



# Approved

## NSL

## Order

State of New Mexico  
Energy, Minerals and Natural Resources Department

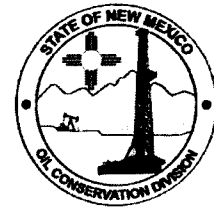
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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Gabriel Wade, Acting Director**  
Oil Conservation Division



March 27, 2019

Ms. Sarah Chapman  
[SARAH\\_CHAPMAN@oxy.com](mailto:SARAH_CHAPMAN@oxy.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7840**

**Oxy USA, Inc. [OGRID 16696]**  
**Platinum MDP1 34 3 Federal Com Well No. 176H**  
**API No. 30-015-45233**

**Proposed Location**

|                  | <u>Footages</u>    | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface          | 110 FNL & 1003 FEL | A               | 34          | 23S         | 31E          | Eddy          |
| First Take Point | 100 FNL & 440 FEL  | A               | 34          | 23S         | 31E          | Eddy          |
| Last Take Point  | 330 FSL & 440 FEL  | P               | 3           | 24S         | 31E          | Eddy          |
| Terminus         | 180 FSL & 440 FEL  | P               | 3           | 24S         | 31E          | Eddy          |

**Proposed Horizontal Gas Units**

| <u>Description</u>                  | <u>Acres</u> | <u>Pool</u>                 | <u>Pool Code</u> |
|-------------------------------------|--------------|-----------------------------|------------------|
| E2 of Section 34<br>E2 of Section 3 | 640.11       | Purple Sage; Wolfcamp (GAS) | 98220            |

The NSL application was initially protested on March 15, 2019. The Protestant was removed from the encroaching tract by changing the LTP to an orthodox location.

Reference is made to your application received on March 5, 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 100 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 27, 23S 31E, encroachment to the SE4

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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.

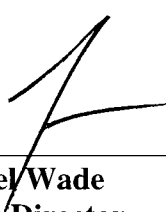
Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the E2 of Section 34, 23S 31E and E2 of Section 3, 24S 31E.

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.



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**Gabriel Wade**  
**Acting Director**

GW/lrl

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