

NSL Initial Application

Received: 06/25/19

*This application is placed in file for record. It **MAY** or **MAY NOT** have been reviewed to be determined Administratively Complete*

RECEIVED: 06/25/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1917756221
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: OXY USA INC. **OGRID Number:** 16696
Well Name: STERLING SILVER MDP1 33-4 FEDERAL COM 8H **API:** 30-015-45387
Pool: PURPLE SAGE WOLFCAMP **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

SARAH CHAPMAN
 Print or Type Name

Sarah Chapman
 Signature

06/25/2019
 Date

713-350-4997
 Phone Number

SARAH_CHAPMAN@OXY.COM
 e-mail Address



OXY USA Inc

5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

June 25, 2019

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Leonard Lowe

Re: ***Application for Administrative Approval of Non-Standard Location
Sterling Silver MDP1 33-4 Federal Com 8H– Purple Sage Wolfcamp
Surface – 69’ FNL 2404’ FWL Unit C Sec 33 T23S R31E
First Take Point – 100’ FNL 2300’ FWL Unit C Sec 33 T23S R31E
Last Take Point – 330’ FSL 2300’ FWL Unit N Sec 4 T24S R31E
Bottom Hole – 20’ FSL 2300’ FWL Unit N Sec 4 T24S R31E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Sterling Silver MDP1 33-4 Federal Com 8H well, API Number 30-015-45387, Property Code 322740. The 8H well is proposed to be completed in the Purple Sage Wolfcamp pool, Pool Code 98220, which has special pool rules specifying the completed interval must be located 330 feet from the exterior boundary of the applicable spacing unit. The proposed completed interval is projected as follows:

Surface – 69’ FNL 2404’ FWL Unit C Sec 33 T23S R31E
First Take Point – 100’ FNL 2300’ FWL Unit C Sec 33 T23S R31E
Last Take Point – 330’ FSL 2300’ FWL Unit N Sec 4 T24S R31E
Bottom Hole – 20’ FSL 2300’ FWL Unit N Sec 4 T24S R31E

The adjoining units towards which the unorthodox location encroaches are located in T23S R31E, Section 28 - Units L, K, M and N.

Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

To support this request, the following information has been submitted for your review:

1. C-102 Plat for the proposed well and additional plats with offsetting well and affected spacing units
2. List of affected offset parties in each adjoining spacing unit in the same pool or formation located closer to the unorthodox well location than the minimum distance prescribed by applicable rule or order, copies of the signed certified return receipts will be furnished upon request
3. Statement from OXY Landman certifying OXY is 100% Working Interest in Section 28
4. Statement from Oxy Production Engineer

If you need any additional information, please call me at 713-350-4997.

Sincerely,

Sarah Chapman
Regulatory Specialist

Attachments

CC: NMOCD-Artesia, BLM-Carlsbad, Service List

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-45387	Pool Code 98220	Pool Name Purple Sage Wolfcamp
Property Code 322740	Property Name STERLING SILVER MDP1 "33-4" FEDERAL COM	Well Number 8H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3386.2'

Surface Location

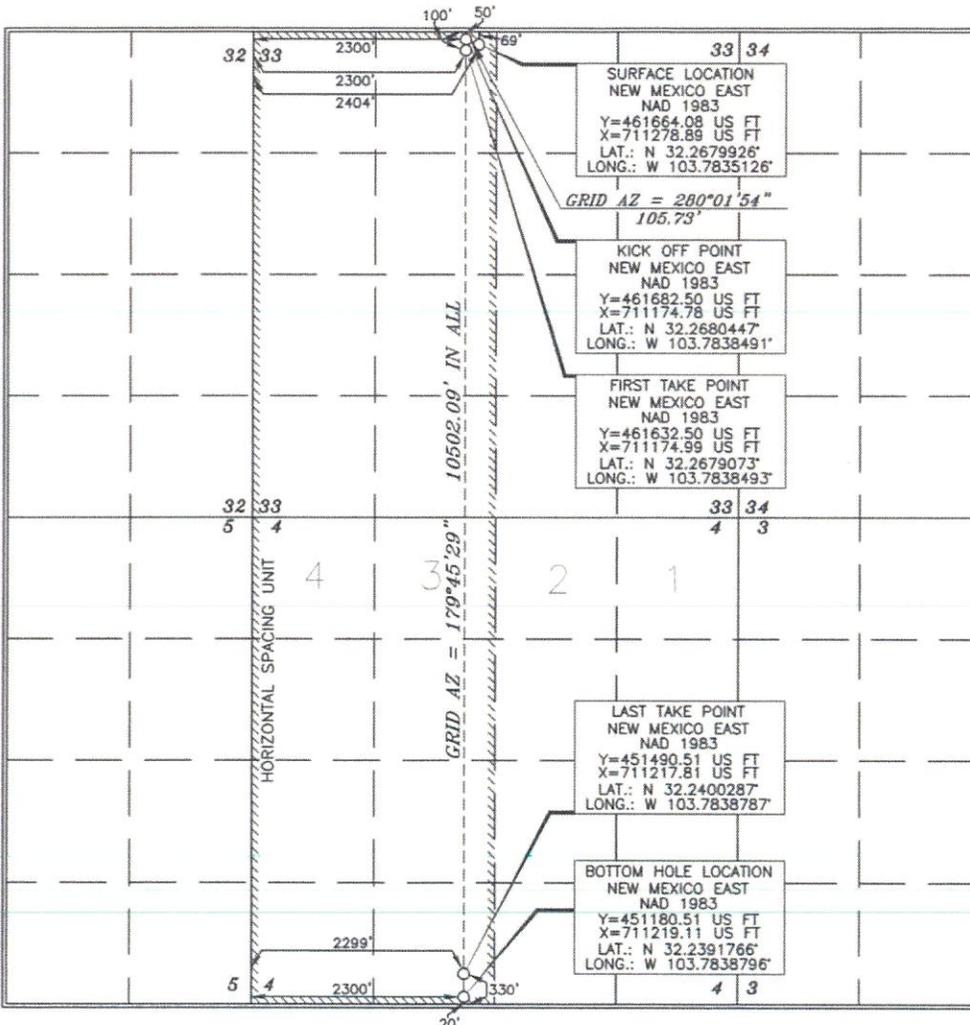
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	33	23 SOUTH	31 EAST, N.M.P.M.		69'	NORTH	2404'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	4	24 SOUTH	31 EAST, N.M.P.M.		20'	SOUTH	2300'	WEST	EDDY

Dedicated Acres 640	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sarah Chapman 6/20/19
Signature Date

Sarah Chapman
Printed Name

Sarah-chapman@oxy.com
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from the best of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

ERRY J AS
15079
FEBRUARY 2, 2018
Date of Survey

Signature and Seal of Professional Surveyor

Sony Gul 6/24/2019
Certificate Number 15079

Intent As Drilled

API # 30-015-45387		
Operator Name: Oxy USA Inc.	Property Name: Sterling Silver MDP1 33-4 Fed Com	Well Number 8H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	33	23S	31E		50	NORTH	2300	WEST	EDDY
Latitude 32.2680447					Longitude -103.7838491				NAD NAD83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	33	23S	31E		100	NORTH	2300	WEST	EDDY
Latitude 32.2679073					Longitude -103.7838493				NAD NAD83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
N	4	24S	31E		330	SOUTH	2300	WEST	EDDY
Latitude 32.2400287					Longitude -103.7838787				NAD NAD83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

Application Non-Standard Location - Service List
OXY USA Inc.
Sterling Silver MDP1 33-4 Federal Com 8H

New Mexico Oil Conservation Division
811 S. First St.
Artesia, NM 88210
7017 0530 0000 6129 0513

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
Email to Leonard Lowe

Bureau of Land Management Carlsbad
620 E. Green Street
Carlsbad, NM 88220-6262
7017 0530 0000 6129 0667

T23S-R31E

No Existing Spacing Unit: Section 28 - Units L, K, M and N
OXY USA Inc. is 100% Working Interest (letter from Oxy Landman is attached)

OXY USA Inc.
5 Greenway Plaza, Ste 110
Houston, TX 77046

Copies of this application were mailed to the following individuals, companies and organizations on or before June 25, 2019.

Sarah Chapman

Sarah Chapman
OXY USA Inc.



OXY USA INC.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas
77046
P.O. Box 4294, Houston, Texas 77210-4294

June 24, 2019

Re: Sterling Silver MDP1 33-4 Federal Com 8H, 171H, 172H, 175H, 177H, 178H, 179H

Section 28, T23S R31E, Eddy County

To Whom It May Concern:

OXY USA INC., is the sole Working Interest Owner of Section 28, T23S, R31E, Eddy County New Mexico as to depths below the Bone Spring Formation. If you have any questions please contact me at the number listed below.

Best Regards,

OXY USA INC.

A handwritten signature in blue ink, appearing to read "Matt Cole", is written over the typed name.

Matt Cole
Land Negotiator
713-366-5928



Occidental Oil and Gas Corporation
ATTN: Amjad Abdelrahman
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-366-5198
amjad_abdelrahman@oxy.com

June 20, 2019

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: *Application for Nonstandard Location—Engineering Justification
OXY USA Inc.
Sterling Silver MDP1 33-4 Federal Com 8H
T23S R31E Section 28 – Units L, K, M and N, Eddy County*

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first take point for Sterling Silver MDP1 33-4 Federal Com 8H in the Wolfcamp formation of the Purple Sage Pool from 330 feet to 100 feet. It is Oxy's responsibility as a prudent operator to maximize lateral length and minimize reserves left in the ground. Decreasing the first take point will increase this wells effective lateral length by 230 feet, and increase the estimated ultimate recovery of the well by approximately 2% - 3%. Any increase in first and last take point would result in untapped reserves left in the reservoir, and waste of a resource that would not be developed otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Amjad" followed by a stylized flourish.

Amjad Abdelrahman, P.E.
Sr. Reservoir Engineer

Lowe, Leonard, EMNRD

From: Chapman, Sarah E <Sarah_Chapman@oxy.com>
Sent: Tuesday, June 25, 2019 9:38 AM
To: Lowe, Leonard, EMNRD
Subject: [EXT] OXY USA Inc. NSL Application - Sterling Silver MDP1 33-4 Federal Com 8H
Attachments: SterlingSilverMDP1-33-4FdCom8H_LLSubmittal.pdf

Good morning Mr. Lowe,

Attached you will find OXY's NSL application for the above referenced well.
Per your e-mail request from 5/23/2019, I have only sent the necessary paperwork.

Please advise if you have any questions.
Regards,

Sarah Chapman

Regulatory Specialist | Permian Resources – New Mexico
Office: (713) 350-4997 | 29.097 | Cell: (281) 642-5503
Email: Sarah_Chapman@oxy.com