

|                           |                      |                  |                               |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: <b>03/28/22</b> | REVIEWER: <b>LRL</b> | TYPE: <b>NSL</b> | APP NO: <b>pLEL2208740613</b> |
|---------------------------|----------------------|------------------|-------------------------------|

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:** JEFF SMITH MDP1 7-18 FEDERAL COM 174H **API:** 30-015-47241  
**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

|                          |                              |
|--------------------------|------------------------------|
| <b>FOR OCD ONLY</b>      |                              |
| <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

3/28/2022  
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

March 28, 2022

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  
Jeff Smith MDP1 7-18 Federal Com 174H – Purple Sage Wolfcamp  
Surface – 275' FSL 2291' FWL Unit N Sec 6 T24S R31E  
First Take Point – 100' FNL 1740' FEL Unit B, Sec 7 T24S R31E  
Last Take Point – 100' FSL 1740' FEL Unit O, Sec 18 T24S R31E  
Bottom Hole – 20' FSL 1740' FEL Unit O, Sec 18 T24S R31E  
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Jeff Smith MDP1 7-18 Federal Com 174H well, API Number-30-015-47241, Property Code 328304. The #174H well 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 – 275' FSL 2291' FWL Unit N Sec 6 T24S R31E  
First Take Point – 100' FNL 1740' FEL Unit B, Sec 7 T24S R31E  
Last Take Point – 100' FSL 1740' FEL Unit O, Sec 18 T24S R31E  
Bottom Hole – 20' FSL 1740' FEL Unit O, Sec 18 T24S R31E

The Horizontal Spacing Unit will be 640-acres including the East ½ of section 7 and section 18, T24S R31E.

- The adjoining units which the unorthodox location encroaches are located to the North in T24S R31E, Section 6 –Units O and P, which are 100% working interest owned by OXY.
- To the South the adjoining units which the unorthodox location encroaches are in T24S R31E, Section 19 & 30 – (East ½ HSU) Units B, A, G, H, I, J, O, P. which is operated by XTO Permian Operating, LLC.

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 Development Area Reservoir Engineer.

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

Sincerely,

A handwritten signature in blue ink that reads 'Leslie Reeves'.

Leslie Reeves  
Regulatory Advisor  
Leslie\_Reeves@oxy.com



# OXY USA Inc

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

March 28, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location  
Jeff Smith MDP1 7-18 Federal Com 174H – Purple Sage Wolfcamp  
Surface – 275' FSL 2291' FWL Unit N Sec 6 T24S R31E  
First Take Point – 100' FNL 1740' FEL Unit B Sec 7 T24S R31E  
Last Take Point – 100' FSL 1740' FEL Unit O, Sec 18 T24S R31E  
Bottom Hole – 20' FSL 1740' FEL Unit O, Sec 18 T24S R31E  
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 – 275' FSL 2291' FWL Unit N Sec 6 T24S R31E  
First Take Point – 100' FNL 1740' FEL Unit B Sec 7 T24S R31E  
Last Take Point – 100' FSL 1740' FEL Unit O, Sec 18 T24S R31E  
Bottom Hole – 20' FSL 1740' FEL Unit O, Sec 18 T24S R31E

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 Matt Cole at 713-366-5928 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.

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                         |  |                                                            |  |                                                      |                                  |
|-----------------------------------------|--|------------------------------------------------------------|--|------------------------------------------------------|----------------------------------|
| <sup>1</sup> API Number<br>30-015-47241 |  | <sup>2</sup> Pool Code<br>98220                            |  | <sup>3</sup> Pool Name<br>PURPLE SAGE WOLFCAMP (GAS) |                                  |
| <sup>4</sup> Property Code<br>328304    |  | <sup>5</sup> Property Name<br>JEFF SMITH MDP1 7_18 FED COM |  |                                                      | <sup>6</sup> Well Number<br>174H |
| <sup>7</sup> OGRID No.<br>16696         |  | <sup>8</sup> Operator Name<br>OXY USA INC.                 |  |                                                      | <sup>9</sup> Elevation<br>3460'  |

<sup>10</sup> Surface Location

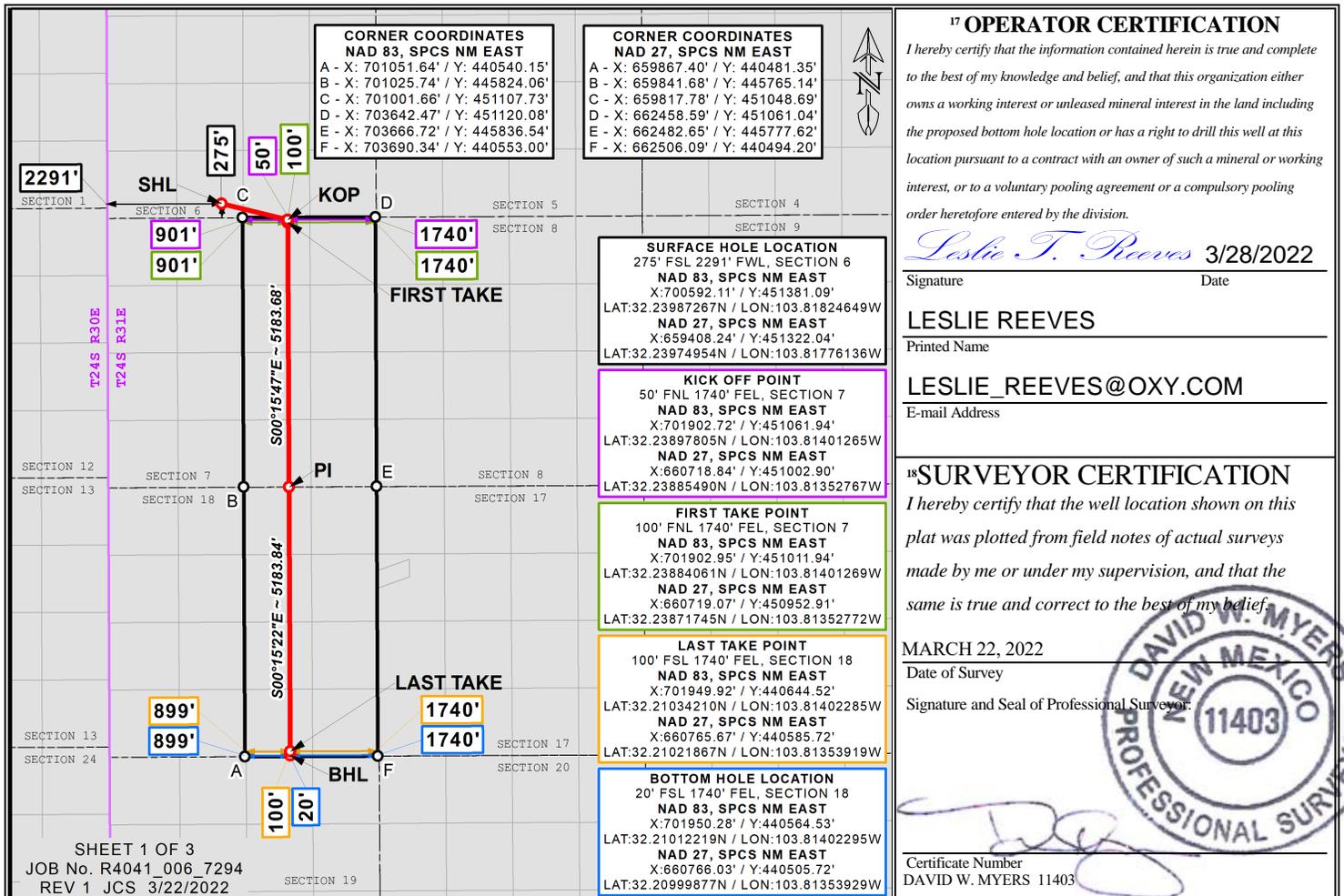
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 6       | 24S      | 31E   |         | 275           | SOUTH            | 2291          | WEST           | EDDY   |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O             | 18      | 24S      | 31E   |         | 20            | SOUTH            | 1740          | EAST           | EDDY   |

|                                        |                               |                                  |                         |
|----------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>640.0 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|----------------------------------------|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977704 Convergence Angle: 00°16'56.57999"

Intent  As Drilled

|                                |                                                       |                     |
|--------------------------------|-------------------------------------------------------|---------------------|
| API #<br><b>30-015-47241</b>   |                                                       |                     |
| Operator Name:<br>OXY USA Inc. | Property Name:<br>JEFF SMITH MDP1 7-18 FEDERAL<br>COM | Well Number<br>174H |

Kick Off Point (KOP)

| UL                             | Section | Township | Range | Lot | Feet                              | From N/S | Feet | From E/W | County              |
|--------------------------------|---------|----------|-------|-----|-----------------------------------|----------|------|----------|---------------------|
| B                              | 7       | 24S      | 31E   |     | 50                                | FNL      | 1740 | FEL      | EDDY                |
| Latitude<br><b>32.23987267</b> |         |          |       |     | Longitude<br><b>-103.81824649</b> |          |      |          | NAD<br><b>NAD83</b> |

First Take Point (FTP)

| UL                             | Section | Township | Range | Lot | Feet                              | From N/S | Feet | From E/W | County              |
|--------------------------------|---------|----------|-------|-----|-----------------------------------|----------|------|----------|---------------------|
| B                              | 7       | 24S      | 31E   |     | 100                               | FNL      | 1740 | FEL      | EDDY                |
| Latitude<br><b>32.23884061</b> |         |          |       |     | Longitude<br><b>-103.81401269</b> |          |      |          | NAD<br><b>NAD83</b> |

Last Take Point (LTP)

| UL                             | Section | Township | Range | Lot | Feet                              | From N/S | Feet | From E/W | County              |
|--------------------------------|---------|----------|-------|-----|-----------------------------------|----------|------|----------|---------------------|
| O                              | 18      | 24S      | 31E   |     | 100                               | FSL      | 1740 | FEL      | EDDY                |
| Latitude<br><b>32.21034210</b> |         |          |       |     | Longitude<br><b>-103.81402285</b> |          |      |          | NAD<br><b>NAD83</b> |

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

|                |                |             |
|----------------|----------------|-------------|
| API #          |                |             |
| Operator Name: | Property Name: | Well Number |

KZ 06/29/2018

OXY USA Inc.

Jeff Smith MDP1 7-18 Federal Com 174H

Section 6 Township 24 South, Range 31 East, N.M.P.M.

Eddy County, New Mexico





**Occidental Oil and Gas Corporation**  
**ATTN: Marshall McQueen**  
**5 Greenway Plaza, Suite 110**  
**Houston, TX 77046**  
**713-366-5799**  
**Marshall\_McQueen@oxy.com**

March 28, 2022

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.***  
***Jeff Smith MDP1 7-18 Federal Com 174H***  
***T24S R31E, Section 7 & 18 – East 1/2, Eddy County***

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first and last take point for Jeff Smith MDP1 7-18 Federal Com 174H 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 this 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 blue ink, appearing to read "Marshall McQueen", written in a cursive style.

Marshall McQueen  
Reservoir Engineer

**Application Non-Standard Location - Service List**

**OXY USA Inc.**

**Jeff Smith MDP1 7-18 Federal Com 174H**

**Online Submission**

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

**Certified Mail #7019 0140 0000 3886 5156**

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

**Offset Tracts Section 6 (T24S-R31E) - Units B, A**

**100% Working Interest Owner**

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, Texas 77

**Existing Horizontal Spacing Unit Section 19 & 30 (T24S-R31E) - Units B, A, G, H, I, J, O, P (E 1/2 HSU)**

**Certified Mail # 7019 0140 0000 3886 5149**

**Operator:**

XTO Permian Operating, LLC (373075)  
22777 Springwoods Village Parkway  
Spring, Texas 77389

Copies of this application were mailed to the following individuals, companies and organizations on or before March 28, 2022



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Leslie Reeves, Regulatory Advisor  
OXY USA Inc.

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
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**District IV**  
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 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS  
 Action 93466

**CONDITIONS**

|                                                                    |                                                      |
|--------------------------------------------------------------------|------------------------------------------------------|
| Operator:<br>OXY USA INC<br>P.O. Box 4294<br>Houston, TX 772104294 | OGRID:<br>16696                                      |
|                                                                    | Action Number:<br>93466                              |
|                                                                    | Action Type:<br>[UF-NSL] Non-Standard Location (NSL) |

**CONDITIONS**

| Created By | Condition                                                                                                                                                                                                        | Condition Date |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| llowe      | NSL-8345 is approved. The order can be reviewed at the OCD Imaging web site: <a href="https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx">https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx</a> | 5/9/2022       |