

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Leslie Reeves
LESLIE_REEVES@OXY.COM

NON-STANDARD LOCATION

Administrative Order NSL - 8583

**OXY USA INC. [OGRID 16696]
Corral Bluff 11 14 Federal Com Well No. 37H
API No. 30-015-48025**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|-------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 78 FNL & 329 FEL | A | 11 | 25S | 29E | Eddy |
| First Take Point | 100 FNL & 840 FEL | A | 11 | 25S | 29E | Eddy |
| Last Take Point | 100 FSL & 840 FEL | P | 14 | 25S | 29E | Eddy |
| Terminus | 20 FSL & 840 FEL | P | 14 | 25S | 29E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------------|------------------|
| E/2 of Section 11 | 1280 | Purple Sage; Wolfcamp (GAS) | 98220 |
| E/2 of Section 14 | | | |
| W/2 of Section 12 | | | |
| W/2 of Section 13 | | | |

Reference is made to your application received on May 3rd, 2023.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the northern and southern boundary of the horizontal spacing unit. Encroachment will impact the following tract.

Section 02, encroachment to the SE/4
Section 23, encroachment to the NE/4

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OXY USA INC.
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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells within the Wolfcamp formation, thereby preventing waste underlying the E/2 of Section 11, the E/2 of Section 14, the W/2 of Section 12 and the W/2 of Section of 13.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



DYLAN M. FUGE
DIRECTOR
DMF/lrl

Date: 6/8/23

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

CONDITIONS

Action 228803

CONDITIONS

| | |
|--|--|
| Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294 | OGRID: 16696 |
| | Action Number: 228803 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 6/15/2023 |