

NSL Initial Application

Received: 06/18/19

Revised March 23, 2017

SY9JC-190918-NSL000

RECEIVED: 09/18/19	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1926233872
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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: SALT FLAT CC 20-29 FEDERAL COM 38H

API: 30-015-Pending

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☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ 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.

JANA MENDIOLA

Print or Type Name

9/17/2019

Date

432-685-5936

Phone Number

janalyn_mendiola@oxy.com

e-mail Address

Signature

Received by OCD: 9/18/2019 1:35:16 PM



OXY USA Inc

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

September 17, 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
Salt Flat CC 20-29 Federal Com 38H – Purple Sage Wolfcamp
Surface – 435' FSL 1835' FWL Unit N Sec 17 T24S R29E
First Take Point – 100' FNL 2310' FEL Unit B Sec 20 T24S R29E
Last Take Point – 100' FSL 2310' FEL Unit O Sec 29 T24S R29E
Bottom Hole – 20' FSL 2310' FEL Unit O Sec 29 T24S R29E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Salt Flat CC 20-29 Federal Com 38H well, API Number-Pending, Property Code 321601. The #38H 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 – 435' FSL 1835' FWL Unit N Sec 17 T24S R29E
First Take Point – 100' FNL 2310' FEL Unit B Sec 20 T24S R29E
Last Take Point – 100' FSL 2310' FEL Unit O Sec 29 T24S R29E
Bottom Hole – 20' FSL 2310' FEL Unit O Sec 29 T24S R29E

The adjoining units towards which the unorthodox location encroaches are located in T24S R29E, Section 17 - Units I, J, O, P and Section 32 - Units A, B, C, D, E, F, G, H.

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 Production Engineer

If you need any additional information, please call me at 432-685-5936.

Sincerely,

Jana Mendiola
Regulatory Specialist

Attachments
CC: Service List



OXY USA Inc

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

September 17, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location
Salt Flat CC 20-29 Federal Com 38H – Purple Sage Wolfcamp
Surface – 435' FSL 1835' FWL Unit N Sec 17 T24S R29E
First Take Point – 100' FNL 2310' FEL Unit B Sec 20 T24S R29E
Last Take Point – 100' FSL 2310' FEL Unit O Sec 29 T24S R29E
Bottom Hole – 20' FSL 2310' FEL Unit O Sec 29 T24S R29E
Eddy County, New Mexico***

To Whom it May Concern:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval for a non-standard location. As an affected party, notice is being provided to you pursuant to Rule 19.15.4.12(A)(2)(a), 19.15.15.9(A) and 19.15.16.15(B). The well is located as follows:

Surface – 435' FSL 1835' FWL Unit N Sec 17 T24S R29E
First Take Point – 100' FNL 2310' FEL Unit B Sec 20 T24S R29E
Last Take Point – 100' FSL 2310' FEL Unit O Sec 29 T24S R29E
Bottom Hole – 20' FSL 2310' FEL Unit O Sec 29 T24S R29E

If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Leonard Lowe).

If you need any additional information, you can contact Jeremy Murphrey at 713-350-4816 or myself at 432-685-5936.

Thank you,

A handwritten signature in blue ink, appearing to read "Jana Mendiola".

Jana Mendiola
Regulatory Specialist
OXY USA Inc.

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 30-05-	Pool Code 93220	Pool Name Purple Sage Wolfcamp
Property Code	Property Name SALT FLAT CC "20_29" FEDERAL COM	Well Number 38H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2935.2'

Surface Location

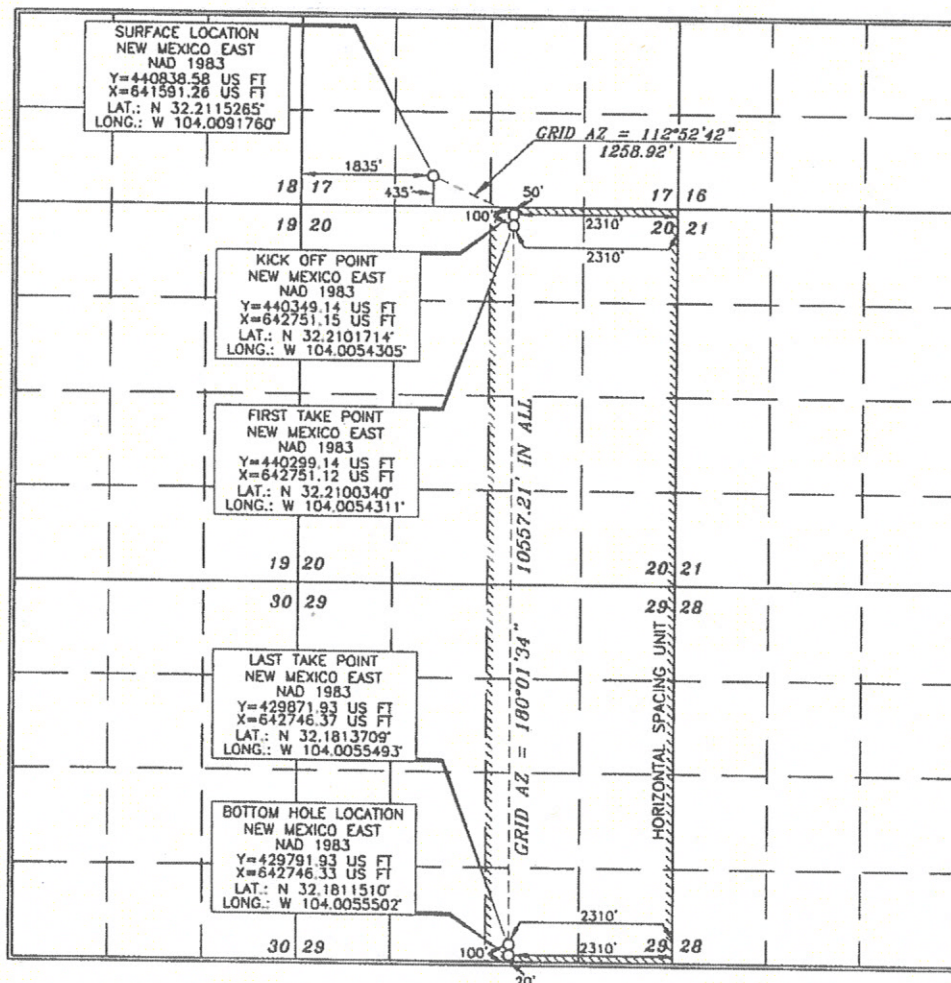
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	17	24 SOUTH	29 EAST, N.M.P.M.		435'	SOUTH	1835'	WEST	EDDY

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
0	29	24 SOUTH	29 EAST, N.M.P.M.		20'	SOUTH	2310'	EAST	EDDY

Dedicated Acres 640	Joint or Infill Y	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 undivided 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.

Signature: *David Stewart* Date: **5/15/18**
Printed Name: **David Stewart**
E-mail Address: **david_stewart@oxy.com**

SURVEYOR CERTIFICATION

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

Date of Survey: **NOVEMBER 29, 2018**
Signature and Seal of Professional Surveyor: *Tommy J. Asch*
Certificate Number: **15079**

Intent ☒ As Drilled ☐

API #
30-015-pending

Operator Name: OXY USA Inc.	Property Name: Salt Flat CC 20-29 Federal Com	Well Number 38H
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Kick Off Point (KOP)

UL B	Section 20	Township 24S	Range 29E	Lot	Feet 50	From N/S N	Feet 2310	From E/W E	County EDDY
Latitude 32.2101714					Longitude -104.0054305				NAD NAD83

First Take Point (FTP)

UL B	Section 20	Township 24S	Range 29E	Lot	Feet 100	From N/S N	Feet 2310	From E/W E	County EDDY
Latitude 32.2100340					Longitude -104.0054311				NAD NAD83

Last Take Point (LTP)

UL O	Section 29	Township 24S	Range 29E	Lot	Feet 100	From N/S S	Feet 2310	From E/W E	County EDDY
Latitude 32.1813709					Longitude -104.0055493				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.

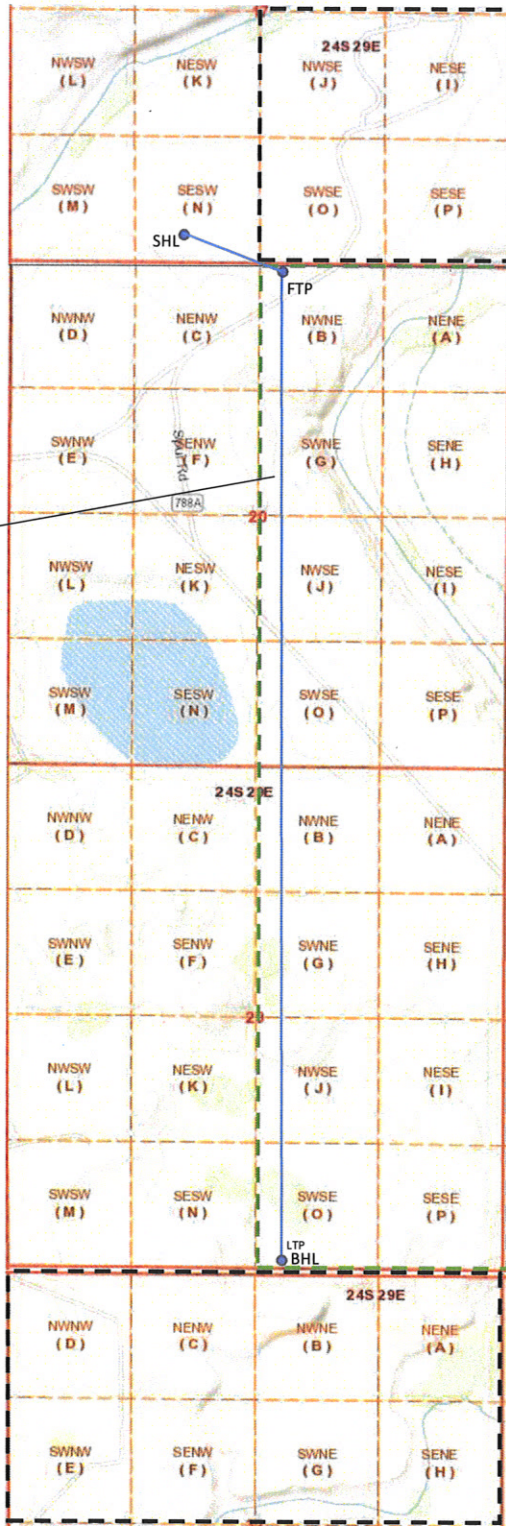
API #

Operator Name:	Property Name:	Well Number
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KZ 06/29/2018

OXY USA Inc.
Salt Flat CC 20-29 Federal Com 38H
Section 17 Township 24 South, Range 29 East, N.M.P.M.
Eddy County, New Mexico

Salt Flat CC 20-29 Federal Com 38H



Application Non-Standard Location - Service List**OXY USA Inc.****Salt Flat CC 20-29 Federal Com #38H**

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. Greene Street
Carlsbad, NM 88220-6292
7015 3430 0000 1355 0508

T24S-R29E**No Existing Spacing Unit: Section 17 - Units I, J, O, P**

OXY USA Inc.
P.O. Box 50250
Midland, TX 79710

M'lissa L. McKinney Schoening
301 Sir Barton Parkway
Midland, TX 79705
7015 3430 0000 1355 0218

GD McKinney Investments LP
300 N. Marienfeld Ste. 1100
Midland, TX 79701
7015 3430 0000 1355 0225

Beryl Oil and Gas, LP
P.O. Box 51440
Midland, TX 79710
7015 3430 0000 1355 0249

B. Jack Reed
506 Charismatic
Midland, TX 79705
7015 3430 0000 1355 0232

DRW Energy, LLC
400 W. Illinois, Suite 970
Midland, TX 79701
7015 3430 0000 1355 0270

Leopard Petroleum LP
P. O. Box 51440
Midland, TX 79710
7015 3430 0000 1355 0263

Roy A. Barton III
1919 N Turner
Hobbs, NM 88240
7017 0190 0000 4588 2440

Brett Barton
c/o Barton Oil
1919 N. Turner Street
Hobbs NM 88240
7017 0190 0000 4588 2457

Existing Horizontal Spacing Unit Section 32(T24S-R29E) - Units A, B, C, D, E, F, G, H

Matador Production Company
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240
7015 3430 0000 1355 0256

Copies of this application were mailed to the following individuals, companies and organizations
on or before September 19, 2019.



Jana Mendiola, Regulatory Specialist
OXY USA Inc.



Occidental Oil and Gas Corporation
ATTN: Marshall McQueen
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-366-5799
marshall_mcqueen@oxy.com

September 18, 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.
Salt Flat CC 20-29 Federal Com 38H
T24S R29E, Section 20 – Units A, B, G, H, I, J, O and P, Eddy County
T24S R29E Section 29 – Units A, B, G, H, I, J, O and P, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first and last take point for Salt Flat CC 20-29 Federal Com 38H 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 and last take point will increase this well's effective lateral length by 460 feet and increase the estimated ultimate recovery of the well by approximately 5%. Any increase in first or last take point would result in untapped reserves left in the reservoir, and waste of a resource that would otherwise go undeveloped.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marshall McQueen", written in a cursive style.

Marshall McQueen
Reservoir Engineer