

| | | | |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 06/08/22 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2216157301 |
|---------------------------|----------------------|------------------|-------------------------------|

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: HEADS CC 9 4 FEDERAL COM #033H **API:** 30-015-47193
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.

STEPHEN JANACEK
Print or Type Name

Stephen Janacek
Signature

6/9/22
Date

713-493-1986
Phone Number

STEPHEN_JANACEK@OXY.COM
e-mail Address



OXY USA Inc

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

June 9, 2022

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

Attention: Leonard Lowe

Re: ***Amended Application for Administrative Approval of Non-Standard Location:
Heads CC 9 4 Federal Com #033H– Purple Sage Wolfcamp
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests to amend previously submitted application dated May 24, 2022 for administrative approval of a non-standard location on the Heads CC 9 4 Federal Com #033H well, API Number 30-015-47193, Property Code 328290. *This amendment will change the First Take Point from 100' FSL to 330' FSL. The NSL application was amended after discussion with an affected offset party.* The #33H 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 – 250' FSL 950' FWL Unit M, Sec 9 T24S R29E
First Take Point – 330' FSL 2160' FWL Unit N, Sec 9 T24S R29E
Last Take Point – 100' FNL 2160 FWL Unit C (Lot 3), Sec 4 T24S R29E
Bottom Hole –20' FNL 2160' FWL Unit C (Lot 3), Sec 4 T24S R29E

The Horizontal Spacing Unit will be 1280-acres including all of section 9 and section 4, T24S R29E.

- To the North, the adjoining units which the unorthodox location encroaches are in T23S R29E, Section 33- Units I, J, K, L, M, N, O and P, and the Lessee is Tap Rock 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. *Amended 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 713-493-1986.

Sincerely,

A handwritten signature in black ink that reads "Stephen Janacek". The signature is written in a cursive, slightly slanted style.

Stephen Janacek
Regulatory Engineer
Stephen_Janacek@oxy.com



OXY USA Inc

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

May 24, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location:
Heads CC 9 4 Federal Com #033H– Purple Sage Wolfcamp
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 – 250' FSL 950' FWL Unit M, Sec 9 T24S R29E
First Take Point – 100' FSL 2160' FWL Unit N, Sec 9 T24S R29E
Last Take Point – 100' FNL 2160' FWL Unit C (Lot 3), Sec 4 T24S R29E
Bottom Hole – 20' FNL 2160' FWL Unit C (Lot 3), Sec 4 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 Clayton Carroll at 713-366-5281 or myself at 713-493-1986.

Thank you,

A handwritten signature in black ink that reads "Stephen Janacek". The signature is written in a cursive, slightly slanted style.

Stephen Janacek
Regulatory Engineer
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 RD., 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, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|--|
| API Number 30-015-47193 | Pool Code 98220 | Pool Name PURPLE SAGE WOLFCAMP (GAS) |
| Property Code 328290 | Property Name HEADS CC 9_4 FEDERAL COM | |
| OGRID No. 16696 | Operator Name OXY USA INC. | |
| | | Well Number 33H |
| | | Elevation 2926.9' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 9 | 24-S | 29-E | | 250 | SOUTH | 950 | WEST | EDDY |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 4 | 24-S | 29-E | | 20 | NORTH | 2160 | WEST | EDDY |

| | | | |
|--------------------------------|-----------------------------|--------------------|-----------|
| Dedicated Acres 1280 | Joint or Infill Y | Consolidation Code | 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

NAD 83 PROPOSED BOTTOM HOLE LOCATION
Y=456299.0 N
X=647130.0 E
LAT.=32.253978° N
LONG.=103.991108° W

LTP NAD 83
100' FNL & 2160' FWL
Y=456219.0 N
X=647130.3 E
LAT.=32.253758° N
LONG.=103.991108° W

| POINT LEGEND NAD 83 | |
|---------------------|------------------------------|
| 1 | Y=456311.0 N X=644969.9 E |
| 2 | Y=453660.3 N X=644983.6 E |
| 3 | Y=451006.6 N X=644997.4 E |
| 4 | Y=448351.8 N X=645008.9 E |
| 5 | Y=445695.4 N X=645021.1 E |
| 6 | Y=445710.8 N X=647666.6 E |
| 7 | Y=445726.2 N X=650312.0 E |
| 8 | Y=448382.0 N X=650298.1 E |
| 9 | Y=451034.0 N X=650284.7 E |
| 10 | Y=453688.3 N X=650273.5 E |
| 11 | Y=456330.3 N X=650262.8 E |
| 12 | Y=456320.9 N X=647615.9 E |
| 13 | Y=451020.7 N X=647641.0 E |

FTP NAD 83
330' FSL & 2160' FWL
Y=446037.9 N
X=647179.5 E
LAT.=32.225771° N
LONG.=103.991054° W

KOP NAD 83
50' FSL & 2160' FWL
Y=445757.9 N
X=647180.9 E
LAT.=32.225001° N
LONG.=103.991052° W

NAD 83 SURFACE LOCATION
Y=445950.90 N
X=645969.9 E
LAT.=32.225542° N
LONG.=103.994966° W

NAD 27 PROPOSED BOTTOM HOLE LOCATION
Y=456239.9 N
X=605946.4 E
LAT.=32.253855° N
LONG.=103.990618° W

LTP NAD 27
100' FNL & 2160' FWL
Y=456159.9 N
X=605946.8 E
LAT.=32.253636° N
LONG.=103.990618° W

| POINT LEGEND NAD 27 | |
|---------------------|------------------------------|
| 1 | Y=456251.8 N X=603786.3 E |
| 2 | Y=453601.2 N X=603800.0 E |
| 3 | Y=450947.8 N X=603813.7 E |
| 4 | Y=448292.8 N X=603825.1 E |
| 5 | Y=445636.4 N X=603837.3 E |
| 6 | Y=445651.8 N X=606482.7 E |
| 7 | Y=445667.2 N X=609126.2 E |
| 8 | Y=448323.0 N X=609114.4 E |
| 9 | Y=450974.9 N X=609101.0 E |
| 10 | Y=453629.2 N X=609089.8 E |
| 11 | Y=456271.1 N X=609079.2 E |
| 12 | Y=456261.7 N X=606432.3 E |
| 13 | Y=450961.7 N X=606457.3 E |

FTP NAD 27
330' FSL & 2160' FWL
Y=445979.0 N
X=605995.7 E
LAT.=32.225648° N
LONG.=103.990565° W

KOP NAD 27
50' FSL & 2160' FWL
Y=445699.0 N
X=605997.0 E
LAT.=32.224879° N
LONG.=103.990563° W

NAD 27 SURFACE LOCATION
Y=445891.9 N
X=604786.1 E
LAT.=32.225420° N
LONG.=103.994477° W

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date

STEPHEN JANACEK

Printed Name

STEPHEN_JANACEK@OXY.COM

E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 5, 2019

Date of Survey

Signature & Seal of Professional Surveyor

Certificate No. **CHAD HARCROW 17777** 6/6/22

W.O. #22-580 DRAWN BY: WN

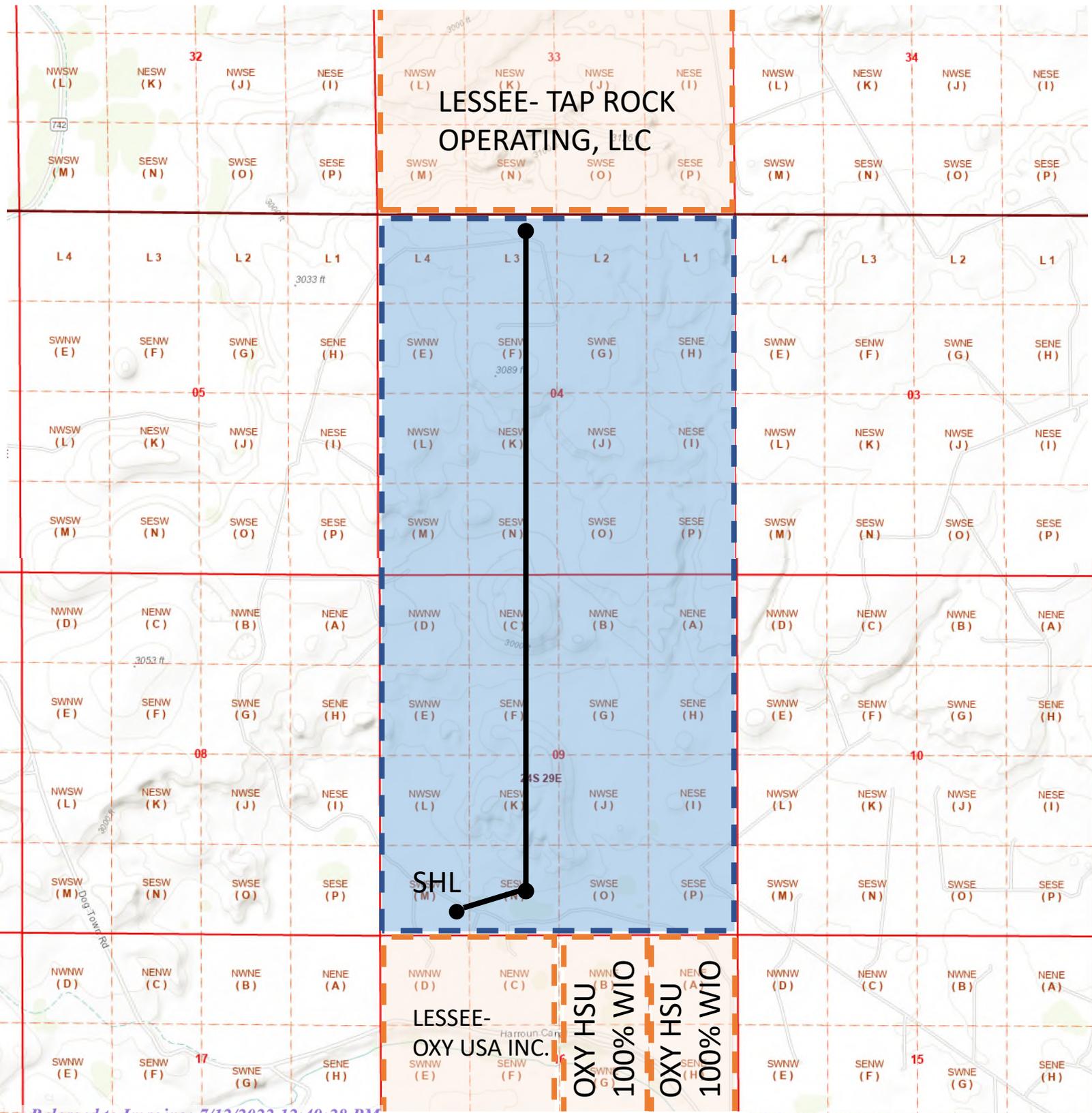
OXY USA INC.
HEADS CC 9 4 FEDERAL COM #33H
30-15-47193
SHL: Sec 9, Township 24 South, Range 29 East
PSWC POOL MAP



NSL HSU



OFFSET PARTY



Intent As Drilled

| | | |
|---------------------------------------|---|---------------------------|
| API # 30-015-47193 | | |
| Operator Name: OXY USA INC. | Property Name: HEADS CC 9 4 FEDERAL COM | Well Number 33H |

Kick Off Point (KOP)

| | | | | | | | | | |
|------------------------------|---------------------|------------------------|---------------------|-----|--------------------------------|------------------------|---------------------|------------------------|-----------------------|
| UL N | Section 9 | Township 24S | Range 29E | Lot | Feet 50 | From N/S FSL | Feet 2160 | From E/W FWL | County EDDY |
| Latitude 32.225001 | | | | | Longitude 103.991052 | | | | NAD NAD 83 |

First Take Point (FTP)

| | | | | | | | | | |
|------------------------------|---------------------|------------------------|---------------------|-----|--------------------------------|------------------------|---------------------|------------------------|-----------------------|
| UL N | Section 9 | Township 24S | Range 29E | Lot | Feet 330 | From N/S FSL | Feet 2160 | From E/W FWL | County EDDY |
| Latitude 32.225771 | | | | | Longitude 103.991054 | | | | NAD NAD 83 |

Last Take Point (LTP)

| | | | | | | | | | |
|------------------------------|---------------------|------------------------|---------------------|-----------------|--------------------------------|------------------------|---------------------|------------------------|-----------------------|
| UL C | Section 4 | Township 24S | Range 29E | Lot 3 | Feet 100 | From N/S FNL | Feet 2160 | From E/W FWL | County EDDY |
| Latitude 32.253758 | | | | | Longitude 103.991108 | | | | NAD NAD 83 |

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

Is this well an infill well? Y

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

| | | |
|---------------------------------------|---|----------------------------|
| API # 30-015-47340 | | |
| Operator Name: OXY USA INC. | Property Name: HEADS CC 9 4 FEDERAL COM | Well Number 312H |

KZ 06/29/2018

33H Notice

| Name | Street | City | State | Zip Code | USPS Tracking |
|--------------------------------|----------------------|----------|-------|------------|------------------------|
| Surface Owner | | | | | |
| OXY USA Inc. | | | | | |
| Working Interest Owners | | | | | |
| None- 100% OXY USA Inc. | | | | | |
| Lessees | | | | | |
| OXY USA Inc. | | | | | |
| Tap Rock Operating, LLC. | 523 Park Point Drive | Golden | CO | 80401 | 9402709202121080260360 |
| Fed Tracts | | | | | |
| Bureau of Land Management | 620 E. Greene Street | Carlsbad | NM | 88220-6292 | 9402709202121080265716 |
| State Tracts | | | | | |
| State Land Office | PO Box 1148 | Santa Fe | NM | 87504 | 9402709202121605258025 |

Copies of this application were mailed to the following individuals, companies, and organizations on or before May 24, 2022.



Stephen Janacek, Regulatory Engineer
OXY USA Inc.



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

June 9, 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.
Heads CC 9-4 Federal Com # 31H, 32H, 33H, 36H, 38H and 312H
T24S R29E, Sections 4 & 9, Eddy County***

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the last take point for the Heads CC 9-4 Federal Com #31H, Heads CC 9-4 Federal Com #32H, Heads CC 9-4 Federal Com #33H, Heads CC 9-4 Federal Com #36H, Heads CC 9-4 Federal Com #38H and Heads CC 9-4 Federal Com #312H 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 230 feet and increase the estimated ultimate recovery of the well by approximately 2.5%. 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". The signature is fluid and cursive, with a long horizontal stroke at the end.

Marshall McQueen
Reservoir Engineer



OXY USA Inc

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

May 23, 2022

Re: ***Protest Waiver for NSLs:
Heads CC 9 4 Development– Purple Sage Wolfcamp
Eddy County, New Mexico***

To Whom it May Concern:

Per the email sent by Matt Phillips (mphillips@taprk.com) to Peter Van Liew (peter_vanliew@oxy.com) on 10/29/2021 at 1:10 PM, Tap Rock Operating, LLC. agreed to waive any right to protest NSLs for the Heads development in Section 4 and Section 9 T24S, R29E Eddy County, New Mexico. The email is attached.

If you need any additional information, you can contact Clayton Carroll at 713-366-5281 or myself at 713-493-1986.

Thank you,

A handwritten signature in black ink that reads "Stephen Janacek".

Stephen Janacek
Regulatory Engineer
OXY USA Inc.

Janacek, Stephen C

From: Matt Phillips <mphillips@taprk.com>
Sent: Friday, October 29, 2021 1:10 PM
To: Van Liew, Peter R
Subject: RE: [EXTERNAL] RE: Tap Rock Cypress 33 Wells - NSL Waiver

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Peter,

Thank you for the quick response. Tap Rock agrees to waive any right to protest NSLs on Heads. I will place a copy of these emails in the file to memorialize the terms on my end.

Thank you,
Matt

From: Van Liew, Peter R <Peter_VanLiew@oxy.com>
Sent: Friday, October 29, 2021 12:05 PM
To: Matt Phillips <mphillips@taprk.com>
Subject: [EXTERNAL] RE: Tap Rock Cypress 33 Wells - NSL Waiver

[EXTERNAL] This email originated from outside your organization. Do not trust links or attachments.

Matt,

Oxy is amenable to granting to waive any right to protest these NSLs so long as we receive a reciprocal waiver for our Heads development in Section 4. Feel free to confirm via email and let me know if you need anything else related to this request.

Sincerely,

Peter R. Van Liew, RPL
Senior Land Negotiator
Occidental Petroleum Corporation
5 Greenway Plaza, Suite 110
Houston, Texas 77046
713.985.6972 (o)
832.627.6880 (c)

CONFIDENTIALITY NOTICE

The information in this e-mail may be confidential and/or privileged. This e-mail is intended for review only by the individual or organization named above. If you are not the intended recipient, you are hereby notified that any review, dissemination or copying of this e-mail or the information contained herein and in its attachments, if any, is prohibited. If you have received this e-mail in error, please immediately notify the sender by return e-mail and delete this e-mail from your system.

From: Matt Phillips <mphillips@taprk.com>
Sent: Friday, October 29, 2021 12:00 PM
To: Van Liew, Peter R <Peter_VanLiew@oxy.com>
Subject: [EXTERNAL] Tap Rock Cypress 33 Wells - NSL Waiver

WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Peter,

Pursuant to our conversation this morning, please allow this email to serve as notice that Tap Rock Operating, LLC intends to drill the following wells at non-standard locations (100' setbacks for FTP and LTP) encroaching on the SW/4 & W/2SE/4 Section 28, T23S, R29E and N/2 Section 4, T24S, R29E:

- E/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #206H, #246H, #233H, #243H, #213H
- E/2 Section 33 (Southern encroachment): Cypress 33 Fed Com #208H, #214H, #234H, #244H
- W/2 Section 33 (Northern and Southern encroachment): Cypress 33 Fed Com #205H, #207H, #211H, #212H, #231H, #232H, #235H, #241H, #245H, #242H

We plan to spud the E/2 wells starting in December of 2021 and the W/2 wells in April of 2022. If OXY is amenable to granting Tap Rock waivers for the above, we are willing to grant same for any upcoming OXY Heads development and will confirm via email upon request.

Thank you,

Matthew C. Phillips
Land Manager
Direct: (720) 459-3724
Cell: (432) 553-3272
mphillips@taprk.com



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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 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 115294

CONDITIONS

| | |
|--|--|
| Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294 | OGRID: 16696 |
| | Action Number: 115294 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|---|----------------|
| llowe | NSL - 8387 is approved. The approved order can be found at the following OCD website: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx | 6/10/2022 |