

# NSL Initial Application

Received: 01/07/20

HDO7B-200107-NSL000

Revised March 23, 2017

RECEIVED: <b>01/07/20</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL2000753370</b>
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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

<b>Applicant:</b> <u>OXY USA INC.</u>	<b>OGRID Number:</b> <u>16696</u>
<b>Well Name:</b> <u>OXBOW CC 17-8 FEDERAL COM 41H</u>	<b>API:</b> <u>30-015-Pending</u>
<b>Pool:</b> <u>PURPLE SAGE WOLFCAMP</u>	<b>Pool Code:</b> <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

<b>FOR OCD ONLY</b>	
<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

1/6/2020  
\_\_\_\_\_  
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

January 6, 2020

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  
Oxbow CC 17-8 Federal Com 41H – Purple Sage Wolfcamp  
Surface – 498' FNL 938' FWL Unit D Sec 20 T24S R29E  
First Take Point – 100' FSL 1040' FWL Unit M Sec 17 T24S R29E  
Last Take Point – 100' FNL 1040' FWL Unit D Sec 8 T24S R29E  
Bottom Hole –20' FNL 1040' FWL Unit D Sec 8 T24S R29E  
Eddy County, New Mexico*

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Oxbow CC 17-8 Federal Com 41H well, API Number-Pending, Property Code 321633. The #41H 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 – 498' FNL 938' FWL Unit D Sec 20 T24S R29E  
First Take Point – 100' FSL 1040' FWL Unit M Sec 17 T24S R29E  
Last Take Point – 100' FNL 1040' FWL Unit D Sec 8 T24S R29E  
Bottom Hole –20' FNL 1040' FWL Unit D Sec 8 T24S R29E

The Horizontal Spacing Unit is the W/2 of Section 8 and Section 17 located in T24S R29E. The adjoining units towards which the unorthodox location encroaches are located in T24S R29E, Section 5 - Units A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P and Section 20 - Units C, D, E, F.

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

January 6, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: *Application for Administrative Approval of Non-Standard Location  
Oxbow CC 17-8 Federal Com 41H – Purple Sage Wolfcamp  
Surface – 498' FNL 938' FWL Unit D Sec 20 T24S R29E  
First Take Point – 100' FSL 1040' FWL Unit M Sec 17 T24S R29E  
Last Take Point – 100' FNL 1040' FWL Unit D Sec 8 T24S R29E  
Bottom Hole – 20' FNL 1040' FWL Unit D Sec 8 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 – 498' FNL 938' FWL Unit D Sec 20 T24S R29E  
First Take Point – 100' FSL 1040' FWL Unit M Sec 17 T24S R29E  
Last Take Point – 100' FNL 1040' FWL Unit D Sec 8 T24S R29E  
Bottom Hole – 20' FNL 1040' FWL Unit D Sec 8 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 321633	Property Name OXBOW CC "17_B" FEDERAL COM	Well Number 41H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 2966.5'

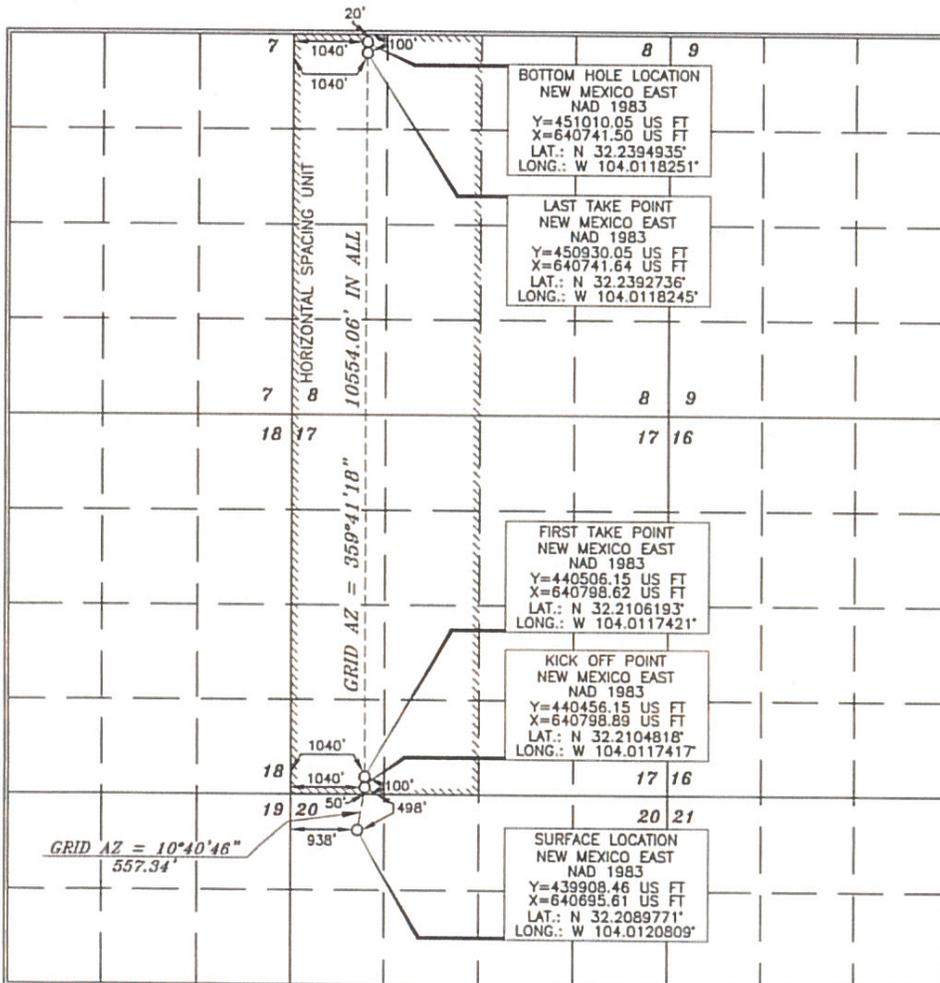
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	24 SOUTH	29 EAST, N.M.P.M.		498'	NORTH	938'	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
D	8	24 SOUTH	29 EAST, N.M.P.M.		20'	NORTH	1040'	WEST	EDDY
Dedicated Acres 640	Joint or Infill Y	Consolidation Code	Order No.						

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 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 into by the division.  
Signature: *Jana Mendiola* Date: 1/6/20  
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 a set of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  
Signature: *Terry J. As...* Date of Survey: DECEMBER 18, 2016  
Professional Surveyor  
Certificate Number: 15079  
WO# 18121BWL-a (Rev. A) (KA)

Intent  As Drilled

API # 30-015-pending		
Operator Name: OXY USA Inc.	Property Name: Oxbow CC 17-8 Federal Com	Well Number 41H

Kick Off Point (KOP)

UL M	Section 17	Township 24S	Range 29E	Lot	Feet 50	From N/S S	Feet 1040	From E/W W	County EDDY
Latitude 32.2104818					Longitude -104.0117417				NAD NAD83

First Take Point (FTP)

UL M	Section 17	Township 24S	Range 29E	Lot	Feet 100	From N/S S	Feet 1040	From E/W W	County EDDY
Latitude 32.2106193					Longitude -104.0117421				NAD NAD83

Last Take Point (LTP)

UL D	Section 8	Township 24S	Range 29E	Lot	Feet 100	From N/S N	Feet 1040	From E/W W	County EDDY
Latitude 32.2392736					Longitude -104.0118245				NAD NAD83

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

Is this well an infill well?

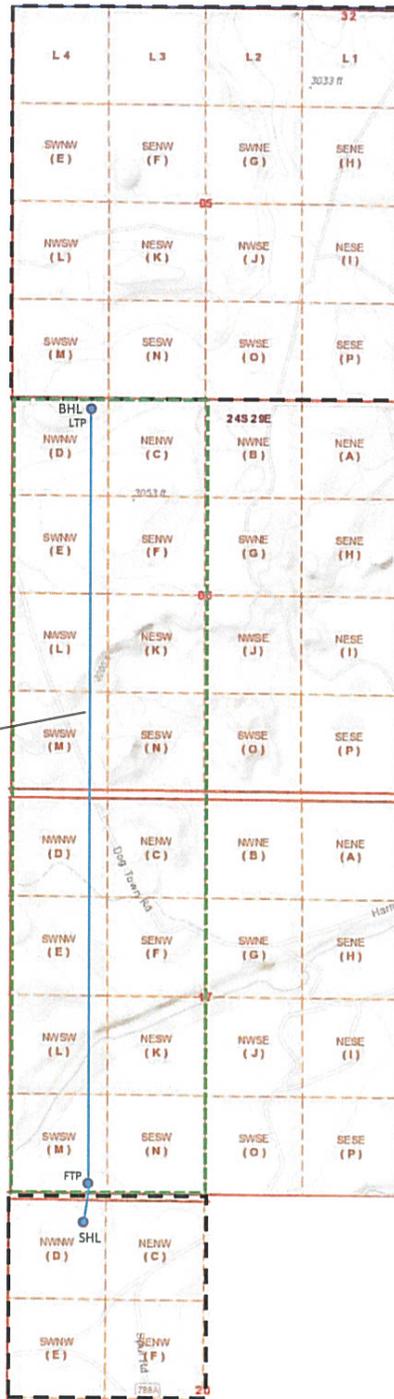
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

OXY USA Inc.  
Oxbow CC 17-8 Federal Com 41H  
Section 20 Township 24 South, Range 29 East, N.M.P.M.  
Eddy County, New Mexico

Oxbow CC 17-8 Federal Com 41H





**OXY USA Inc.**  
A subsidiary of Occidental Petroleum

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521  
P.O. Box 27570, Houston, Texas 77227-7570  
Direct: 713.985.6972 Fax: 713.985.1278  
Peter\_VanLiew@Oxy.com

January 7, 2020

RE: **Oxbow CC 17-8 Federal Com 41H & 42H**  
Section 20, T24S-R29E  
Eddy County, New Mexico

To Whom It May Concern,

OXY USA Inc., OXY Y-1 Company and Occidental Permian, LP, all subsidiaries of Occidental Petroleum Corporation, are the sole working interest owners of section units C, D, E and F of Section 20, T24S-R29E, Eddy County, New Mexico as to the Bone Spring and Wolfcamp formations. Please contact me should you have any questions or need anything further.

Very Truly Yours,

**OXY USA Inc.**

A handwritten signature in blue ink, appearing to read "Peter R. Van Liew". The signature is fluid and cursive, with a large initial "P" and "V".

Peter R. Van Liew, RPL  
Senior Land Negotiator



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

January 6, 2020

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.*  
*Oxbow CC 17-8 Federal Com 41H*  
*T24S R29E, Section 17 – Units C, D, E, F, K, L, M and N, Eddy County*  
*T24S R29E Section 8 – 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 and last take point for Oxbow CC 17-8 Federal Com 41H 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".

Marshall McQueen  
Reservoir Engineer

**Application Non-Standard Location - Service List**

**OXY USA Inc.**

**Oxbow CC 17-8 Federal Com #41H**

**certified mail #**

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

**certified mail #**

Bureau of Land Management Carlsbad  
620 E. Greene Street  
Carlsbad, NM 88220-6292  
7015 3430 0000 1355 0553

**Existing Horizontal Spacing Unit Section 5 (T24S-R29E) - Units A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P**

**EOG Y**

5509 Champions Drive  
Midland, TX 79706  
7015 3430 0000 1355 0560

**EOG A**

5509 Champions Drive  
Midland, TX 79706  
7015 3430 0000 1355 0577

**EOG M**

5509 Champions Drive  
Midland, TX 79706  
7015 3430 0000 1355 0584

Chevron USA Inc.

1400 Smith St., Rm 41118  
Houston, TX 77002  
7015 3430 0000 1355 0591

**T24S-R29E**

**No Existing Spacing Unit: Section 20 - Units C, D, E, F**

OXY USA Inc.

P.O. Box 50250  
Midland, TX 79710

Copies of this application were mailed to the following individuals, companies and organizations on or before January 7, 2020.



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Jana Mendiola, Regulatory Specialist  
OXY USA Inc.