



Approved

NSL

Order

State of New Mexico
Energy, Minerals and Natural Resources Department

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
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NON-STANDARD LOCATION

Administrative Order NSL-7844

**Oxy USA, Inc. [OGRID 16696]
Sterling Silver MDP1 33 4 Federal Com Well No. 177H
API No. 30-015-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	96 FNL & 2504 FWL	C	33	23S	31E	Eddy
First Take Point	100 FNL & 2200 FEL	B	33	23S	31E	Eddy
Last Take Point	330 FSL & 2200 FEL	O	4	24S	31E	Eddy
Terminus	180 FSL & 2200 FEL	O	4	24S	31E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 of Section 33, 23S 31E	640.48	Purple Sage; Wolfcamp (GAS)	98220
E2 of Section 4, 24S 31E			

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 28, 23S 31E, 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 your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the E2 of Section 33, 23S 31E and E2 of Section 4, 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.



Gabriel Wade
Acting Director

GW/lrl

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