

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 25, 2019

Ms. Sarah Chapman
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NON-STANDARD LOCATION

Administrative Order NSL-7833

Oxy USA, Inc. [OGRID 16696]
Corral Canyon 36 25 Federal Com Well No. 032H
API No. 30-015-44642

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	561 FNL & 1528 FWL	3	1	25S	29E	Eddy
First Take Point	178 FSL & 1414 FWL	N	36	24S	29E	Eddy
Last Take Point	401 FNL & 1382 FWL	C	25	24S	29E	Eddy
Terminus	183 FNL & 1378 FWL	C	25	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 36 W2 of Section 25	640	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on February 21, 2019.

You have requested to complete 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 178 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 1, 24S 29E, encroachment to the NW/4

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. All waivers from the affected parties were received and the application was processed in accordance.

Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 36 and W2 of Section 25.

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.



Gabriel Wade
Acting Director

GW/lrl

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