

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Sara Guthrie
sara_guthrie@oxy.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8930

**OXY USA INC. [OGRID 16696]
Nugget 6 31 Federal Com Well No. 13H
API No. 30-015-56038**

Reference is made to your application received on March 18th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	520 FSL & 1104 FEL	P	06	24S	31E	Eddy
First Take Point	100 FSL & 2570 FEL	O	06	24S	31E	Eddy
Last Take Point	100 FNL & 2570 FEL	B	31	23S	31E	Eddy
Terminus	20 FNL & 2570 FEL	B	31	23S	31E	Eddy

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 Section 06	640.41	Cotton Draw; Bone Spring	13367
E/2 Section 31			

You have requested to drill this horizontal well at an unorthodox 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. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8930

OXY U.S.A., INC.

Page 2 of 2

well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 70 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 06, T24S, R30E encroachment to the E/2 W/2

Section 31, T23S, R30E, encroachment to the E/2 W/2

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.

The Division understands you are seeking this unorthodox location in order to allow for efficient spacing of horizontal wells within the horizontal spacing unit. All while protecting the correlative rights within the Bone Spring formation underlying the E/2 of Section 06, T24S, R30E and the W/2 E/2 of Section 31, T23S, R30E.

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 the Division deems necessary.



GERASIMOS RAZATOS

DIRECTOR (ACTING)

GR/lrl

Date: 4/30/2025

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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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: NUGGET 6_31 FEDERAL COM 13H **API:** 30-015-56038
Pool: COTTON DRAW; BONE SPRING **Pool Code:** 13367

**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

ID NO. 443587

- 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.

SARA GUTHRIE

Print or Type Name

Sara Guthrie

Signature

3/10/2025

Date

713-497-2851

Phone Number

sara_guthrie@oxy.com

e-mail Address



OXY USA Inc

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

March 18, 2025

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
Nugget 6_31 Federal Com 13H – Cotton Draw; Bone Spring
Surface – 520' FSL 1104' FEL Unit P, Sec 06 T24S R31E
First Take Point – 100' FSL 2570' FEL Unit O, Sec 06 T24S R31E
Last Take Point – 100' FNL 2570' FEL Unit B, Sec 31 T23S R31E
Bottom Hole – 20' FNL 2570' FEL Unit B, Sec 31 T23S R31E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Nugget 6_31 Federal Com #13H well. The #13H well is proposed to be completed in the Cotton Draw; Bone Spring pool. This will be a horizontal well in a pool with no special rules for setback, so the setback requirements under Rule 19.15.15.9 (A) and 19.15.16.15 (B) will apply. The proposed producing interval is projected as follows:

Surface – 520' FSL 1104' FEL Unit P, Sec 06 T24S R31E
First Take Point – 100' FSL 2570' FEL Unit O, Sec 06 T24S R31E
Last Take Point – 100' FNL 2570' FEL Unit B, Sec 31 T23S R31E
Bottom Hole – 20' FNL 2570' FEL Unit B, Sec 31 T23S R31E

The adjoining units which the completed interval, unorthodox location, encroaches are located to the West in T24S R31E:

Section 31 - Units C, F, K, and N
Section 06 - Units L3, F, K, and N

Approval of the unorthodox location will allow for efficient spacing of horizontal wells in the Bone Spring 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. Statement from Oxy Land Negotiator attesting that Oxy is the sole working interest owner and own offset operator.
3. Statement from Oxy Development Area Engineer.

Sincerely,

Sara Guthrie

Sara Guthrie
Regulatory Advisor
Sara_Guthrie@oxy.com

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals, & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024 PAGE 1 OF 2
	Submittal Type: <input type="checkbox"/> Initial Submittal <input checked="" type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled	

WELL LOCATION INFORMATION

API Number 30-015-56038	Pool Code 13367	Pool Name COTTON DRAW; BONE SPRING
Property Code 329887	Property Name NUGGET 6_31 FED COM	Well Number 13H
OGRID No. 16696	Operator Name OXY USA INC.	Ground Level Elevation 3470'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
P	06	24S	31E		520' FSL	1104' FEL	32.24054446	-103.81195103	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
B	31	23S	31E		20' FNL	2570' FEL	32.26812347	-103.81667103	EDDY

Dedicated Acres 640.41	Infill or Defining Well INFILL	Defining Well API 30-015-48615	Overlapping Spacing Unit (Y/N) NO	Consolidation Code
Order Numbers:			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
B	07	24S	31E		300' FNL	2570' FEL	32.23829118	-103.81669725	EDDY

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
O	06	24S	31E		100' FSL	2570' FEL	32.23939071	-103.81669633	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (NAD83)	Longitude (NAD83)	County
B	31	23S	31E		100' FNL	2570' FEL	32.26790356	-103.81667076	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type: <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation 3470'
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

Sara Guthrie 1/29/2025
Signature Date

Sara Guthrie
Printed Name

sara_guthrie@oxy.com
Email Address

SURVEYOR CERTIFICATIONS

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.



Signature and Seal of Professional Surveyor

Certificate Number 21653	Date of Survey JANUARY 06, 2025
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ACREAGE DEDICATION PLATS

NUGGET 6_31 FED COM 13H

PAGE 2 OF 2

BHL (NAD83)
X:701029.76' / Y:461660.76'
LAT:32.26812347 / LON:-103.81667103

BHL (NAD27)
X:659846.21' / Y:461601.46'
LAT:32.26800054 / LON:-103.81618476

LTP (NAD83)
X:701030.23' / Y:461580.76'
LAT:32.26790356 / LON:-103.81667076

LTP (NAD27)
X:659846.68' / Y:461521.47'
LAT:32.26778063 / LON:-103.81618449

PPP-3 (NAD83)
X:701051.23' / Y:456397.21'
LAT:32.25365485 / LON:-103.81668354

PPP-3 (NAD27)
X:659867.53' / Y:456338.05'
LAT:32.25353183 / LON:-103.81619784

FTP (NAD83)
X:701072.24' / Y:451208.06'
LAT:32.23939071 / LON:-103.81669633

FTP (NAD27)
X:659888.36' / Y:451149.02'
LAT:32.23926758 / LON:-103.81621127

PPP-2 (NAD83)
X:701072.65' / Y:451108.06'
LAT:32.23911583 / LON:-103.81669656

PPP-2 (NAD27)
X:659888.77' / Y:451049.02'
LAT:32.23899269 / LON:-103.81621151

KOP (NAD83)
X:701073.88' / Y:450808.06'
LAT:32.23829118 / LON:-103.81669725

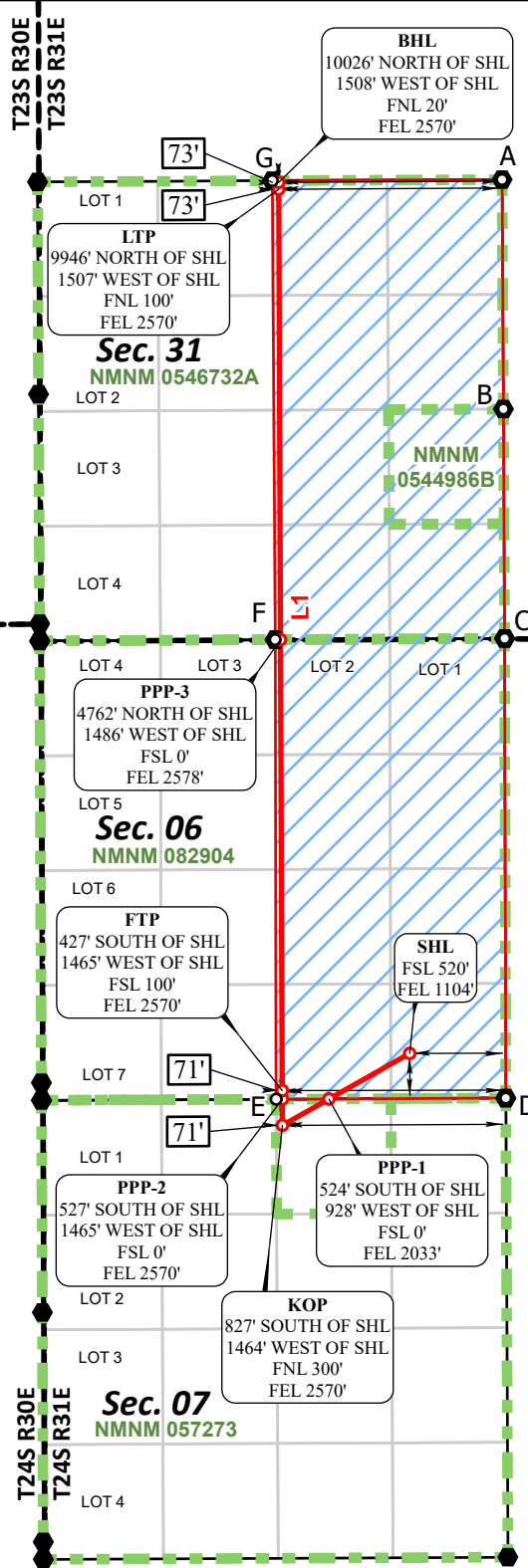
KOP (NAD27)
X:659889.99' / Y:450749.03'
LAT:32.23816803 / LON:-103.81621224

PPP-1 (NAD83)
X:701609.34' / Y:451110.57'
LAT:32.23911562 / LON:-103.81496075

PPP-1 (NAD27)
X:660425.46' / Y:451051.53'
LAT:32.23899247 / LON:-103.81447574

SHL (NAD83)
X:702537.38' / Y:451634.87'
LAT:32.24054446 / LON:-103.81195103

SHL (NAD27)
X:661353.51' / Y:451575.82'
LAT:32.24042131 / LON:-103.81146604

**CORNER COORDINATES
NAD 83, SPCS NM EAST**

A - X: 703599.62' / Y:461692.37'
B - X: 703615.24' / Y:459051.85'
C - X: 703629.20' / Y:456410.90'
D - X: 703642.47' / Y:451120.07'
E - X: 701001.66' / Y:451107.73'
F - X: 700990.28' / Y:456396.89'
G - X: 700956.72' / Y:461680.43'

**CORNER COORDINATES
NAD 27, SPCS NM EAST**

A - X: 662416.07' / Y:461633.08'
B - X: 662431.61' / Y:458992.63'
C - X: 662445.49' / Y:456351.74'
D - X: 662458.59' / Y:451061.04'
E - X: 659817.78' / Y:451048.69'
F - X: 659806.58' / Y:456337.73'
G - X: 659773.17' / Y:461621.13'

***FTP TO LTP LINE BEARINGS**

LINE	BEARING
L1	N 00°13'55" W ~ 10372.79'

***FTP TO LTP LEASE DISTANCES**

TRACT	DISTANCE
NMNM 082904	5189.19'
NMNM 0546732A	5183.60'
TOTAL	10372.79'

○ Drill Line Events

● Section Corners

— Drill Line

↔ Dimension Lines

Federal Leases

HSU

○ HSU Corners

JOB No. OXY_0029_JS02_14125
REV 1 NDS 12/20/2024

All bearings and coordinates refer to New Mexico State Plane Coordinate System, East Zone, U.S. Survey Feet.

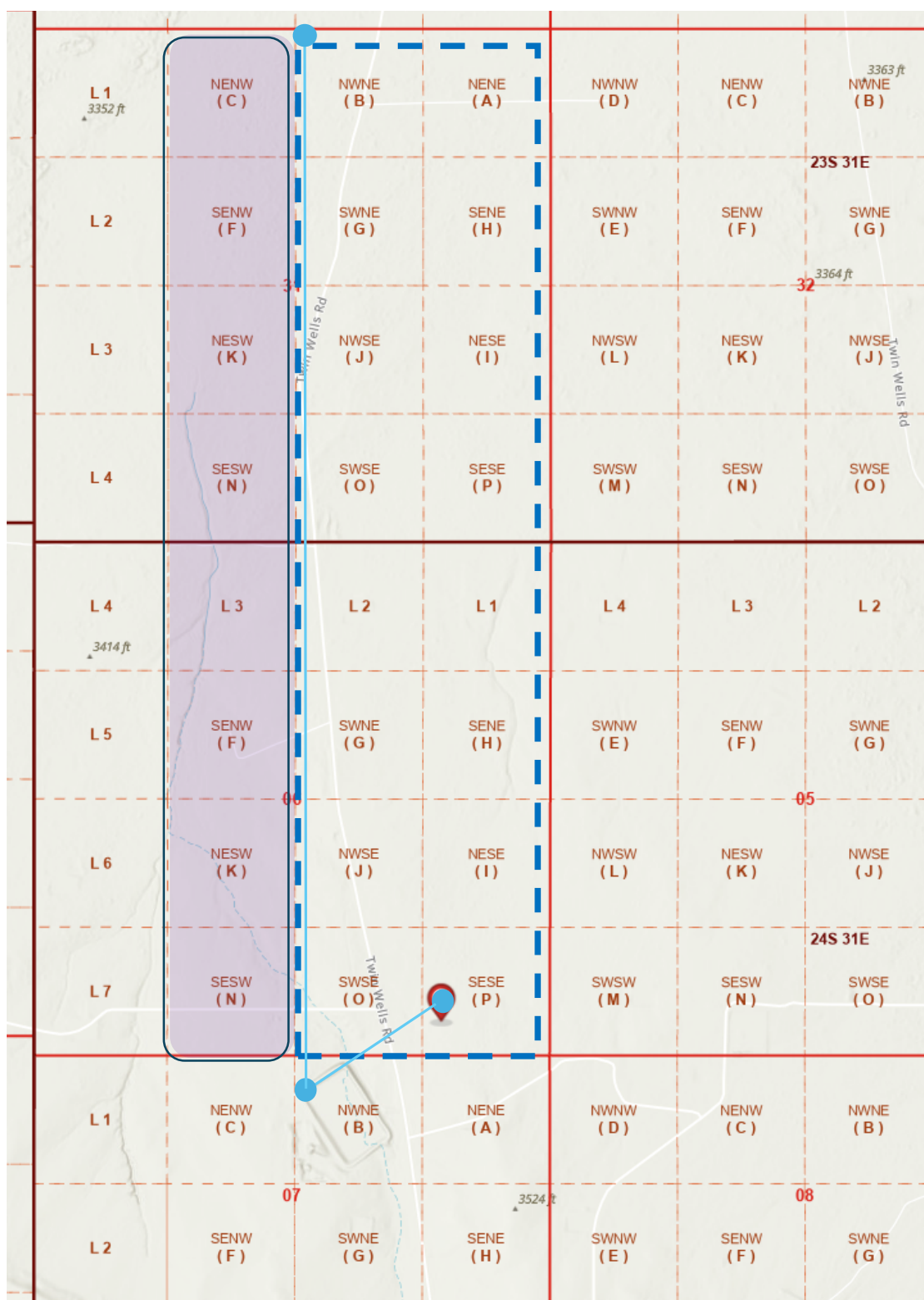
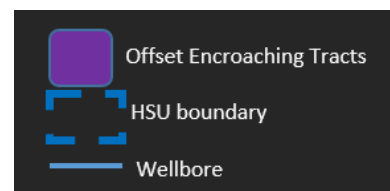
Distances/areas relative to NAD 83 grid measurements. Combined Scale Factor: 0.99977581 and a Convergence Angle: 0.27195833°



OXY USA Inc.**Nugget 6_31 Federal Com #13H**

Section 06 Township 24 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

March 18, 2025

Re: Nugget 6 31 Federal Com 13H - NSL**Units B, G, J and O, Section 31, T23S, R31E, Eddy County**
Units L2, G, J and O, Section 06, 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 the above described lands 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 blue ink that reads "Leslie E. Mullin". The signature is written in a cursive, flowing style.

Leslie E. Mullin, CPL
Land Negotiator
713-497-2647



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

March 18, 2025

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.
Nugget 6_31 Federal Com 13H
T24S R31E, Sections 31 & 06 – West ½, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location for the Nugget 6_31 Federal Com 13H well to be drilled within 330' of the HSU boundary. It is Oxy's responsibility as a prudent operator to optimize the section's well spacing and minimize reserves left in the ground. Placing the well within the setback, allows for a horizontal well spacing of 5 wells per section, optimizing the recoverable reserves. Any reduction in well spacing will result in untapped reserves being left in the reservoir resulting in waste of a resource that will not be developed otherwise.

Sincerely,

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

Pablo Cabal
Development Engineer

Application Non-Standard Location - Service List
OXY USA Inc.
Nugget 6_31 Federal Com 13H

Online Submission

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

Certified Mail #_9407 1118 9876 5453 5934 56

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

Offset Tracts Section 31 (T23S-R31E) - Units C, F, K, N

Offset Tracts Section 06 (T24S-R31E) - Units L3, F, K, N

Type	Affected Party
Working Interest	Occidental Petroleum Corp. P.O. Box 4294 Houston, TX 77210

Copies of this application were mailed to the individuals, companies and organizations
on or before March 18, 2025



Sara Guthrie, Regulatory Advisor
OXY USA Inc.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 443587

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 443587
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	3/20/2025