

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Governor

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Oil Conservation Division



Ms. Leslie Reeves,  
[LESLIE\\_REEVES@OXY.COM](mailto:LESLIE_REEVES@OXY.COM)

NON-STANDARD LOCATION

**Administrative Order NSL - 8403**

**OXY USA INC. [OGRID 16696]  
Arkenstone 31 Federal Com Well No. 5H  
API No. 30-015-47319**

**Proposed Location**

|                  | <b>Footages</b>    | <b>Unit/Lot</b> | <b>Sec.</b> | <b>Twsp</b> | <b>Range</b> | <b>County</b> |
|------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface          | 100 FNL & 865 FEL  | A               | 31          | 23S         | 31E          | Eddy          |
| First Take Point | 100 FNL & 1280 FEL | A               | 31          | 23S         | 31E          | Eddy          |
| Last Take Point  | 100 FSL & 1280 FEL | P               | 6           | 24S         | 31E          | Eddy          |
| Terminus         | 20 FSL & 1280 FEL  | P               | 6           | 24S         | 31E          | Eddy          |

**Proposed Horizontal Gas Units**

| <b>Description</b>   | <b>Acres</b> | <b>Pool</b>                 | <b>Pool Code</b> |
|----------------------|--------------|-----------------------------|------------------|
| Section 31, 23S, 31E | 647.91       | Wildcat; Wolfcamp           | 98236            |
| Section 6, 24S, 31E  | 648.19       | Purple Sage; Wolfcamp (GAS) | 98220            |

Reference is made to your application received on June 30<sup>th</sup>, 2022.

The wells complete horizontal spacing unit comprises of two Wolfcamp pool/formations, comprised acreage of 1296.1 acres. Encroachment pertains to the latter length of the producing lateral. Which is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool. Which 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 southern edge. Encroachment will impact the following tract.

Section 7, 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.

Division understands you are seeking this unorthodox location to allow for efficient spacing of wells in the area. Thereby preventing waste within the Wolfcamp formation underlying Section 31, T23S, R31E and Section 6, T24S, R31E.

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 (C-104), 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.



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**ADRIENNE E. SANDOVAL**  
**Division Director**

**Date:** 8/07/2022

AES/lrl