



Approved

NSL

Order

Approved: 07/02/19

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, Director
Oil Conservation Division



July 2, 2019

Ms. Sarah Chapman
SARAH_CHAPMAN@OXY.COM

NON-STANDARD LOCATION

Administrative Order NSL-7907

**Oxy U.S.A., Inc. [OGRID 16696]
Sterling Silver MDP1 33 4 Federal Com Well No. 008H
API No. 30-015-45387**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	69 FNL & 2404 FWL	C	33	23S	31E	Eddy
First Take Point	100 FNL & 2300 FWL	C	33	23S	31E	Eddy
Last Take Point	330 FSL & 2300 FWL	N	4	24S	31E	Eddy
Terminus	20 FSL & 2300 FWL	N	4	24S	31E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 Section 33	640.56	Purple Sage; Wolfcamp (GAS)	98220
W2 Section 4			

Reference is made to your application received on June 25, 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 tract.

Section 28, T23S R31E encroachment to the SW/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. The Applicant is 100% working interest within the encroaching area, therefore notice is not required.

Division understands you seek this unorthodox location to fit the spacing for other wells in the development plan of the entire section and thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 33 and Section 4.

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
Division Director

AES/lrl

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, July 8, 2019 3:49 PM
To: 'Chapman, Sarah E'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Cordero, Gilbert, EMNRD; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'
Subject: APPROVED NSL-7907_OXY USA INC_Sterling Silver MDP1 33 4 Federal Com Well No. 8H_SEC 33 23S 31E
Attachments: NSL-7907_ORDER.pdf
Importance: High

Ms. Sarah Chapman,

The following administrative order has been issued (*see attachment*) and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	AF
7907	-	OXY USA INC.	16696	Sterling Silver MDP1 33 4 Federal Com Well No. 8H	30-015-

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

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