

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



June 25, 2018

Sarah Mitchell  
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NON-STANDARD LOCATION

**Administrative Order NSL-7737**

**OXY USA INC. [OGRID 16696]  
Corral Draw 14 13 Federal Well No. 35H  
API No. 30-015-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1154 FSL & 2223 FWL	N	14	25S	29E	Eddy
Penetration Point	1261 FSL & 2300 FEL	O	14	25S	29E	Eddy
Final perforation	1260 FSL & 340 FEL	P	13	25S	29E	Eddy
Terminus	1260 FSL & 180 FEL	P	13	25S	29E	Eddy

**Proposed Project Area**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 SE4 of Section 14 S2 S2 of Section 13	240	Pierce Crossing; Bone Spring, East	96473

Reference is made to your application received on June 4, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 345 feet to the northwestern edge, 59 - 60 feet to the southern edge and 345 feet to the northeastern edge of the project area. Encroachments will impact the following tracts.

Section 14, T25S R29E encroachment to the NE4 SW4 and the N2 SE4  
Section 13, T25S R29E encroachment to the N2 S2  
Section 18, T25S R30E encroachment to the NW4 SW4

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Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location to increase horizontal well spacing from 4 wells per section to 6 wells per section to effectively develop the Bone Spring formation underlying the S2 SE4 of Section 14 and the S2 S2 of Section 13.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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.



**HEATHER RILEY**

**Director**

HR/lrl

cc: Oil Conservation Division – Artesia District Office  
Bureau of Land Management – Carlsbad Field Office