

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



October 18, 2018

Administrative Order NSP-2111

NON-STANDARD SPACING AND PRORATION UNIT

C/o Jordan Kessler, Attorney
OXY USA Inc. (OGRID 16696)

Ramsay Federal Com Well No. 2 (API No. 30-025-Pending)

SHL: Unit N, Section 28, T24S, R38E, Lea County

BHL: Unit K, Section 28, T24S, R38E, Lea County

**Dollarhide; Devonian Pool (Pool Code 18050) Statewide Rules Apply
Proposed 47.22-acre, more or less, Standard Spacing and Proration Unit**

Consisting of the following lands:

Township 24 South, Range 38 East, Lea County, New Mexico

Section 28: **Lot 3/ Unit J (7.22-Acre, Non-Standard Spacing and Proration Unit)**

Section 28: Unit K

Pertinent Rules:

Division Rule 19.15.15.9 A NMAC Oil Well Acreage, 40-acre Spacing.

Division Rule 19.15.15.11 B NMAC Acreage Assignment, Non-Standard Spacing Units.

Division Rule 19.15.4.12 A (3) NMAC Notice Requirements, Non-Standard Spacing Units.

Reference is made of your application received on September 27, 2018 for administrative approval of the above described non-standard spacing and proration unit and the pertinent rules, some of which are cited above.

This pool is spaced on standard 40-acre spacing and proration units. You propose to form a standard spacing and proration unit consisting of portions of two oil spacing units for purposes of drilling the above mentioned or other well(s). One of these units is non-standard as acreage is less than 70 percent of the size of a standard unit. The non-standard spacing and proration unit is a result of variation in legal survey, because the project area is located in extreme southeastern New Mexico.

Further, **Lot 3/ Unit O** is comprised of 7.22-acres, and to ensure development thereof, the incorporation of this lot into the non-standard spacing and proration unit is necessary to protect correlative rights of the owners in the non-standard spacing unit and prevent waste.

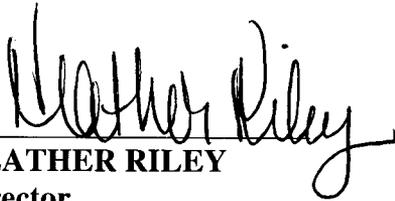
The non-standard spacing and proration unit comprised of **Lot 3/ Unit O** is hereby approved and may be combined with the standard spacing units as described above for purposes of drilling the above mentioned proposed well in the Devonian formation.

The proposed non-standard spacing and proration unit is a reasonable plan of development in the pool within the described acreage.

Further, Applicant provided proper notice, subject to Division Rule 19.15.11.B (3), and Division Rule 19.15.2.7 A (8), for affected persons.

Additional or alternately named wells may be drilled and produce from this non-standard spacing and proration unit.

These approvals are subject to the operator following all other applicable Division rules. Jurisdiction is retained for the entry of such further orders as the Division may deem necessary.



HEATHER RILEY
Director

HR/mam

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
New Mexico State Land Office – Oil, Gas, and Minerals