

NSL Initial Application

Received: 11/14/19

NSL-7962

Revised March 23, 2017

| | | | |
|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 11/14/19 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL1932435636 |
|---------------------------|----------------------|------------------|-------------------------------|

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: <u>OXY USA INC.</u> | OGRID Number: <u>16696</u> |
| Well Name: <u>DEPTH CC 6-7 FEDERAL COM 42H</u> | API: <u>30-015-PENDING</u> |
| Pool: <u>PURPLE SAGE WOLFCAMP</u> | Pool Code: <u>98220</u> |

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.

JANA MENDIOLA
 Print or Type Name

Signature

11/12/2019
 Date

432-685-5936
 Phone Number

janalyn_mendiola@oxy.com
 e-mail Address

**OXY USA Inc****5 Greenway Plaza, Suite 110
Houston, TX 77046-0521**

November 12, 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
Depth CC 6-7 Federal Com 42H – Purple Sage Wolfcamp
Surface – 170' FNL 1320' FWL Unit C Sec 6 T24S R29E
First Take Point – 100' FNL 1700' FWL Unit C Sec 6 T24S R29E
Last Take Point – 330' FSL 1700' FWL Unit N Sec 7 T24S R29E
Bottom Hole – 20' FSL 1700' FWL Unit N Sec 7 T24S R29E
Eddy County, New Mexico*

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Depth CC 6-7 Federal Com 42H well, API Number-30-015-Pending, Property Code-Pending. The #42H 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 – 170' FNL 1320' FWL Unit C Sec 6 T24S R29E
First Take Point – 100' FNL 1700' FWL Unit C Sec 6 T24S R29E
Last Take Point – 330' FSL 1700' FWL Unit N Sec 7 T24S R29E
Bottom Hole – 20' FSL 1700' FWL Unit N Sec 7 T24S R29E

The Horizontal Spacing Unit is the W/2 of Section 6 and Section 7 located in T24S R29E. The adjoining units towards which the unorthodox location encroaches are located in T23S R29E, Section 31 - Units C, D, E, F, K, L, M, N and T23S R29E, Section 30 - Units C, D, E, F, K, L, M, 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 Production Engineer

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

Sincerely,

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

Jana Mendiola
Regulatory Specialist

Attachments
CC: Service List



OXY USA Inc

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

November 12, 2019

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: *Application for Administrative Approval of Non-Standard Location
Depth CC 6-7 Federal Com 42H – Purple Sage Wolfcamp
Surface – 170' FNL 1320' FWL Unit C Sec 6 T24S R29E
First Take Point – 100' FNL 1700' FWL Unit C Sec 6 T24S R29E
Last Take Point – 330' FSL 1700' FWL Unit N Sec 7 T24S R29E
Bottom Hole – 20' FSL 1700' FWL Unit N Sec 7 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 – 170' FNL 1320' FWL Unit C Sec 6 T24S R29E
First Take Point – 100' FNL 1700' FWL Unit C Sec 6 T24S R29E
Last Take Point – 330' FSL 1700' FWL Unit N Sec 7 T24S R29E
Bottom Hole – 20' FSL 1700' FWL Unit N Sec 7 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 Peter Van Liew at 713-985-6972 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 30-015- | Pool Code 98220 | Pool Name Purple Sage Wolfcamp |
| Property Code | Property Name DEPTH CC "6_7" FEDERAL COM | Well Number 42H |
| OGRID No. 16696 | Operator Name OXY USA INC. | Elevation 2958.9' |

Surface Location

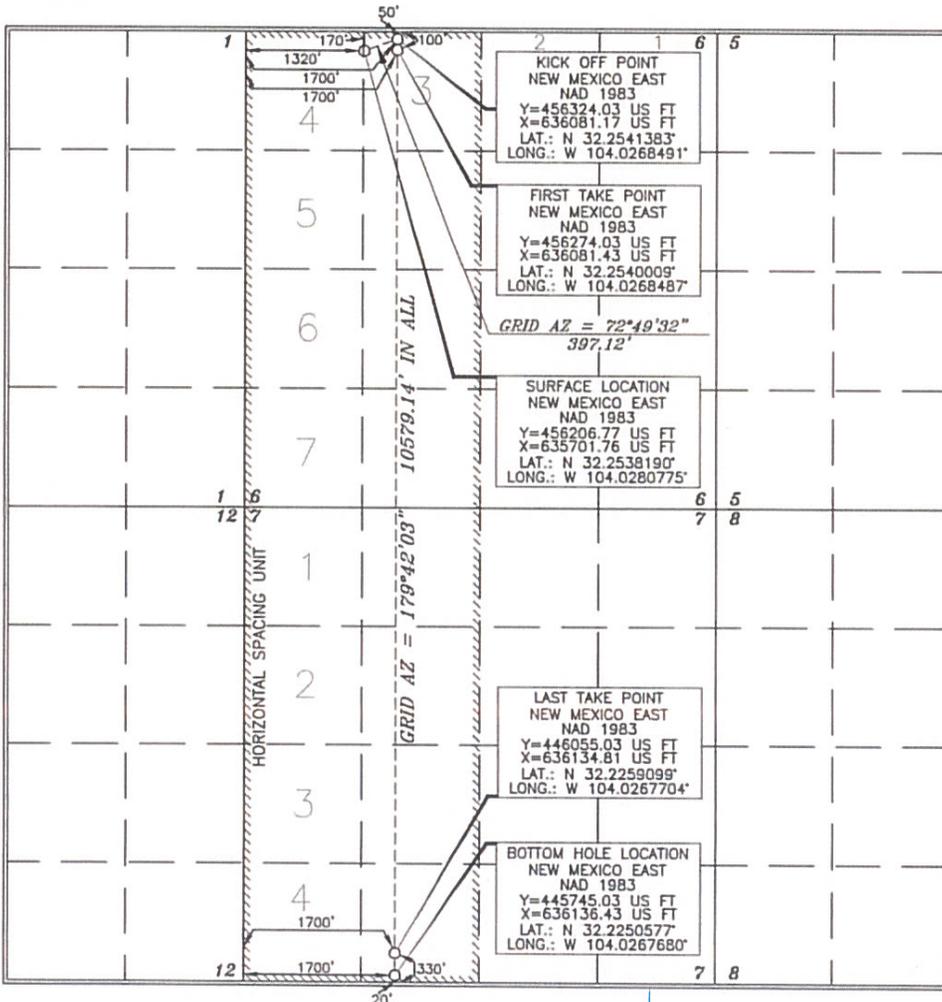
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------------------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 6 | 24 SOUTH | 29 EAST, N.M.P.M. | | 170' | NORTH | 1320' | 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 | 7 | 24 SOUTH | 29 EAST, N.M.P.M. | | 20' | SOUTH | 1700' | WEST | EDDY |

| | | | |
|------------------------|----------------------|--------------------|-----------|
| Dedicated Acres 640 | Joint or Infill Y | Consolidation Code | Order No. |
|------------------------|----------------------|--------------------|-----------|

No allowance 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.

Signature: *Jana Mendiola* Date: 11/7/19
Printed Name: Jana Mendiola
E-mail Address: janalyn_mendiola@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: MAY 3, 2019
Signature and Seal of Professional Surveyor: *Tommy Alford*
Certificate Number: 15079

Intent As Drilled

| | | |
|--------------------------------|--|--------------------|
| API # 30-015-Pending | | |
| Operator Name: OXY USA Inc. | Property Name: Depth CC 6-7 Federal Com | Well Number 42H |

Kick Off Point (KOP)

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|-----|---------------------------|---------------|--------------|---------------|----------------|
| UL C | Section 6 | Township 24S | Range 29E | Lot | Feet 50 | From N/S N | Feet 1700 | From E/W W | County EDDY |
| Latitude 32.2541383 | | | | | Longitude -104.0268491 | | | NAD NAD83 | |

First Take Point (FTP)

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|-----|---------------------------|---------------|--------------|---------------|----------------|
| UL C | Section 6 | Township 24S | Range 29E | Lot | Feet 100 | From N/S N | Feet 1700 | From E/W W | County EDDY |
| Latitude 32.2540009 | | | | | Longitude -104.0268487 | | | NAD NAD83 | |

Last Take Point (LTP)

| | | | | | | | | | |
|------------------------|--------------|-----------------|--------------|-----|---------------------------|---------------|--------------|---------------|----------------|
| UL N | Section 7 | Township 24S | Range 29E | Lot | Feet 330 | From N/S S | Feet 1700 | From E/W W | County EDDY |
| Latitude 32.2259099 | | | | | Longitude -104.0267704 | | | NAD NAD83 | |

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

Is this well an infill well?

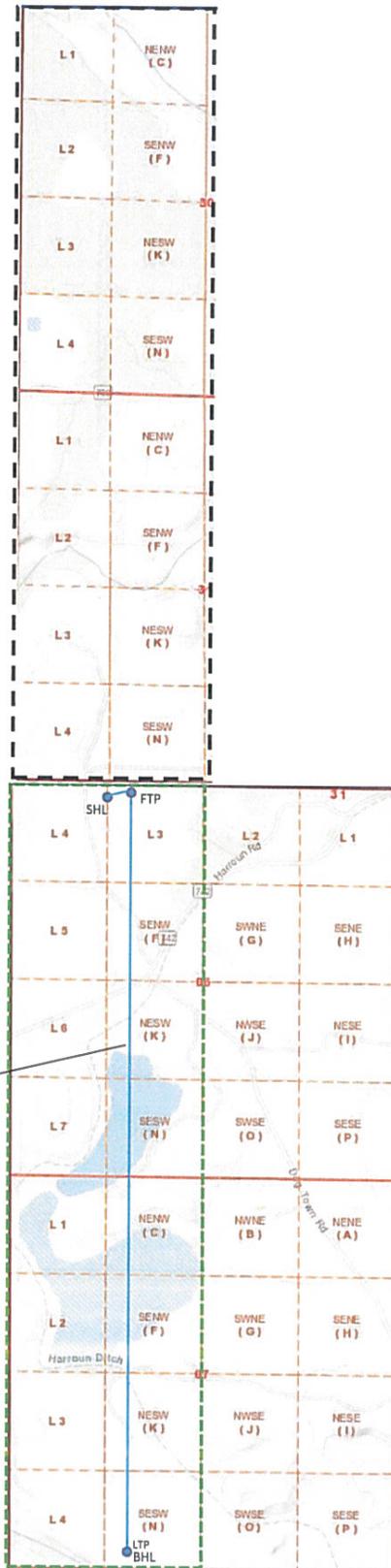
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

| | | |
|----------------|----------------|-------------|
| API # | | |
| Operator Name: | Property Name: | Well Number |

KZ 06/29/2018

OXY USA Inc.
Depth CC 6-7 Federal Com 42H
Section 6 Township 24 South, Range 29 East, N.M.P.M.
Eddy County, New Mexico

Depth CC 6-7 Federal Com 42H





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

November 12, 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.
Depth CC 6-7 Federal Com 42H
T24S R29E, Section 6 – Units C, D, E, F, K L, M and N, Eddy County
T24S R29E Section 7 – Units C, D, E, F, K, L, 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 Depth CC 6-7 Federal Com 42H 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 well's effective lateral length by 230 feet and increase the estimated ultimate recovery of the well by approximately 3%. Any further distance in the first 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".

Marshall McQueen
Reservoir Engineer

Application Non-Standard Location - Service List

OXY USA Inc.

Depth CC 6-7 Federal Com #42H

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

Bureau of Land Management Carlsbad
620 E. Greene Street
Carlsbad, NM 88220-6292
7015 3430 0000 1355 0812

**Existing Horizontal Spacing Unit Section 31 (T23S-R29E) - Units C, D, E, F, K, L, M, N and
Section 30 (T23S-R29E) - Units C, D, E, F, K, L, M, N**

Devon Energy Production Company, LP
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010
7015 3430 0000 1355 0805

Copies of this application were mailed to the following individuals, companies and organizations
on or before November 14, 2019.



Jana Mendiola, Regulatory Specialist
OXY USA Inc.