

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Erin Taylor
Acting Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Leslie Reeves
leslie_reeves@oxy.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 9263

OXY USA, INC. [OGRID 16696]
Tails CC 10 03 Federal Com Well No. 42H
API No. 30-015-57086

Reference is made to your application received on January 29th, 2026.

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1306 FSL & 1747 FWL	N	10	24S	29E	Eddy
First Take Point	100 FSL & 1700 FWL	N	10	24S	29E	Eddy
Last Take Point	100 FNL & 1700 FWL	C	03	24S	29E	Eddy
Terminus	20 FNL & 1700 FWL	C	03	24S	29E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Section 10	1278.62	Purple Sage; Wolfcamp	98220
Section 03			

You have requested to complete this horizontal 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 governs wells to be located at least 330 feet from the unit outer boundary of a spacing unit and no closer than 10 feet to any quarter – quarter section line. The completed intervals of horizontal wells are to be located no closer than 330 feet to the exterior boundary of a standard 320 - acre spacing unit.

Administrative Order NSL – 9263
OXY USA, INC.
Page 2 of 2

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of First and Last Take Points referenced above within the described Horizontal Spacing Unit.

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

Section 15, encroachment to the NW/4
Section 34, T23S, R29E, encroachment to the SW/4

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

The Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells within the Wolfcamp formation underlying the entirety of Section 10 and Section 03, thereby preventing waste.

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 19.15.15.13 (B) 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 the Division deems necessary.



Albert C.S. Chang
Division Director
AC/lrl

Date: 3-13-2026

ID NO. 548184

NSL - 9263

Revised March 23, 2017

RECEIVED: 01/29/26	REVIEWER:	TYPE:	APP NO:
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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: TAILS CC 10 3 FEDERAL COM #042H **API:** 30-015-57086
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
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> 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

01/29/2026
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

January 29, 2026

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
Tails CC 10-3 Federal Com 42H – Purple Sage Wolfcamp
Surface – 1306’ FSL 1747’ FWL Unit N Sec 10 T24S R29E
First Take Point – 100’ FSL 1700’ FWL Unit N, Sec 10 T24S R29E
Last Take Point – 100’ FNL 1700’ FWL Unit C, Lot 3, Sec 3 T24S R29E
Bottom Hole – 20’ FNL 1700’ FWL Unit C, Lot 3, Sec 3 T24S R29E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Tails CC 10-3 Federal Com 41H well, API Number-30-015-57086, Property Code 329988. The #42H well will be an infill well for the existing 1280-acre HSU and 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 – 1306’ FSL 1747’ FWL Unit N Sec 10 T24S R29E
First Take Point – 100’ FSL 1700’ FWL Unit N, Sec 10 T24S R29E
Last Take Point – 100’ FNL 1700’ FWL Unit C, Lot 3, Sec 3 T24S R29E
Bottom Hole – 20’ FNL 1700’ FWL Unit C, Lot 3, Sec 3 T24S R29E

The Horizontal Spacing Unit is all of Section 10 and Section 3 located in T24S R29E. The adjoining units towards which the unorthodox location encroaches are located in T23S R29E, Section 34 – (HSU) Units A, B, G, H, I, J, O, P and Section 34 – (HSU) Units C, D, E, F, K, L, M, N. Also, T24S R29E, Section 15 – Units D.

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 Reservoir Engineer.

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

Sincerely,

Leslie Reeves
Regulatory Manager

Attachments
CC: Service List



OXY USA Inc

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

January 29, 2026

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location
Tails CC 10-3 Federal Com 42H – Purple Sage Wolfcamp
Surface – 1306' FSL 1747' FWL Unit N Sec 10 T24S R29E
First Take Point – 100' FSL 1700' FWL Unit N, Sec 10 T24S R29E
Last Take Point – 100' FNL 1700' FWL Unit C, Lot 3, Sec 3 T24S R29E
Bottom Hole – 20' FNL 1700' FWL Unit C, Lot 3, Sec 3 T24S R29E
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 – 1306' FSL 1747' FWL Unit N Sec 10 T24S R29E
First Take Point – 100' FSL 1700' FWL Unit N, Sec 10 T24S R29E
Last Take Point – 100' FNL 1700' FWL Unit C, Lot 3, Sec 3 T24S R29E
Bottom Hole – 20' FNL 1700' FWL Unit C, Lot 3, Sec 3 T24S 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 713-497-2492.

Thank you,

A handwritten signature in blue ink that reads "Leslie Reeves". The signature is written in a cursive, flowing style.

Leslie Reeves
Regulatory Advisor
OXY USA Inc.

ACREAGE DEDICATION PLATS

TAILS CC 10_3 FED COM 42H

BHL (NAD83)
X:651962.80' / Y:456310.48'
LAT:32.25396601 / LON:-103.97547487

BHL (NAD27)
X:610779.21' / Y:456251.30'
LAT:32.25384357 / LON:-103.97498519

LTP (NAD83)
X:651963.14' / Y:456230.48'
LAT:32.25374610 / LON:-103.97547466

LTP (NAD27)
X:610779.54' / Y:456171.31'
LAT:32.25362366 / LON:-103.97498498

PPP-4 (NAD83)
X:651974.98' / Y:453687.55'
LAT:32.24675587 / LON:-103.97546377

PPP-4 (NAD27)
X:610791.31' / Y:453628.43'
LAT:32.24663337 / LON:-103.97497435

PPP-3 (NAD83)
X:651981.16' / Y:452360.23'
LAT:32.24310721 / LON:-103.97545808

PPP-3 (NAD27)
X:610797.46' / Y:452301.14'
LAT:32.24298467 / LON:-103.97496879

PPP-2 (NAD83)
X:651987.34' / Y:451032.90'
LAT:32.23945855 / LON:-103.97545239

PPP-2 (NAD27)
X:610803.61' / Y:450973.84'
LAT:32.23933596 / LON:-103.97496324

PPP-1 (NAD83)
X:651999.70' / Y:448379.80'
LAT:32.23216546 / LON:-103.97544102

PPP-1 (NAD27)
X:610815.89' / Y:448320.79'
LAT:32.23204279 / LON:-103.97495213

FTP (NAD83)
X:652011.59' / Y:445824.87'
LAT:32.22514224 / LON:-103.97543007

FTP (NAD27)
X:610827.72' / Y:445765.92'
LAT:32.22501948 / LON:-103.97494143

KOP (NAD83)
X:652011.86' / Y:445774.87'
LAT:32.22500479 / LON:-103.97542976

KOP (NAD27)
X:610827.99' / Y:445715.92'
LAT:32.22488203 / LON:-103.97494111

SHL (NAD83)
X:652052.29' / Y:447030.94'
LAT:32.22845716 / LON:-103.97528547

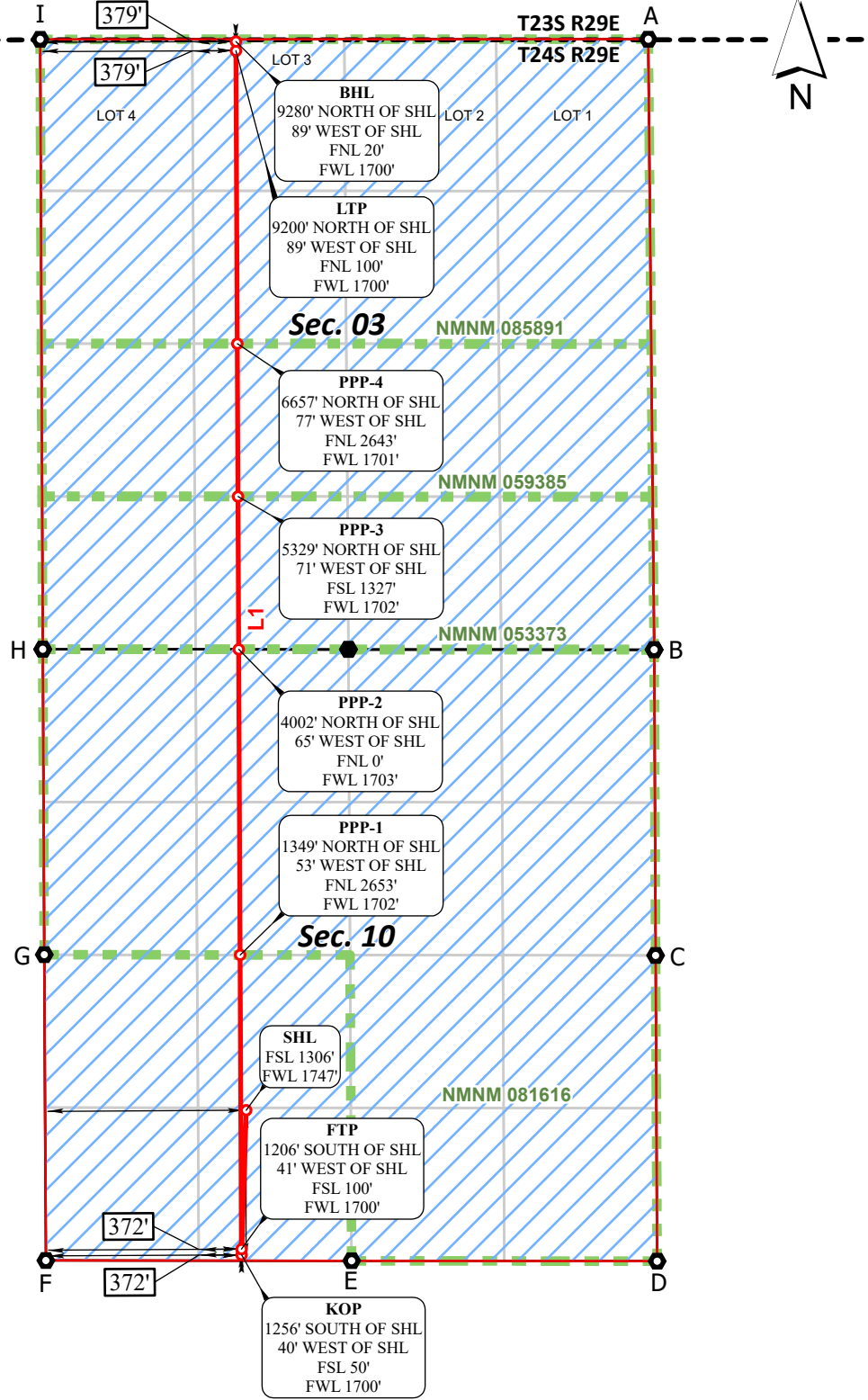
SHL (NAD27)
X:610868.45' / Y:446971.96'
LAT:32.22833444 / LON:-103.97479671

CORNER COORDINATES NAD 83, SPCS NM EAST

A - X: 655544.67' / Y:456330.90'
B - X: 655595.06' / Y:451030.27'
C - X: 655608.14' / Y:448375.24'
D - X: 655621.54' / Y:445720.17'
E - X: 652967.76' / Y:445724.10'
F - X: 650312.09' / Y:445726.24'
G - X: 650298.13' / Y:448381.95'
H - X: 650284.73' / Y:451033.82'
I - X: 650262.71' / Y:456330.28'

CORNER COORDINATES NAD 27, SPCS NM EAST

A - X: 614361.07' / Y:456271.72'
B - X: 614411.31' / Y:450971.21'
C - X: 614424.32' / Y:448316.23'
D - X: 614437.66' / Y:445661.21'
E - X: 611783.88' / Y:445665.15'
F - X: 609128.23' / Y:445667.29'
G - X: 609114.33' / Y:448322.94'
H - X: 609101.00' / Y:450974.76'
I - X: 609079.12' / Y:456271.11'



***FTP to LTP LINE BEARINGS**

LINE	BEARING
L1	N 00°16'01" W ~ 10405.72'

***FTP to LTP LEASE DISTANCES**

TRACT	DISTANCE
NMNM081616	2653.13'
NMNM053373	1327.34'
NMNM059385	1327.34'
NMNM085891	2542.96'
TOTAL	7850.77'



○ Drill Line Events ● Section Corners — Drill Line ← Dimension Lines □ Federal Leases □ HSU ○ HSU Corners JOB No. OXY_0049_TL03_13610
 All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet. REV 1 NDS 9/4/2024

Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99978311 and a Convergence Angle: 0.19707568°

OXY USA Inc.

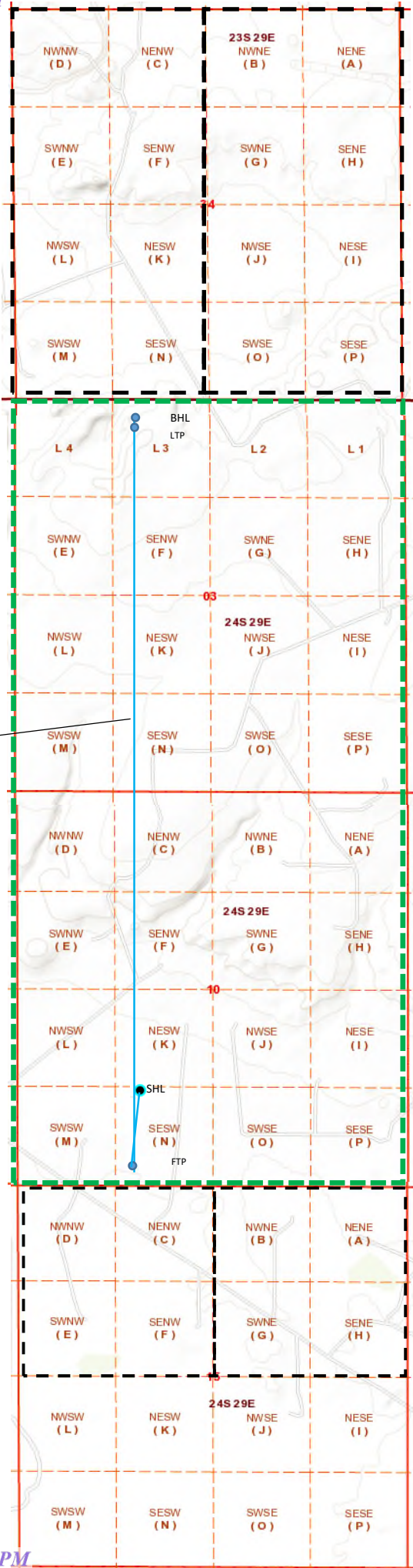
Tails CC 10-3 Federal Com 42H

Section 10 Township 24 South,

Range 29 East, N.M.P.M.

Eddy County, New Mexico

Tails CC 10-3 Federal Com 42H



Application Non-Standard Location - Service List

OXY USA Inc.

Tails CC 10-3 Federal Com #42H

Online Submission

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

Certified Mail #7019 1120 0000 6396 0829

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

T23S-R29E

No Existing Spacing Unit: Section 34

OXY USA Inc.
P.O. Box 50250
Midland, TX 79710

T24S-R29E

No Existing Spacing Unit: Section 15

OXY USA Inc.
P.O. Box 50250
Midland, TX 79710

Copies of this application were mailed to the following individuals, companies and organizations on or before January 29, 2026



Leslie Reeves, Regulatory Advisor
OXY USA Inc.



Occidental Oil and Gas Corporation
ATTN: John Prudhomme
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-366-5471
John_Prudhomme@oxy.com

January 29, 2026

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.
Tails CC 10-3 Federal Com 41H-44H & 51H-54H
T24S R29E, Section 10 – ALL, Eddy County
T24S R29E Section 3 – ALL, Eddy County

Dear Mr. Lowe,

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first and last take point for Tails CC 10-3 Federal Com 41H, 42H, 43H, 44H, 51H, 52H, 53H and 54H 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 each 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 black ink, appearing to read "JWP", written in a cursive style.

John Prudhomme
Development Engineer



OXY USA INC.
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294

January 29, 2026

Re: Tails CC 10-3 Federal Com 41H, 42H, 43H, 44H, 51H, 52H, 53H, 54H - NSL

ALL, Section 34, T23S R29E, Eddy County
ALL, Section 15, T24S, R29E, Eddy County

To Whom It May Concern:

OXY USA INC. is the sole Working Interest Owners of the above described lands as to depths below the Bone Spring Formation. If you have any questions, please contact me at the number listed below.

Best Regards,

OXY USA INC.

Jonathan I. Gonzales
Land Negotiator
713-366-5576

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 548184

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 548184
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	2/12/2026