Approved

NSL

Order

Approved: 12/05/19

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



December 5, 2019

Ms. Jana Mendiola janalyn_mendiola@oxy.com

NON-STANDARD LOCATION

Administrative Order NSL-7965

Oxy USA, Inc. [OGRID 16696] Radius CC 6 7 Federal Com Well No. 51H API No. 30-015-PENDING

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|----------|------|------|-------|---------------|
| Surface | 170 FNL & 1285 FWL | D/4 | 6 | 24S | 29E | Eddy |
| First Take Point | 100 FNL & 1000 FWL | D/4 | 6 | 24S | 29E | Eddy |
| Last Take Point | 330 FSL & 1000 FWL | M/4 | 7 | 24S | 29E | Eddy |
| Terminus | 20 FSL & 1000 FWL | M/4 | 7 | 24S | 29E | Eddy |

Proposed Horizontal Gas Units

| Description | Acres | Pool | Pool Code |
|-----------------|--------|-----------------------------|-----------|
| W2 of Section 6 | 637.33 | Purple Sage; Wolfcamp (GAS) | 98220 |
| W2 of Section 7 | | | |

Reference is made to your application received on November 14, 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 31-23S-29E, encroachment to the SW/4

Administrative Order NSL-7965 Oxy USA, Inc. December 5, 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 6 and Section 7.

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD

Sent: Thursday, December 5, 2019 12:01 PM

To: 'Mendiola, Jana Lyn A'

Cc: Mike Bratcher (mike.bratcher@state.nm.us); Podany, Raymond, EMNRD; 'lisa@rwbyram.com';

'jglover@blm.gov'; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Rose-Coss, Dylan H,

EMNRD; McClure, Dean, EMNRD; Lamkin, Baylen, EMNRD

Subject: APPROVED NSL-7961, 7962, 7963, 7964, 7965, 7966_OXY USA INC_SEC 6 7 31_24S/23S 29E **Attachments:** NSL-7961_ORDER.pdf; NSL-7962_ORDER.pdf; NSL-7963_ORDER.pdf; NSL-7964_ORDER.pdf;

NSL-7965_ORDER.pdf; NSL-7966_ORDER.pdf

Importance: High

Ms. Jana Mediola,

The following NSL Administrative Orders have been issued 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 | API |
|------|-----|--------------|-------|--|---------------|
| 7966 | - | OXY USA INC. | 16696 | Radius CC 6 7 Federal Com Well No. 52H | 30-015-PENDIN |
| 7965 | - | OXY USA INC. | 16696 | Radius CC 6 7 Federal Com Well No. 51H | 30-015-PENDIN |
| 7964 | - | OXY USA INC. | 16696 | Depth CC 6 7 Federal Com Well No. 44H | 30-015-PENDIN |
| 7963 | - | OXY USA INC. | 16696 | Depth CC 6 7 Federal Com Well No. 43H | 30-015-PENDIN |
| 7962 | - | OXY USA INC. | 16696 | Depth CC 6 7 Federal Com Well No. 42H | 30-015-PENDIN |
| 7961 | - | OXY USA INC. | 16696 | Depth CC 6 7 Federal Com Well No. 41H | 30-015-PENDIN |

Leonard Lowe

Engineering Bureau
Oil Conservation Division

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