

RECEIVED: 06/30/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2218239184
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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: ARKENSTONE 31 FEDERAL #174H **API:** 30-015-47332
Pool: PURPLE SAGE WOLFCAMP (GAS)/WC-015 G-08 S233135; WOLFCAMP **Pool Code:** 98220/98236

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

- ☐ Notice Complete
☐ 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

6/30/2022

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**

June 30, 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
Arkenstone 31 Federal 174H – WC-015 G-08 S233135; Wolfcamp/ Purple Sage Wolfcamp
Surface – 130' FNL 2500' FWL Unit C, Sec 31 T23S R31E
First Take Point – 100' FNL 1900' FEL Unit B, Sec 31 T23S R31E
Last Take Point – 100' FSL 1900' FEL Unit O, Sec 6 T24S R31E
Bottom Hole – 20' FSL 1900' FEL Unit O, Sec 6 T24S R31E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Arkenstone 31 Federal 174H well, API Number-30-015-47332, Property Code 326150. The #174H well is proposed to be completed, partially 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 – 130' FNL 2500' FWL Unit C, Sec 31 T23S R31E
First Take Point – 100' FNL 1900' FEL Unit B, Sec 31 T23S R31E- (WC-015 G-08 S233135; Wolfcamp pool- 98236 – Standard Location)
Last Take Point – 100' FSL 1900' FEL Unit O, Sec 6 T24S R31E - (Purple Sage Wolfcamp Pool- 98220 – Non-Standard Location)
Bottom Hole – 20' FSL 1900' FEL Unit O, Sec 6 T24S R31E

- The adjoining units which the LTP, unorthodox location, encroaches are located to the South in T24S R31E, Section 7 –Units A, B, C, D, E, F, G and H, which are 100% working interest owned by OXY.

Approval of the unorthodox LTP will allow for efficient spacing of horizontal wells in the wolfcamp formation 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.
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 Engineer.

Sincerely,

Leslie Reeves
Regulatory Manager
Leslie_Reeves@oxy.com



OXY USA Inc

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

June 30, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location
Arkenstone 31 Federal 174H – WC-015 G-08 S233135; Wolfcamp/ Purple Sage Wolfcamp
Surface – 130' FNL 2500' FWL Unit C, Sec 31 T23S R31E
First Take Point – 100' FNL 1900' FEL Unit B, Sec 31 T23S R31E
Last Take Point – 100' FSL 1900' FEL Unit O, Sec 6 T24S R31E
Bottom Hole – 20' FSL 1900' FEL Unit O Sec 6 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 – 130' FNL 2500' FWL Unit C, Sec 31 T23S R31E
First Take Point – 100' FNL 1900' FEL Unit B, Sec 31 T23S R31E
Last Take Point – 100' FSL 1900' FEL Unit O, Sec 6 T24S R31E
Bottom Hole – 20' FSL 1900' FEL Unit O Sec 6 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 fluid and cursive, with the first name "Leslie" and last name "Reeves" clearly distinguishable.

Leslie Reeves
Regulatory Manager
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) 746-1283 Fax: (575) 746-9720

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 30-015-47332	Pool Code 98236	Pool Name WC-015 G-08 S233135; WOLFCAMP
Property Code 326150	Property Name ARKENSTONE 31 FEDERAL	Well Number 174H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3346.2'

Surface Location

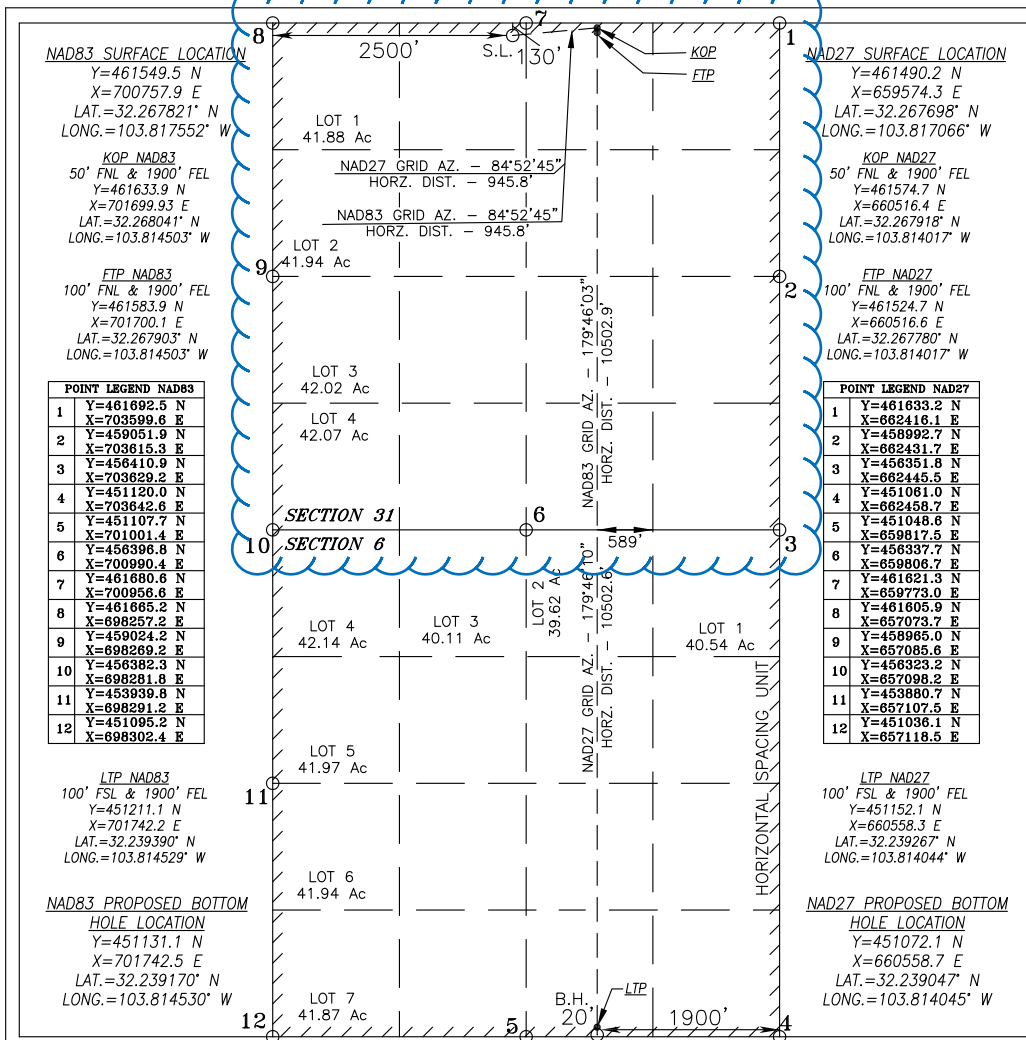
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	31	23-S	31-E		130	NORTH	2500	WEST	EDDY

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
O	6	24-S	31-E		20	SOUTH	1900	EAST	EDDY

Dedicated Acres 647.91	Joint or Infill	Consolidation Code	Order No.
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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



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.

Leslie T. Reeves 6/30/2022
Signature Date

LESLIE REEVES

Printed Name

LESLIE_REEVES@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.

SEPT. 11, 2018

Date of Survey

Signature & Seal of Professional Surveyor



Chad Harcrow 6/6/22
Certificate No. CHAD HARCROW 17777
W.O. #22-544 DRAWN BY: BD

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1625 N. FRENCH DR., HOBBS, NM 88240
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Energy, Minerals & Natural Resources Department
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Form C-102
Revised August 1, 2011
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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-47332	Pool Code 98220	Pool Name PURPLE SAGE WOLFCAMP (GAS)
Property Code 326150	Property Name ARKENSTONE 31 FEDERAL	Well Number 174H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3346.2'

Surface Location

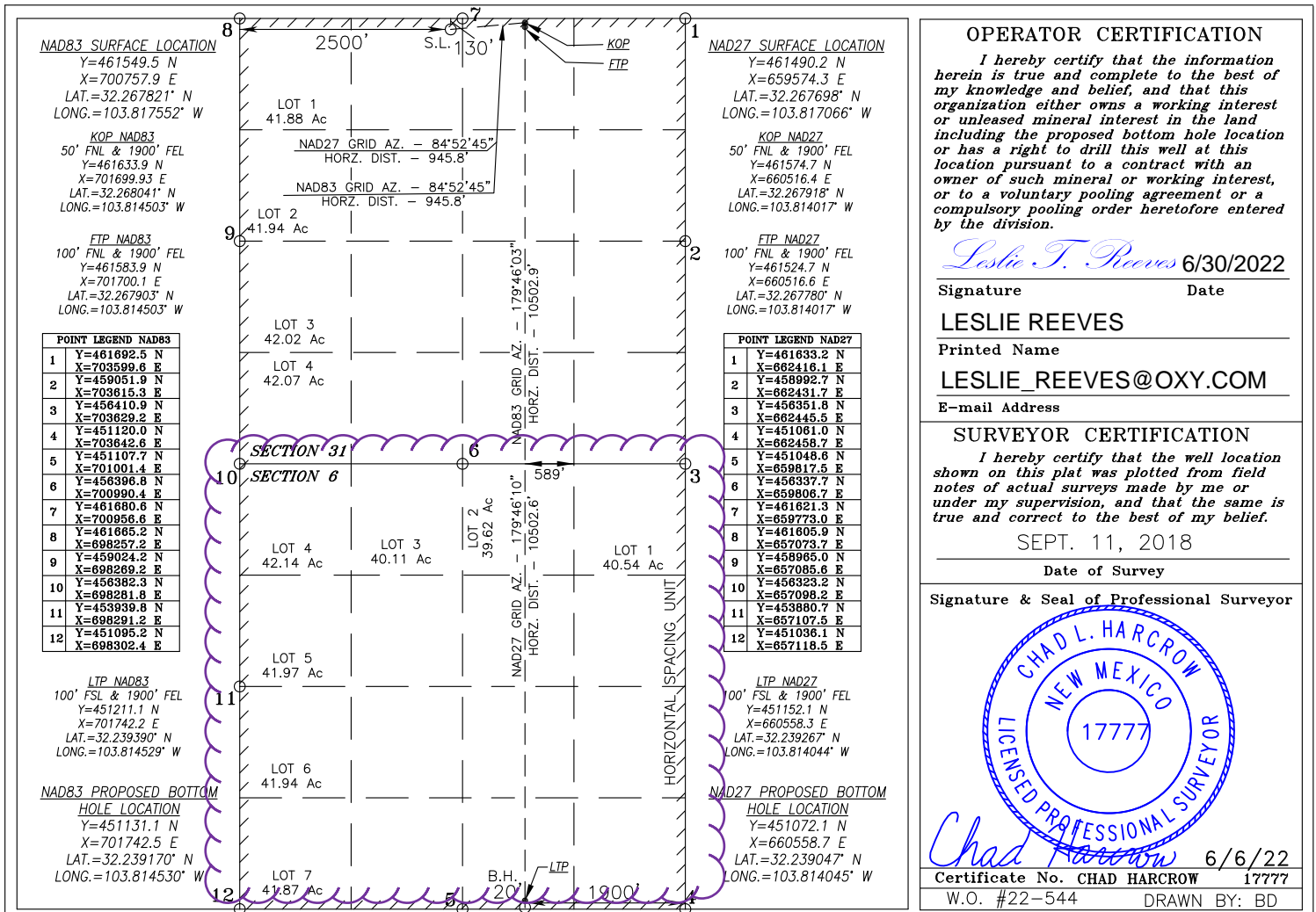
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	31	23-S	31-E		130	NORTH	2500	WEST	EDDY

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
O	6	24-S	31-E		20	SOUTH	1900	EAST	EDDY

Dedicated Acres 648.19	Joint or Infill	Consolidation Code	Order No.
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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



Intent ☒ As Drilled ☐

API # 30-015-47332		
Operator Name: OXY USA Inc.	Property Name: ARKENSTONE 31 FEDERAL	Well Number 174H

Kick Off Point (KOP)

UL B	Section 31	Township 23S	Range 31E	Lot	Feet 50	From N/S FNL	Feet 1900	From E/W FEL	County EDDY
Latitude 32.268041					Longitude -103.814503				NAD NAD83

First Take Point (FTP)

UL C	Section 31	Township 23S	Range 31E	Lot	Feet 100	From N/S FNL	Feet 1900	From E/W FEL	County EDDY
Latitude 32.267903					Longitude -103.814503				NAD NAD83

Last Take Point (LTP)

UL O	Section 6	Township 24S	Range 31E	Lot	Feet 100	From N/S FSL	Feet 1900	From E/W FEL	County EDDY
Latitude 32.239390					Longitude -103.814529				NAD NAD83

Is this well the defining well for the Horizontal Spacing Unit? ☐ NIs this well an infill well? ☐ Y

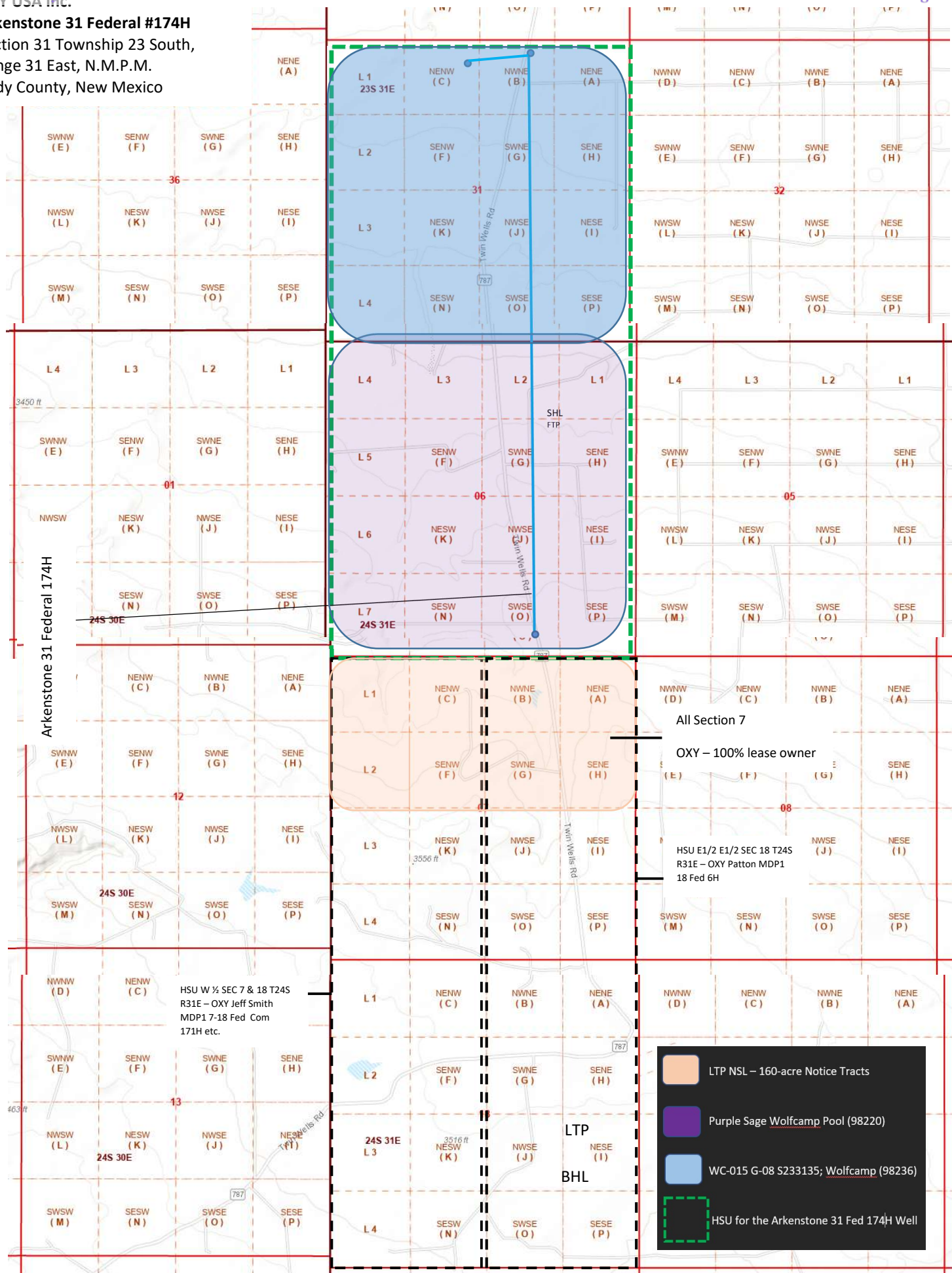
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # 30-015-47318		
Operator Name: OXY USA INC.	Property Name: ARKENSTONE 31 FEDERAL	Well Number #172H

KZ 06/29/2018

Arkenstone 31 Federal #174HSection 31 Township 23 South,
Range 31 East, N.M.P.M.

Eddy County, New Mexico





OXY USA INC.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046
P.O. Box 4294, Houston, Texas 77210-4294

June 28, 2022

Re: Arkenstone 31 Federal Com 1H, 2H, 5H, 7H, 171H, 172H, 174H

Section 31, T23S R31E, Eddy County

Section 6, T24S, R31E, Eddy County

To Whom It May Concern:

OXY USA INC., OXY Y-1 Company and Occidental Permian Limited Partnership, all subsidiaries of Occidental Petroleum Corporation, are the sole Working Interest Owners of Section 7, T24S, R31E as to depths below the Bone Spring Formation. If you have any questions, please contact me at the number listed below.

Best Regards,

OXY USA INC.

A handwritten signature in dark ink, appearing to read "Matt Cole". The signature is fluid and cursive, with the first name "Matt" and last name "Cole" clearly distinguishable.

Matt Cole
Land Negotiator
713-366-5928



Occidental Oil and Gas Corporation
ATTN: Pablo Cabal
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-215-7433
pablo_cabal@oxy.com

June 29, 2022

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: *Application for Nonstandard Location & Nonstandard Proration—Engineering Justification*
OXY USA Inc.
Well List below
T23S R 31E, Section 31 & T24S R31E, Section 6 – All, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the last take point for below list of wells 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 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 2.3%. 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.

ARKENSTONE 31 FEDERAL 1H
ARKENSTONE 31 FEDERAL 2H
ARKENSTONE 31 FED COM 5H
ARKENSTONE 31 FEDERAL 7H
ARKENSTONE 31 FEDERAL 171H
ARKENSTONE 31 FEDERAL 172H
ARKENSTONE 31 FEDERAL 174H

Sincerely,

A handwritten signature in blue ink, appearing to read "P. Cabal", is placed over a light blue rectangular background.

Pablo Cabal
Development Engineer

Application Non-Standard Location - Service List

OXY USA Inc.

Arkenstone 31 Federal 174H

Online Submission

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

Certified Mail #7019 0700 0000 0995 4649

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

**Offset Tracts Section 7 (T24S-R31E) - Units A, B, C, D, E, F, G, H,
100% Working Interest Owner**

OXY USA Inc.

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

Copies of this application were mailed to the individuals, companies and organizations
on or before June 30, 2022



Leslie Reeves, Regulatory Manager
OXY USA Inc.

District I

1625 N. French Dr., Hobbs, NM 88240
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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 122080

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 122080
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
Ilowe	NSL - 8406 is approved. The approved Order can be retrieved at the following OCD website link. https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx	7/1/2022