

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



November 6, 2018

Ms. Sarah Chapman
Sarah_Chapman@oxy.com

NON-STANDARD LOCATION

Administrative Order NSL-7770

Oxy USA Inc. [OGRID 16696]
Whomping Willow CC 15 16 State Com Well No. 044H
API No. 30-015-45218

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1365 FSL & 420 FEL	I	15	24S	29E	Eddy
First Take Point	940 FSL & 100 FEL	P	15	24S	29E	Eddy
Last Take Point	940 FSL & 100 FWL	M	16	24S	29E	Eddy
Terminus	940 FSL & 20 FWL	M	16	24S	29E	Eddy

Proposed Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 of Section 15	640	Purple Sage; Wolfcamp (GAS)	98220
S2 of Section 16			

Reference is made to your application received on October 9, 2018.

You have requested to recomplete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the eastern and western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 14, T24S R29E encroachment to the SW4
Section 17, T24S R29E encroachment to the SE4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches

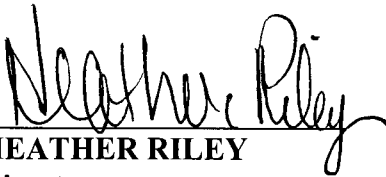
Division understands you seek this unorthodox location as an efficient spacing of horizontal wells and thereby preventing waste within the Wolfcamp formation underlying the S2 of Section 15 and S2 of Section 16.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 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
State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Carlsbad Field Office