

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Roni Mathew
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NON-STANDARD LOCATION

Administrative Order NSL - 8603

**OXY USA INC. [OGRID 16696]
Chuck Smith MDP1 8 17 Federal Com Well No. 25H
API No. 30-015-PENDING**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 279 FSL & 1520 FEL | O | 05 | 24S | 31E | Eddy |
| First Take Point | 100 FNL & 990 FEL | A | 08 | 24S | 31E | Eddy |
| Last Take Point | 100 FSL & 990 FEL | P | 17 | 24S | 31E | Eddy |
| Terminus | 20 FSL & 990 FEL | P | 17 | 24S | 31E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------------|------------------|
| E/2 of Section 08 | 640 | Purple Sage; Wolfcamp (GAS) | 98220 |
| E/2 of Section 17 | | | |

Reference is made to your application received on June 8th, 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 05, encroachment to the SE/4
Section 20, encroachment to the NE/4

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.

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OXY USA INC.
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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 08 and the E/2 of Section 17.

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: 7/10/2023

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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 239316

CONDITIONS

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|--|--|
| Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294 | OGRID: 16696 |
| | Action Number: 239316 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| | | |
|------------|-----------|----------------|
| Created By | Condition | Condition Date |
| llowe | None | 7/12/2023 |