

Approved

NSL

Order

Approved: 11/21/19

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



November 21, 2019

Ms. Jana Mendiola
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NON-STANDARD LOCATION

Administrative Order NSL-7950

**Oxy USA, Inc. [OGRID 16696]
Salt Flat CC 20 29 Federal Com Well No. 37H
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 | 435 FSL & 1765 FWL | N | 17 | 24S | 29E | Eddy |
| First Take Point | 100 FNL & 2300 FWL | C | 20 | 24S | 29E | Eddy |
| Last Take Point | 330 FSL & 2302 FWL | N | 29 | 24S | 29E | Eddy |
| Terminus | 20 FSL & 2300 FWL | N | 29 | 24S | 29E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------------------------|--------------|-----------------------------|------------------|
| W2 of Section 20 W2 of Section 29 | 640 | Purple Sage; Wolfcamp (GAS) | 98220 |

Reference is made to your application received on October 21, 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 (R-14262) 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 17, encroachment to the SW/4

Administrative Order NSL-7950

Oxy USA, Inc.

November 21, 2019

Page 2 of 2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

The 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 20 and Section 29.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13(B) 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