico





Occidental Oil and Gas Corporation
ATTN: Marshall McQueen
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-366-5799
Marshall_McQueen@oxy.com

March 24, 2022

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: ***Application for Nonstandard Location—Engineering Justification***
OXY USA Inc.
Jeff Smith MDP1 7-18 Federal Com 171H, 172H, 173H
T24S R31E, Section 7 & 18 – West 1/2, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first and last take point for Jeff Smith MDP1 7-18 Federal Com 171H, for Jeff Smith MDP1 7-18 Federal Com 172H and the for Jeff Smith MDP1 7-18 Federal Com 173H in the Wolfcamp formation of the Purple Sage Pool from 330 feet to 100 feet. It is Oxy's responsibility as a prudent operator to maximize lateral length and minimize reserves left in the ground. Decreasing the first and last take point will increase this well's effective lateral length by 460 feet and increase the estimated ultimate recovery of the well by approximately 5%. Any increase in first or last take point would result in untapped reserves left in the reservoir, and waste of a resource that would otherwise go undeveloped.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marshall McQueen".

Marshall McQueen
Reservoir Engineer

Application Non-Standard Location - Service List
OXY USA Inc.
Jeff Smith MDP1 7-18 Federal Com 171H

Online Submission

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Certified Mail # 7019 0140 0000 3886 5101

Bureau of Land Management Carlsbad
620 E. Greene Street
Carlsbad, NM 88220-6292

**Offset Tracts Section 6 (T24S-R31E) - Units D, C,
100% Working Interest Owner**

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77

Existing Horizontal Spacing Unit Section 19 & 30 (T24S-R31E) - Units D, C, E, F, K, L, M, N (W 1/2 HSU)
Certified Mail # 7019 0140 0000 3886 5118

Operator:

XTO Permian Operating, LLC (373075)
22777 Springwoods Village Parkway
Spring, Texas 77389

Copies of this application were mailed to the following individuals, companies and organizations
on or before March 24, 2022



Leslie Reeves, Regulatory Advisor
OXY USA Inc.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
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1000 Rio Brazos Rd., Aztec, NM 87410
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1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 93033

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 93033
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL-8340 is approved. The order can be reviewed at the OCD Imaging web site: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	5/9/2022