

Revised March 23, 2017

ID NO. 191929

NSL - 8544

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2306050740
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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: CORRAL FLY "02-01" STATE #034H **API:** 30-015-44588
Pool: PIERCE CROSSING; BONE SPRING, EAST **Pool Code:** 96473

**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.

02/16/2023

Date

STEPHEN JANACEK

Print or Type Name

972-404-3722

Phone Number

Signature

STEPHEN_JANACEK@OXY.COM

e-mail Address

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

February 16, 2023

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:
CORRAL FLY 02 01 STATE #034H– Pierce Crossing; Bone Spring, East [96473]
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Corral Fly 02 01 State #034H well, API Number 30-015-44588, Property Code 319797. The well will be recompleted in the Bone Spring formation of the Pierce Crossing; Bone Spring, East [96473] Pool. The completed interval does not comply with the minimum setback requirements. The proposed completed interval is projected as follows:

Surface	1275 FSL, 240 FWL, Unit M, Sec 2 T25S R29E
First Take Point	1889 FSL, 149 FWL, Unit L, Sec 2 T25S R29E
Last Take Point	1926 FSL, 179 FWL, Unit L, Sec 2 T25S R29E
Bottom Hole	2213 FSL, 143 FEL, Unit I, Sec 1 T25S R29E

The Spacing Unit will be 40-acres in Unit Letter L, Section 2 T24S R29E.

- To the west, the adjoining units which the unorthodox location encroaches are in T25S R29E, Section 3- Unit I and the Operator is XTO ENERGY, INC [5380].

The recompletion will evaluate the existing potential of the Bone Spring formation in the area, and potentially, develop it horizontally in the future. Furthermore, utilizing the existing wellbore will not require drilling a new well or adding facility infrastructure.

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 972-404-3722.

Sincerely,

A handwritten signature in black ink that reads "Stephen Janacek".

Stephen Janacek
Regulatory Engineer
Stephen_Janacek@oxy.com



OXY USA Inc

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

February 16, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location:
CORRAL FLY 02 01 STATE #034H– Pierce Crossing; Bone Spring, East [96473]
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.

The well will be recompleted in the Bone Spring formation of the Pierce Crossing; Bone Spring, East [96473] Pool, and the Bone Spring production will be combined with the existing production in the Wolfcamp formation of the Purple Sage Wolfcamp [98220] Pool.

As an Affected Person, 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	1275 FSL, 240 FWL, Unit M, Sec 2 T25S R29E
First Take Point	1889 FSL, 149 FWL, Unit L, Sec 2 T25S R29E
Last Take Point	1926 FSL, 179 FWL, Unit L, Sec 2 T25S R29E
Bottom Hole	2213 FSL, 143 FEL, Unit I, Sec 1 T25S R29E

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 Peter Van Liew at 713-985-6972 or myself at 972-404-3722.

Thank you,

A handwritten signature in black ink that reads "Stephen Janacek". The signature is written in a cursive, flowing style.

Stephen Janacek
Regulatory Engineer
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 30-015-44588	² Pool Code 96473	³ Pool Name PIERCE CROSSING; BONE SPRING, EAST
⁴ Property Code 319797	⁵ Property Name CORRAL FLY "02-01" STATE	⁶ Well Number 34H
⁷ OGRID No. 16696	⁸ Operator Name OXY USA INC. (16696)	⁹ Elevation 3030.8'

¹⁰ Surface Location

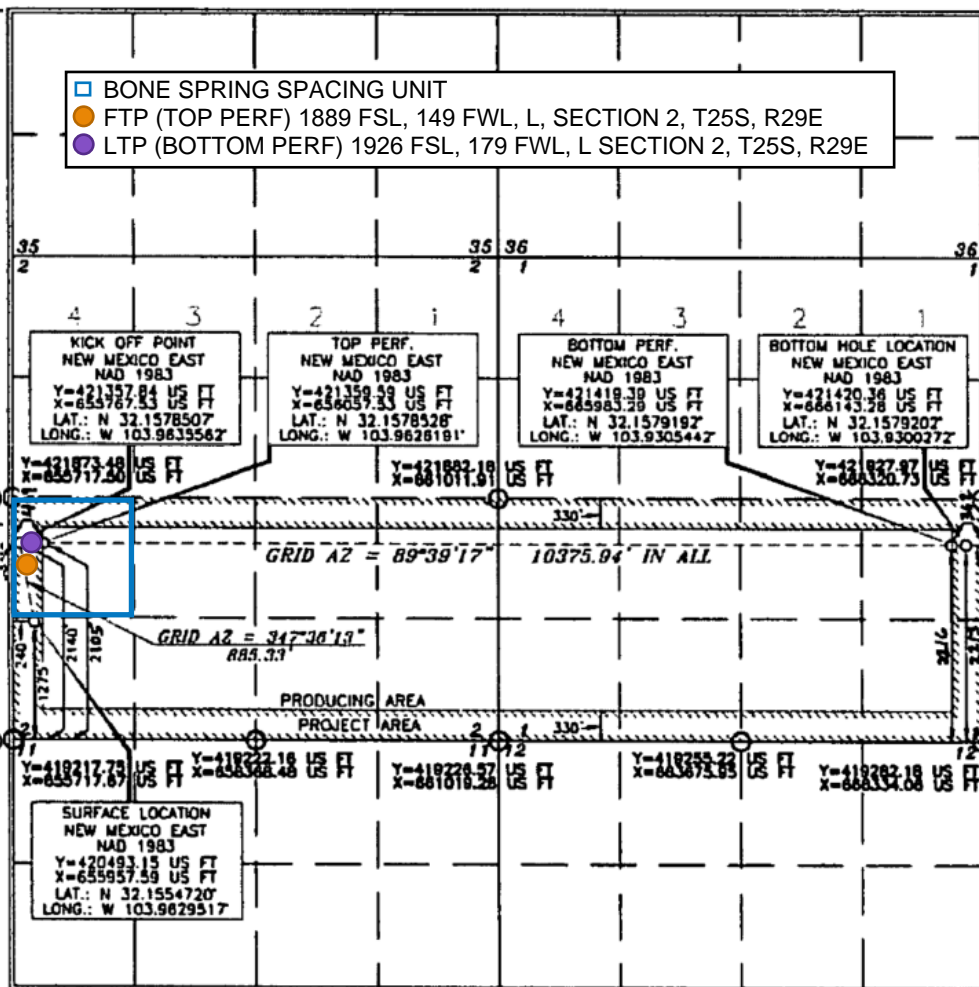
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	25S	29E		1275	FSL	240	WEST	EDDY

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
I	1	25S	29E		2213	SOUTH	143	EAST	EDDY

¹² Dedicated Acres 40	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.

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Stephen Janacek

2/3/2023

Signature

Date

STEPHEN JANACEK

Printed Name

STEPHEN_JANACEK@OXY.COM

E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

Intent ☒ As Drilled ☐

API # 30-015-44588		
Operator Name: OXY USA INC.	Property Name: CORRAL FLY 02 01 STATE	Well Number 34H

Kick Off Point (KOP) (AS DRILLED)

UL L	Section 2	Township 25S	Range 29E	Lot	Feet 1971	From N/S FSL	Feet 202	From E/W FWL	County EDDY
Latitude 32.15739					Longitude -103.96307			NAD NAD 83	

First Take Point (FTP)

UL L	Section 2	Township 25S	Range 29E	Lot	Feet 1889	From N/S FSL	Feet 149	From E/W FWL	County EDDY
Latitude 32.157079					Longitude -103.962754			NAD NAD 83	

Last Take Point (LTP)

UL L	Section 2	Township 25S	Range 29E	Lot	Feet 2213	From N/S FSL	Feet 179	From E/W FWL	County EDDY
Latitude 32.157183					Longitude -103.962657			NAD NAD 83	

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

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

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

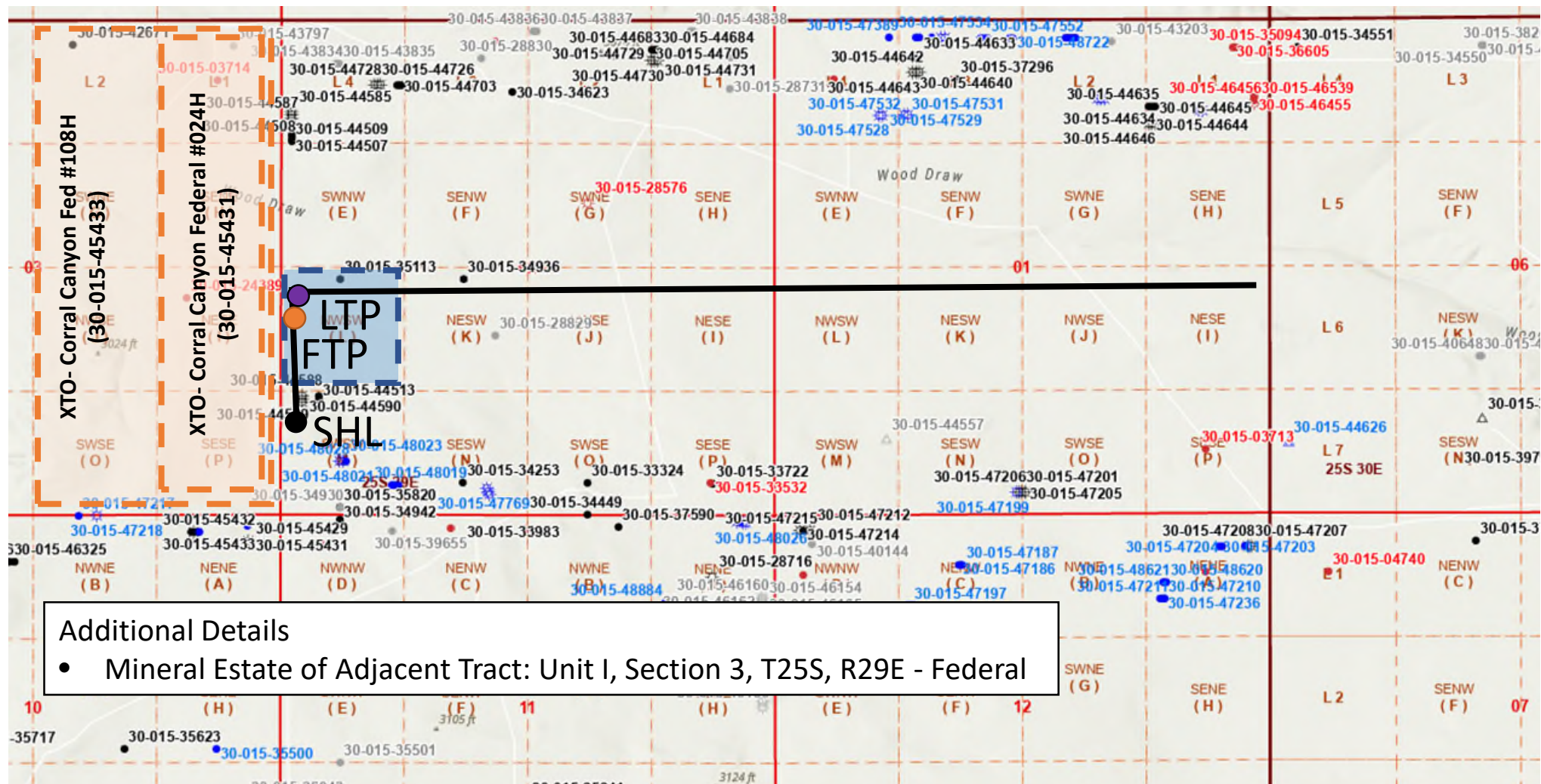
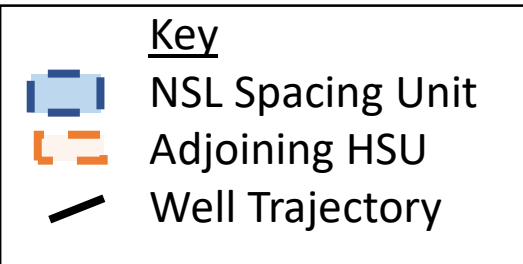
Bone Spring Spacing Unit Map for NSL Application

OXY USA INC.

CORRAL FLY 02 01 STATE #034H

30-015-44588

SHL: Sec 2, Township 25 South, Range 29 East





Occidental Oil and Gas Corporation
ATTN: Tasos Boulis
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-366-5564
Tasos_Boulis@oxy.com

February 15, 2023

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.
CORRAL FLY 02 01 STATE #034H (30-015-44588)
T2SS R29E, Sections 1 & 2, Eddy County***

Dear Mr. Lowe:

Oxy USA Inc. respectfully requests approval for a Non-Standard Location (NSL) for the Corral Fly 02 01 State #034H (30-015-44588). The well will be recompleted in the Bone Spring formation of the Pierce Crossing; Bone Spring, East [96473] Pool, and the Bone Spring production will be combined with the existing production in the Wolfcamp formation of the Purple Sage-Wolfcamp [98220] Pool.

It is Oxy's responsibility as a prudent operator to maximize reserves and reduce surface disturbances. The goal of this recompletion is to evaluate the existing potential of the Bone Spring formation in the area, and potentially, develop it horizontally in the future. Furthermore, utilizing the existing wellbore will not require drilling a new well or adding facility infrastructure.

Sincerely,

A handwritten signature in black ink, appearing to read "Tasos Boulis", written over a horizontal line.

Tasos Boulis
Reservoir Engineer

Corral Fly 02 01 State #034H NSL Notice List

Name	Address	Tracking ID
Operators		
XTO ENERGY, INC	XTO ENERGY, INC 6401 Holiday Hill Rd, Building #5 Midland, TX 79707	_9402709105156010894153
Mineral Estate		
Bureau of Land Management	Bureau of Land Management 620 E. Greene Street Carlsbad, NM 88220-6292	_9402709105156010890919
State Land Office	State Land Office P.O. Box 1148 Santa Fe, NM 87504	_9402709105156010895648

Copies of this application were mailed to the following individuals, companies, and organizations on or before February 16, 2023.

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 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 191929

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 191929
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/1/2023