

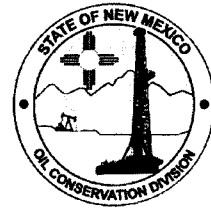
State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Division Director
Oil Conservation Division



April 25, 2019

Ms. Leslie T. Reeves
LESLIE_REEVES@oxy.com

NON-STANDARD LOCATION

Administrative Order NSL-7876

Oxy USA, Inc. [OGRID 16696]
Height CC 6 7 Federal Com Well No. 031Y
API No. 30-015-45770

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	519 FNL & 732 FWL	D/4	6	24S	29E	Eddy
First Take Point	100 FNL & 330 FWL	D/4	6	24S	29E	Eddy
Last Take Point	330 FSL & 330 FWL	M/4	7	24S	29E	Eddy
Terminus	20 FSL & 330 FWL	M/4	7	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 6 W2 of Section 7	637.33	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on April 4, 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 31, 23S 29E, encroachment to the SW4

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.

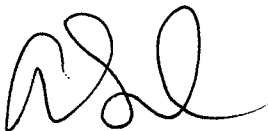
Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 6 and W2 Section 7.

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.



ADRIENNE E. SANDOVAL
Oil Conservation Division Director

AES/lrl

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