

RECEIVED: 9/27/2018	REVIEWER: MAM	TYPE: NSP	APP NO: DYNAMIC 270 41535
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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.**OGRID Number:** 16696**Well Name:** Ramsay Fed Com No. 2**API:** 30-025-Pending**Pool:** Devonian formation (Dollarhide; Devonian Pool)**Pool Code:** 18050

**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 holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ 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.

Jordan L. Kessler

Print or Type Name

Signature

September 27, 2018

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address



September 27, 2018

VIA HAND DELIVERY

Heather Riley
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of OXY USA Inc. for administrative approval of a 47.22-acre non-standard spacing and proration unit comprised of the NE/4 SW/4 (Unit K) and Lot 3, Section 28, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

Dear Ms. Riley:

Pursuant to NMAC 19.15.15.11.B(2) and 19.15.15.13 OXY USA Inc. ("OXY") (OGRID No. 16696) seeks administrative approval of a 47.22-acre non-standard spacing unit comprised of the NE/4 SW/4 (Unit K) and Lot 3 of Irregular Section 28, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico. The proposed non-standard spacing unit will be dedicated to the **Ramsay Fed Com No. 2**, a vertical well to be directionally drilled from a standard surface location¹ 1140 feet from the South line, 330 feet from the East line, (Unit N) of Irregular Section 28.

The **Ramsay Fed Com No. 2** will develop the Devonian formation (Dollarhide; Devonian Pool (18050)), which is subject to 40-acre spacing and 330-foot setbacks. The proposed non-standard spacing unit is comprised of a standard 40-acre tract (Unit K) and the adjacent 7.22-acre correction lot (Lot 3), which is on the Texas state line. This acreage is subject to a communitization agreement aggregating the lands.

Division Rule 19.15.15.11.B(2) authorizes administrative approval of non-standard spacing units when the non-standard spacing unit consists of a single quarter-quarter section or lot or quarter-quarter sections or lots joined by a common side and the non-standard spacing unit lies wholly within a single quarter section if the well is in a pool for which 40 acres is the standard spacing unit size. The proposed non-standard spacing unit consists of adjoining quarter-quarter sections

¹ Administrative Order NSP-1868 authorized the combination of the SE/4SW/4 and Lot 4 of Irregular Section 28. All portions of the completed interval for the Ramsay Fed Com No. 2 will remain within the standard setback for the Dollarhide Devonian Pool. Accordingly, the wellbore will be at a standard location.

HOLLAND & HART^{LLP}



and is located wholly within a single quarter-section. The non-standard spacing unit is necessary to incorporate the correction lot.

Exhibit A is a copy of the Well Location and Acreage Dedication Plat (Form C-102) for the **Ramsay Fed Com No. 2**.

Exhibit B is a copy showing the proposed directional vertical well and the proposed non-standard spacing unit. The 40-acre tract (labeled "Tract 1") is comprised of the NE/4SW/4 (Unit K) is comprised of a single state lease. The 7.22-acre tract (labeled "Tract 2") is comprised of a single federal lease.

Exhibit C is a list of the interest owners in the proposed non-standard spacing unit. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. A courtesy copy of this application has also been provided to the Bureau of Land Management.

Your attention to this matter is appreciated.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR OXY USA INC.

cc: Bureau of Land Management-Carlsbad Office
620 E. Greene Street
Carlsbad, NM 88220

New Mexico State Land Office
310 Old Santa Fe Trail, P.O. Box 1148
Santa Fe, New Mexico 87504-1148

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

September 27, 2018

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AFFECTED INTEREST OWNERS

Re: Application of OXY USA Inc. for administrative approval of a 47.22-acre non-standard spacing and proration unit comprised of the NE/4 SW/4 (Unit K) and Lot 3, Section 28, Township 24 South, Range 38 East, NMPM, Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

William Cooke
(713) 366-5898
William_cooke@oxy.com

Sincerely,

Jordan L. Kessler
ATTORNEY FOR OXY USA INC.

Enclosures

Holland & Hart^{LLP}

Phone (505) 988-4421 **Fax** (505) 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Boulder Carson City Colorado Springs Denver Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Reno Salt Lake City Santa Fe Washington, D.C. ♻

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) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, 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, NM 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	Pool Code 18050	Pool Name DOLLARHIDE, DEVONIAN
Property Code	Property Name RAMSAY FED COM	Well Number 2
OGRID No.	Operator Name OXY USA INC.	Elevation 3192.2'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	24 SOUTH	38 EAST, N.M.P.M.		1140'	SOUTH	330'	EAST	LEA

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
K	28	24 SOUTH	38 EAST, N.M.P.M.		1755'	SOUTH	429'	EAST	LEA

Dedicated Acres	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.

<p>NAD 83</p> <p>SECTION 6 BLOCK A-52 P.L.S.</p> <p>TEXAS</p> <p>NEW MEXICO</p> <p>BOTTOM HOLE LOCATION NEW MEXICO EAST NAD 1983 Y=433673.69 US FT X=933393.57 US FT LAT.: N 32.1858971" LONG.: W 103.0660691"</p> <p>GRID AZ = 350°11'39" 623.13'</p> <p>SURFACE LOCATION NEW MEXICO EAST NAD 1983 Y=433059.66 US FT X=933499.70 US FT LAT.: N 32.1842062" LONG.: W 103.0657495"</p> <p>429'</p> <p>330'</p> <p>1755'</p> <p>1140'</p>	<p>SECTION 15 BLOCK A-52 P.L.S.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
		<p>EXHIBIT</p> <p>tabbies' <i>A</i></p>
<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DATE AUGUST 2, 2018</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number 15079</p>		

EXHIBIT "A"

Attached to and made a part of that certain Communitization Agreement dated August 1, 2018
by and between OXY USA Inc., as Operator and Paul Slayton, et al, as Non-Operator

Sec. 28
T24S-R38E, NMPM,
Lea County, NM

NW/4NW/4 40.00 acres	NE/4NW/4 40.00 acres	Lot 1 7.24 acres
SW/4NW/4 40.00 acres	SE/4NW/4 40.00 acres	Lot 2 7.22 acres
NW/4SW/4 40.00 acres	NE/4SW/4 40.00 acres	Lot 3 7.22 acres
SW/4SW/4 40.00 acres	SE/4SW/4 40.00 acres	Lot 4 7.20 acres

Ramsay Fed Com #2 Directional Well

SHL: 1,140' FSL 330' FEL

○ Sec. 28, T24S-R38E

BHL: 1,755' FSL 429' FEL

● Sec. 28, T24S-R38E

Tract 1

State Lease No. B-1732-4

NE/4SW/4 - Sec. 28, T24S-R38E, NMPM

40.00 acres

Tract 2

Federal Lease No. NMNM 10188

Lot 3 - Sec. 28, T24S-R38E, NMPM

7.22 acres

Tract 3

Ramsay Fed Com 2 Proration Unit (Devonian)

NE/4SW/4 & Lot 3- Sec. 28, T24S-R38E, NMPM

47.22 acres

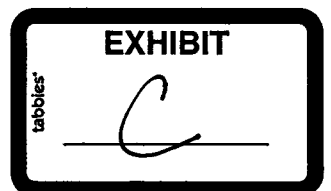
EXHIBIT

tabbles

B

Exhibit C

OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046 Attn: Robbie Abraham
Paul Slayton P.O. Box 2035 Roswell, NM 88201
Stanley W. Crosby, III P.O. Box 2346 Roswell, NM 88202-2346
Steven W. Chaney P.O. Box 590809 San Francisco, CA 94159-0809
Rubie Crosby Bell Family LLC P.O. Box 24591 New Orleans, LA 70184-4591





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

OXY USA Ramsey NSP
CM# 44506.0005
Notice List

Shipment Date: 09/27/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	7
Total	7

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0010 5160 33



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Check type of mail or service <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.										
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)														
1. 9214 8901 9403 8373 3891 55		NM BLM Carlsbad District Offices 620 E Greene St Carlsbad NM 88220		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
2. 9214 8901 9403 8373 3891 62		NM SLO PO BOX 1148 Santa Fe NM 87504		1.21	3.45								1.50			
3. 9214 8901 9403 8373 3891 79		OXY USA Inc Attn: Robbie Abraham 5 Greenway Plaza Suite 110 Houston TX 77046		1.21	3.45								1.50			
4. 9214 8901 9403 8373 3891 86		Paul Slayton PO BOX 2035 Roswell NM 88201		1.21	3.45								1.50			
5. 9214 8901 9403 8373 3891 93		Stanley W Crosby III PO BOX 2346 Roswell NM 88202		1.21	3.45								1.50			
6. 9214 8901 9403 8373 3892 09		Steven W Chaney PO BOX 590809 San Francisco CA 94159		1.21	3.45								1.50			
7. 9214 8901 9403 8373 3892 16		Rubie Crosby Bell Family LLC PO BOX 24591 New Orleans LA 70184		1.21	3.45								1.50			
Total Number of Pieces Listed by Sender 7		Total Number of Pieces Received at Post Office		Handing Charge - If Registered and over \$50,000 in value												
Postmaster, Per (Name of receiving employee)																

McMillan, Michael, EMNRD

From: Jordan L. Kessler <JLKessler@hollandhart.com>
Sent: Monday, October 15, 2018 11:42 AM
To: McMillan, Michael, EMNRD
Subject: [EXT] RE: OXY Ramsay Federal Com Well No.2 NSP

Michael, due to the size of Lot 3 and to ensure development thereof, the non-standard spacing unit is necessary to protect the correlative rights of the owners in the non-standard spacing unit and to prevent waste.

From: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Sent: Friday, October 12, 2018 12:49 PM
To: Jordan L. Kessler <JLKessler@hollandhart.com>
Subject: OXY Ramsay Federal Com Well No.2 NSP

Jordan:
I had spoken to you about the OXY Ramsay Federal Com Well No.2 NSP.

Are you also requesting the NSP ensure that Lot 4 will be developed, and protect correlative rights in Lot 3 (You can wordsmith this better) – but I consider this a valid reason for the NSP

Mike

Michael McMillan
1220 South St. Francis
Santa Fe, New Mexico
505-476-3448
Michael.mcmillan@state.nm.us