

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Dylan M. Fuge**  
Deputy Secretary

**Dylan M. Fuge, Director**  
Oil Conservation Division (Acting)



Ms. Sarah McKinney  
[SARAH\\_MCKINNEY@OXY.COM](mailto:SARAH_MCKINNEY@OXY.COM)

**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL - 8679**

**OXY USA INC. [OGRID 16696]  
Stack Cat 25 36 Federal Com Well No. 24H  
API No. 30-025-51754**

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	890 FSL & 2333 FEL	O	24	22S	32E	Lea
First Take Point	100 FNL & 2555 FWL	C	25	22S	32E	Lea
Last Take Point	100 FSL & 2555 FWL	N	36	22S	32E	Lea
Terminus	20 FSL & 2555 FWL	N	36	22S	32E	Lea

**Proposed Horizontal Units**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
W/2 of Section 25	640	Red Tank; Bone Spring	51683
W/2 of Section 36			

Reference is made to your application received on October 31<sup>st</sup>, 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 85 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

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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 to allow for efficient spacing of horizontal wells and thereby preventing waste within the Bone Spring formation underlying W/2 of Section 25 and the W/2 of Section 36.

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.



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**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**  
DMF/lrl

**Date:** 12/21/23

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
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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 297987

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 297987
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	12/27/2023