

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Dylan M. Fuge, Director
Oil Conservation Division



Mr. Roni Mathew
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NON-STANDARD LOCATION

Administrative Order NSL - 8648

OXY USA INC. [OGRID 16696]
Chuck Smith MDP1 8 17 Federal Com Well No. 23H
API No. 30-015-54260

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	280 FSL & 1365 FWL	N	5	24S	31E	Eddy
First Take Point	100 FNL & 2360 FWL	C	8	24S	31E	Eddy
Last Take Point	100 FSL & 2360 FWL	N	17	24S	31E	Eddy
Terminus	20 FSL & 2360 FWL	N	17	24S	31E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 08	640	Cotton Draw; Bone Spring	13367
W/2 of Section 17			

Reference is made to your application received on September 15th, 2023.

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)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil 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 280 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 08, encroachment to the E/2
Section 17, encroachment to the E/2

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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 in order to allow for the efficient spacing of horizontal wells and to prevent waste within the Bone Spring formation underlying W/2 of Section 08 and the W/2 of Section 17.

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.



DYLAN M. FUGE
DIRECTOR
DMF/lrl

Date: 10/20/23

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

CONDITIONS

Action 279154

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 279154
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/25/2023