

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



June 28, 2018

Sarah Mitchell  
[Sarah\\_mitchell@oxy.com](mailto:Sarah_mitchell@oxy.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7736**

**OXY USA INC. [OGRID 16696]  
Corral Draw 14 13 Federal Well No. 32H  
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	1318 FNL & 2540 FEL	B	14	25S	29E	Eddy
Penetration Point	1258 FNL & 2300 FEL	B	14	25S	29E	Eddy
Final perforation	1259 FNL & 340 FEL	A	13	25S	29E	Eddy
Terminus	1260 FNL & 180 FEL	A	13	25S	29E	Eddy

**Proposed Project Area**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N2 NE4 of Section 14 N2 N2 of Section 13	240	Pierce Crossing; Bone Spring, East	96473

Reference is made to your application received on June 4, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 346 feet to the southwestern edge, 62 - 61 feet to the southern edge and 345 feet to the southeastern edge of the project area. Encroachments will impact the following tracts.

Section 14, T25S R29E encroachment to the SE4 NW4 and the S2 NE4  
Section 13, T25S R29E encroachment to the S2 N2  
Section 18, T25S R30E encroachment to the SW4 NW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location to increase horizontal well spacing from 4 wells per section to 6 wells per section to effectively develop the Bone Spring formation underlying the N2 NE4 of Section 14 and the N2 N2 of Section 13.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

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

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.

A handwritten signature in black ink, appearing to read "Heather Riley", is written over a horizontal line.

**HEATHER RILEY**

**Director**

HR/lrl

cc: Oil Conservation Division – Artesia District Office  
Bureau of Land Management – Carlsbad Field Office