

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 – 8475

**OXY USA INC. [OGRID 16696]
Stack Cat 25 36 Federal Com Well No. 33H
API No. 30-025-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	390 FSL & 1425 FWL	N	24	22S	32E	Lea
First Take Point	100 FSL & 2580 FWL	C	25	22S	32E	Lea
Last Take Point	100 FSL & 2580 FWL	N	36	22S	32E	Lea
Terminus	20 FSL & 2580 FWL	N	36	22S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 Section 25	640	WC 22S31E13; Upper Wolfcamp	98177
W/2 Section 36			

Reference is made to your application received on November 9th, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 60 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 25, encroachment to the W/2 E/2
Section 36, encroachment to the W/2 E/2

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.

Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells in the Wolfcamp formation underlying the W/2 of Section 25 and the W/2 of Section 36. Thereby preventing waste within the location.

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 Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

Date: 12/05/2022

AES/lrl