

RECEIVED: <u>9/18/17</u>	REVIEWER: <u>LRL</u>	TYPE: <u>NSL</u>	APP NO: <u>PLK 1726945168</u>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

RECEIVED
NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 220 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: Cal-Mon MDP1 35 Federal #2H API: 30-015-pending
 Pool: Cotton Draw; Bone Spring Pool Code: 13367

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW NSL-7592

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 or working interest owners

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

☒ 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.

Sarah Mitchell

Print or Type Name

Sarah Mitchell

Signature

9/11/2017

Date

432-699-4318

Phone Number

Sarah_mitchell@oxy.com

e-mail Address



OXY USA Inc

PO Box 50250
Midland, TX 79710-0250

September 11, 2017

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 –
Cal-Mon MDP1 35 Federal #2H – Cotton Draw; Bone Spring
Surface – 110 FNL 1002 FWL Ut D Sec 35 T23S R31E
Top Perforation – 340 FNL 1260 FWL Ut D Sec 35 T23S R31E
Bottom Perforation – 340 FSL 1260 FWL Ut M Sec 35 T23S R31E
Bottom Hole – 180 FSL 1260 FWL Ut M Sec 35 T23S R31E
Eddy County, New Mexico*

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Cal-Mon MDP1 35 Federal #2H well, API Number-30-015-Pending, Property Code Pending. The #2H well is proposed to be completed in the Cotton Draw; Bone Spring, Pool Code 13367. This will be a horizontal well in a pool with no special rules for setback, so the setback requirements under Rule 19.15.15.9 (A) and 19.15.16.15 (B) would apply. The proposed producing interval is outside of the proposed Producing Area but within the proposed Project Area and will be drilled as follows:

Surface – 110 FNL 1002 FWL Ut D Sec 35 T23S R31E
Top Perforation – 340 FNL 1260 FWL Ut D Sec 35 T23S R31E
Bottom Perforation – 340 FSL 1260 FWL Ut M Sec 35 T23S R31E
Bottom Hole – 180 FSL 1260 FWL Ut M Sec 35 T23S R31E

The adjoining spacing units towards which the unorthodox location encroaches are located in T23S R31E, Section 26- Unit N, Section 35–Units C, F, K, N, and T24S-R31E Section 2- Unit C

Approval of the unorthodox producing 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. Application for Permit to Drill.
2. C-102 Plat for the proposed well and additional plats with offsetting well and affected spacing units.
3. List of affected offset parties that adjoin the non-standard, copies of the signed certified return receipts will be furnished upon request.
4. Proposed Directional Survey
5. Statement from Oxy Production Engineer

If you need any additional information, please call me at 432-699-4318.

Sincerely,

Sarah Mitchell
Regulatory Specialist
OXY USA Inc.

Attachments

CC: NMOCD-Artesia, BLM-Carlsbad, Service List



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

September 11, 2017

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location –
Cal-Mon MDP1 35 Federal #2H – Cotton Draw; Bone Spring
Surface – 110 FNL 1002 FWL Ut D Sec 35 T23S R31E
Top Perforation – 340 FNL 1260 FWL Ut D Sec 35 T23S R31E
Bottom Perforation – 340 FSL 1260 FWL Ut M Sec 35 T23S R31E
Bottom Hole – 180 FSL 1260 FWL Ut M Sec 35 T23S R31E
Eddy County, New Mexico***

Ladies and Gentlemen:

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 19.15.15.9 (A) and 19.15.16.15 (B). The well is located as follows:

Surface – 110 FNL 1002 FWL Ut D Sec 35 T23S R31E
Top Perforation – 340 FNL 1260 FWL Ut D Sec 35 T23S R31E
Bottom Perforation – 340 FSL 1260 FWL Ut M Sec 35 T23S R31E
Bottom Hole – 180 FSL 1260 FWL Ut M Sec 35 T23S R31E

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 John Schneider, CPL at 713-366-5330 or myself at 432-699-4318.

Sincerely,


Sarah Mitchell
Regulatory Specialist
OXY USA Inc.

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM19199
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator OXY USA INC		7. If Unit or CA Agreement, Name and No.
3a. Address 5 Greenway Plaza, Suite 110 Houston TX 770	3b. Phone No. (include area code) (713)366-5716	8. Lease Name and Well No. CAL-MON MDP1 35 FEDERAL 2H
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NWNW / 110 FNL / 1002 FWL / LAT 32.267885 / LONG -103.7538813 At proposed prod. zone SWSW / 180 FSL / 1260 FWL / LAT 32.2541629 / LONG -103.7530458		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 21 miles		10. Field and Pool, or Exploratory COTTON DRAW BONE SPRING / 2ND I
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 50 feet		11. Sec., T. R. M. or Blk. and Survey or Area SEC 35 / T23S / R31E / NMP
16. No. of acres in lease 640		12. County or Parish EDDY
17. Spacing Unit dedicated to this well 160		13. State NM
18. Distance from proposed location* to nearest well, drilling, completed, 30 feet applied for, on this lease, ft.		20. BLM/BIA Bond No. on file FED: ESB000226
19. Proposed Depth 10130 feet / 14951 feet		21. Estimated duration 20 days
22. Approximate date work will start* 06/16/2018		
23. Elevations (Show whether DF, KDB, RT, GL, etc.) 3456 feet		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) David Stewart / Ph: (713)366-5716	Date 08/26/2017
Title Sr. Regulatory Advisor		
Approved by (Signature)	Name (Printed/Typed)	Date
Title Office CARLSBAD		

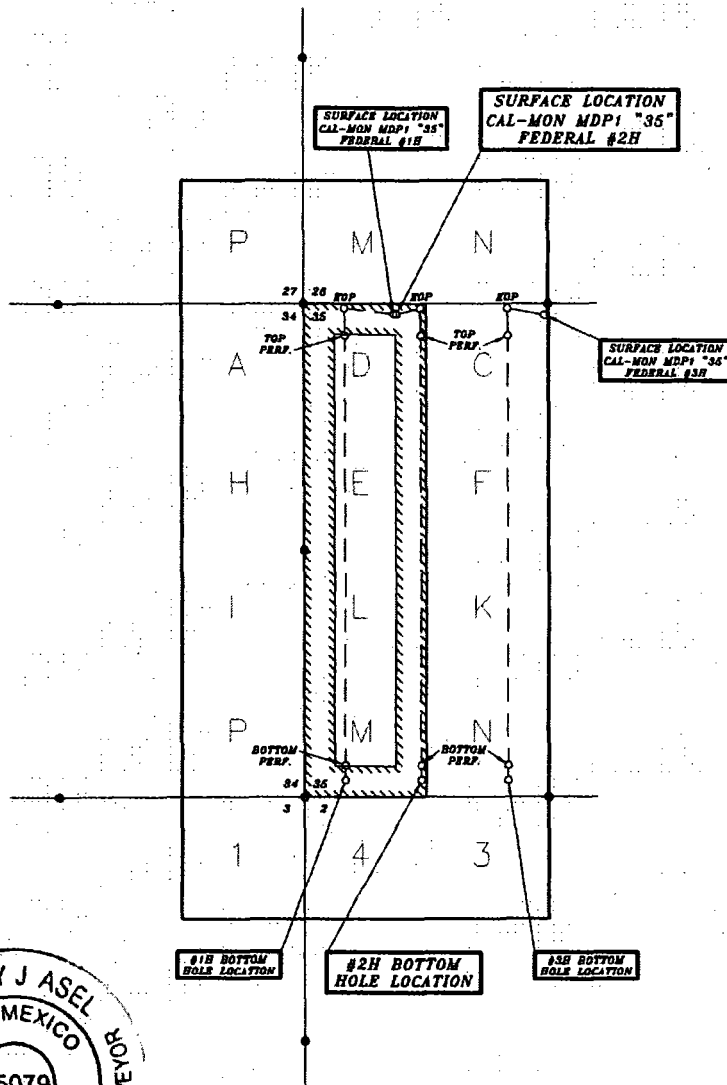
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

OXY USA INC.
 CAL-MON MDP1 "35" FEDERAL #2H
 SECTIONS 26, 27, 34 & 35, T23S, R31E
 AND SECTIONS 2 & 3, T24S, R31E,
 N.M.P.M., EDDY COUNTY, NEW MEXICO



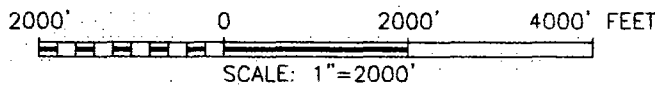
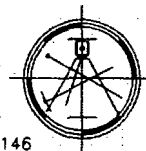
SURVEYORS CERTIFICATE

I, TERRY J. ASEL, NEW MEXICO PROFESSIONAL SURVEYOR NO. 15079, DO HEREBY CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND MEETS THE "MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO" AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND SURVEYORS.

Terry J. Asel 9/4/2017
 Terry J. Asel, N.M. R.P.L.S. No. 15079

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
 HOBBS, NEW MEXICO - 575-393-9146



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) 748-1281 Fax: (575) 748-0720
 District III
 1000 Rio Branson Road, Aztec, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87501
 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 13367	Pool Name Cotton Draw Bone Springs
Property Code	Property Name CAL-MON MDP1 "35" FEDERAL	Well Number 7
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3456.3'

Surface Location

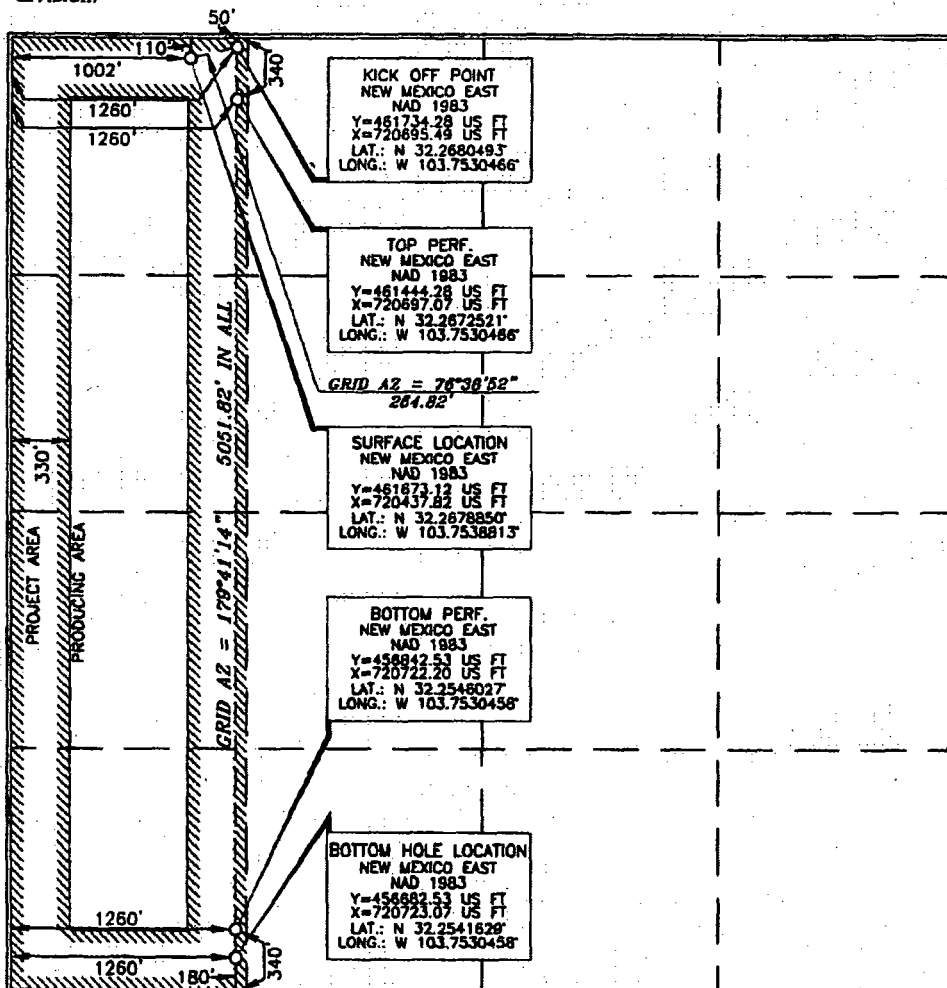
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	23 SOUTH	31 EAST, N.M.P.M.		110'	NORTH	1002'	WEST	EDDY

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
M	35	23 SOUTH	31 EAST, N.M.P.M.		180'	SOUTH	1260'	WEST	EDDY

Dedicated Acres 160	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: **6/26/17**
 Printed Name: **David Stewart Sr. P. Eng.**
 E-mail Address: **david_stewart@oxy.com**

SURVEYOR CERTIFICATION

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

Date of Survey: **OCTOBER 19, 2016**
 Signature and Seal: *ERRY J. ASS...*
 Professional Surveyor: **15079**
 Certificate Number: **15079**

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, Artesia, NM 88210
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3400 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 13367	Pool Name Cotton Draw Bone Spring
Property Code	Property Name CAL-MON MDP1 "35" FEDERAL	Well Number 1H
OGRID No. 16694	Operator Name OXY USA INC.	Elevation 3456.2'

Surface Location

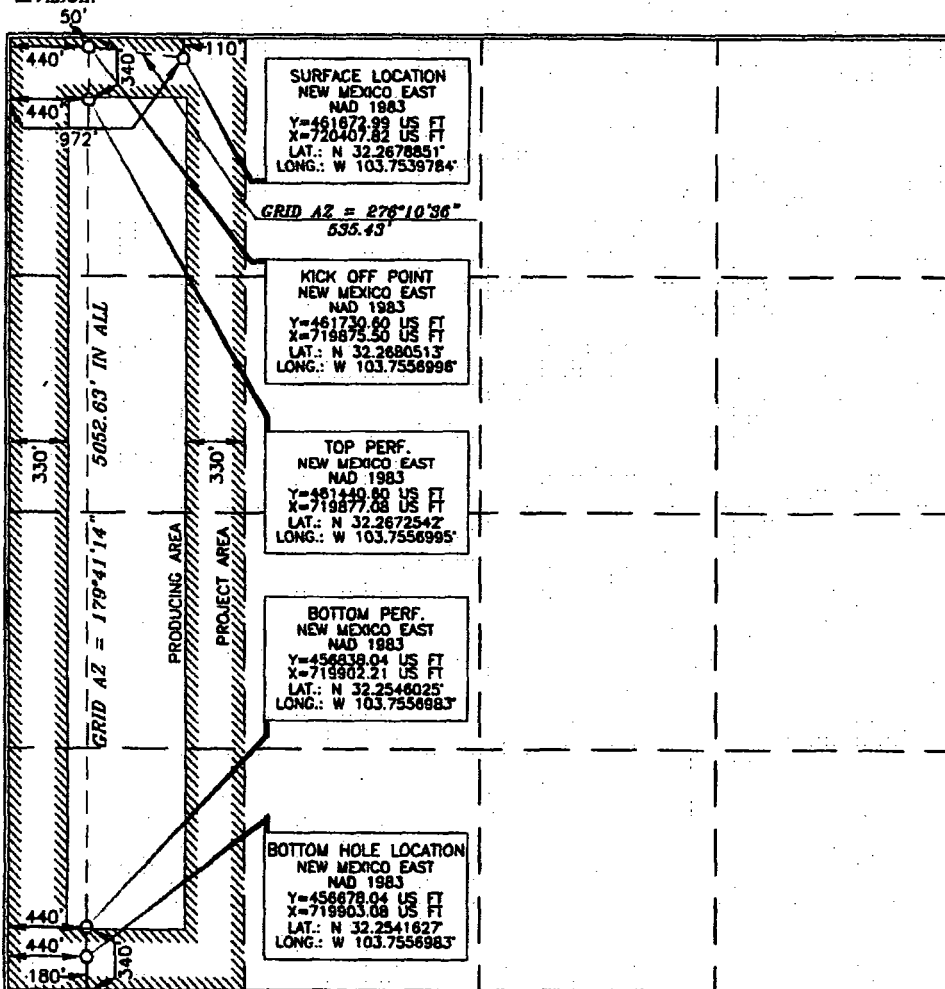
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	35	23 SOUTH	31 EAST, N.M.P.M.		110'	NORTH	972'	WEST	EDDY

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
M	35	23 SOUTH	31 EAST, N.M.P.M.		180'	SOUTH	440'	WEST	EDDY

Dedicated Acres 160	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: **6/26/17**
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 the results 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: **OCTOBER 19, 2016**
Signature and Seal: *ERRY J. ASH*
Professional Surveyor

Certificate Number: **15079**

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
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 Phone: (505) 475-3460 Fax: (505) 475-3462

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 13367	Pool Name Cotton Draw Bare Springs
Property Code	Property Name CAL-MON MDP1 "35" FEDERAL	Well Number 3H
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3463.0'

Surface Location

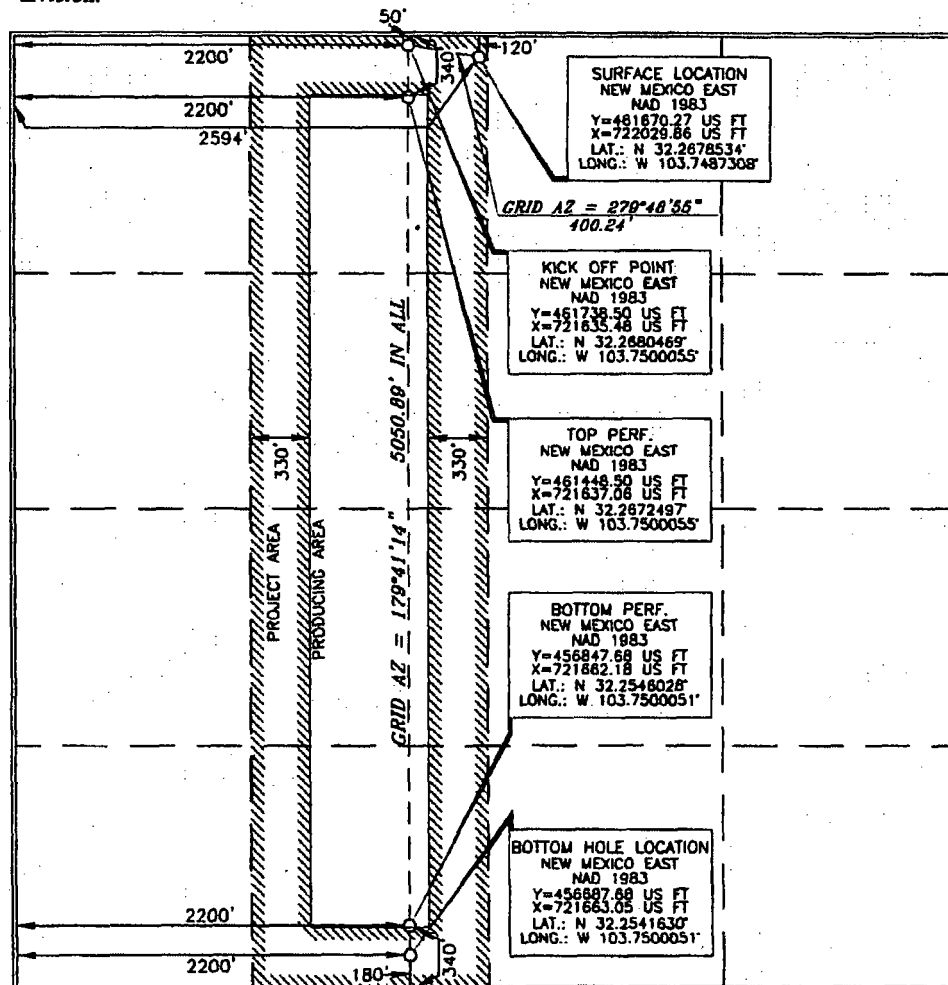
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	23 SOUTH	31 EAST, N.M.P.M.		120'	NORTH	2594'	WEST	EDDY

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	35	23 SOUTH	31 EAST, N.M.P.M.		180'	SOUTH	2200'	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160	Y		

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

hereby entered by the division.

Signature: *David Stewart* Date: **6/27/17**
 Printed Name: **David Stewart Sr. Regional**
 E-mail Address: **david_stewart@oxy.com**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this
 plat was plotted from the best of my knowledge and belief, and that the
 same is true and correct to the best of my belief.

Date of Survey: **NOVEMBER 8, 2016**
 Signature and Seal of Professional Surveyor: *Terry J. Asch*
 Certificate Number: **15079**

Application Non-Standard Location - Service List

OXY USA Inc.

Cal-Mon MDP1 35 Federal #2H

1

New Mexico Oil Conservation Division
811 S. First St.
Artesia, NM 88210
7017 0190 0000 4589 1596

New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504
7017 0190 0000 4589 1602

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
7017 0190 0000 4589 1619

United States Dept of Interior
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220
7017 0190 0000 4589 1626

**T23S R31E, Eddy County
Section 26 - Units M, N**

Devon Energy Production Company LP
333 W. Sheridan Ave
Oklahoma City, OK 73102-5010
7017 0190 0000 4589 1633

Chevron USA Inc. (Lessee)
6301 Deauville Boulevard
Midland, Texas 79706-2964
7017 0190 0000 4588 1054

Marathon Oil Company (Lessee)
5555 San Felipe St.
Houston, Texas 77056
7017 0190 0000 4589 1657

Harken Exploration Co. (Lessee)
P.O. Box 619024
Dallas, TX 75261
7017 0190 0000 4589 1664

Mid Continent Energy (Lessee)
100 W. 5th St. Suite 450
Tulsa, OK 74103-4287
7017 0190 0000 4589 1671

Petrohawk Properties LP (Lessee)
1100 Louisiana, Suite 4400
Houston, TX 77002
7017 0190 0000 4588 1061

Riverbend Production LP (Lessee)
500 Dallas St., Suite 2835
Houston, Texas 77002
7017 0190 0000 4589 1640

XTO Energy Inc. (Lessee)
810 Houston Street
Fort Worth, Texas 76102-6298
7017 0190 0000 4588 1085

Section 35- Units C, D, E, F, L, K, M, N

OXY USA Inc. -100% WI
P.O. Box 50250
Midland, Texas 79710

**T24S-R31E, Eddy County
Section 2- Units 3, 4**

Mobil Producing Texas & NM Inc.
810 Houston Street
Fort Worth, Texas 76102-6298
7017 0190 0000 4588 1078

Chevron USA Inc. (Lessee)
6301 Deauville Boulevard
Midland, Texas 79706-2964
7017 0190 0000 4588 1054

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

11-Sep-2017



Sarah Mitchell
OXY USA Inc.



Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CAL-MON MDP1 35 FED
Well: CAL-MON MDP1 35 FED 2H
Wellbore: WB00
Design: Permitting Plan

WELL DETAILS: CAL-MON MDP1 35 FED 2H

+N/-S
0.00

+E/-W
0.00

Northing
461673.12

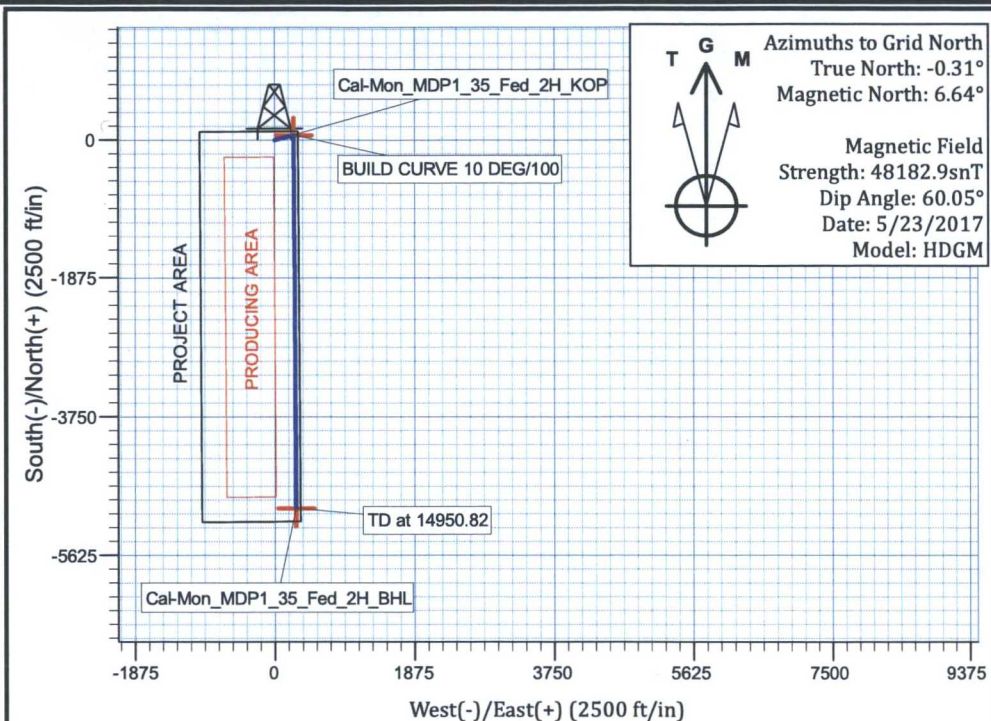
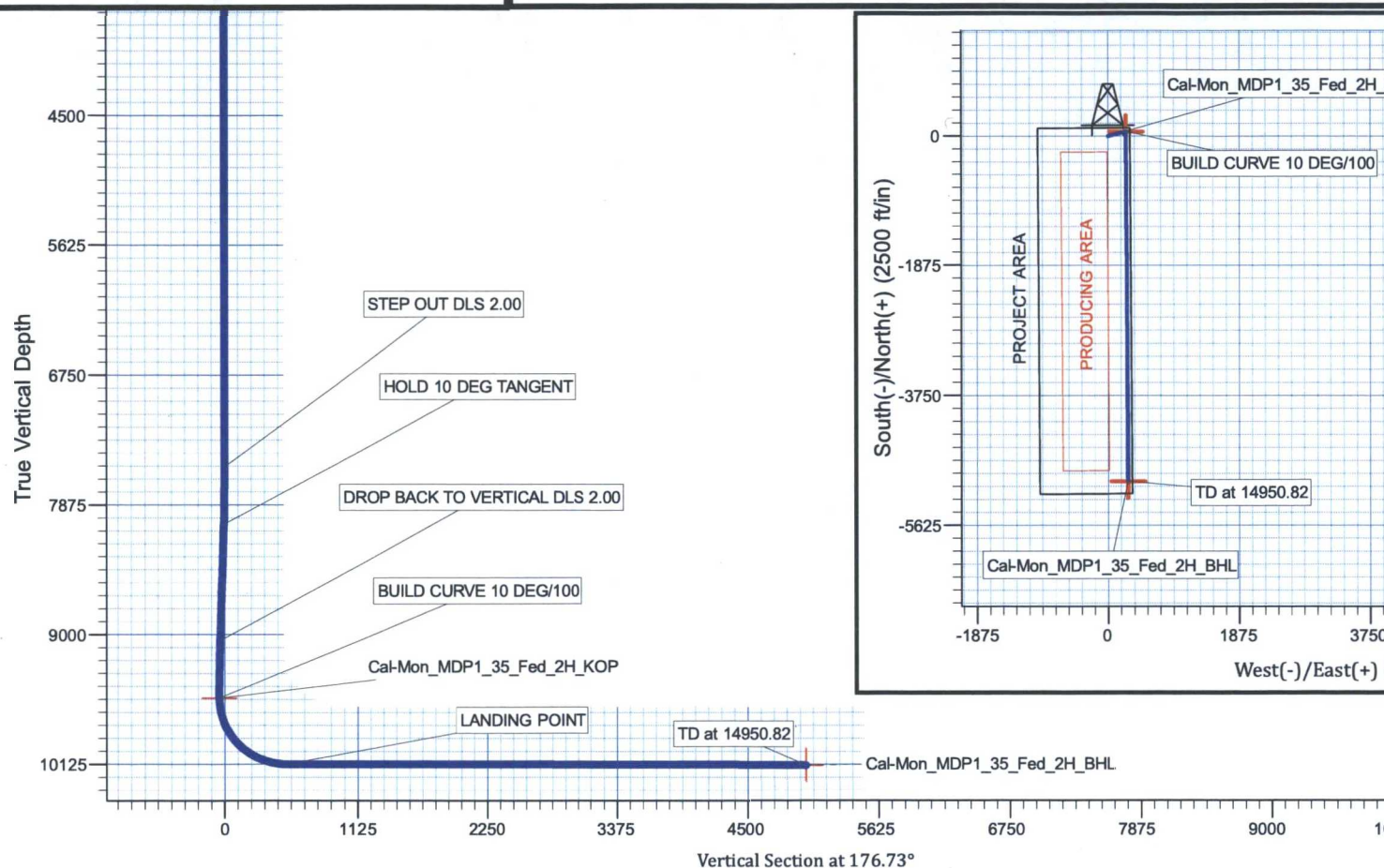
Ground Level: 3456.30

Easting
720437.82

Latitude
32° 16' 4.385986 N

Longitude
103° 45' 13.972755 W

DATUM @ 3482.80ft



Azimuths to Grid North
True North: -0.31°
Magnetic North: 6.64°

Magnetic Field
Strength: 48182.9snT
Dip Angle: 60.05°
Date: 5/23/2017
Model: HDGM

PROJECT DETAILS: NM DIRECTIONAL PLANS (NAD 1983)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2	7548.00	0.00	0.00	7548.00	0.00	0.00	0.00	0.00	0.00		STEP OUT DLS 2.00
3	8048.12	10.00	76.65	8045.58	10.06	42.37	2.00	76.65	-7.62		HOLD 10 DEG TANGENT
4	9071.55	10.00	76.65	9053.46	51.11	215.32	0.00	0.00	-38.74		DROP BACK TO VERTICAL DLS 2.00
5	9571.67	0.00	179.69	9551.04	61.16	257.68	2.00	180.00	-46.36		BUILD CURVE 10 DEG/100
6	10471.67	90.00	179.69	10124.00	-511.79	260.81	10.00	179.69	525.83		LANDING POINT
7	14950.82	89.85	179.69	10130.00	-4990.87	285.27	0.00	-180.00	4999.02		TD at 14950.82

Oxy Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CAL-MON MDP1 35 FED
Well: CAL-MON MDP1 35 FED 2H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CAL-MON MDP1 35 FED 2H
TVD Reference: DATUM @ 3482.80ft
MD Reference: DATUM @ 3482.80ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project PRD NM DIRECTIONAL PLANS (NAD 1983)

Map System: US State Plane 1983	System Datum: Mean Sea Level	
Geo Datum: North American Datum 1983		
Map Zone: New Mexico Eastern Zone		Using geodetic scale factor

Site CAL-MON MDP1 35 FED

Site Position:	Northing: 461,672.99 usft	Latitude: 32° 16' 4.386302 N
From: Map	Easting: 720,407.82 usft	Longitude: 103° 45' 14.322166 W
Position Uncertainty: 0.00 ft	Slot Radius: 13.200 in	Grid Convergence: 0.31 °

Well CAL-MON MDP1 35 FED 2H

Well Position +N/-S 0.13 ft	Northing: 461,673.12 usft	Latitude: 32° 16' 4.385986 N
+E/-W 30.00 ft	Easting: 720,437.82 usft	Longitude: 103° 45' 13.972755 W
Position Uncertainty 0.00 ft	Wellhead Elevation: 0.00 ft	Ground Level: 3,456.30 ft

Wellbore WB00

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	5/23/2017	6.95	60.05	48,183

Design Permitting Plan

Audit Notes:

Version: Phase: PROTOTYPE Tie On Depth: 0.00

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	176.73

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,548.00	0.00	0.00	7,548.00	0.00	0.00	0.00	0.00	0.00	0.00	
8,048.12	10.00	76.65	8,045.58	10.06	42.37	2.00	2.00	0.00	76.65	
9,071.55	10.00	76.65	9,053.46	51.11	215.32	0.00	0.00	0.00	0.00	
9,571.67	0.00	179.69	9,551.04	61.16	257.68	2.00	-2.00	0.00	180.00	Cal-Mon_MDP1_35
10,471.67	90.00	179.69	10,124.00	-511.79	260.81	10.00	10.00	0.00	179.69	
14,950.83	89.85	179.69	10,130.00	-4,990.87	285.27	0.00	0.00	0.00	-180.00	Cal-Mon_MDP1_35

Oxy Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CAL-MON MDP1 35 FED
Well: CAL-MON MDP1 35 FED 2H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CAL-MON MDP1 35 FED 2H
TVD Reference: DATUM @ 3482.80ft
MD Reference: DATUM @ 3482.80ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00

Oxy Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well CAL-MON MDP1 35 FED 2H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3482.80ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3482.80ft
Site:	CAL-MON MDP1 35 FED	North Reference:	Grid
Well:	CAL-MON MDP1 35 FED 2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00
6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00
6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00
6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00
6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00	0.00	0.00
6,600.00	0.00	0.00	6,600.00	0.00	0.00	0.00	0.00	0.00	0.00
6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	0.00
6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00
6,900.00	0.00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00
7,000.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00
7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00
7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00
7,300.00	0.00	0.00	7,300.00	0.00	0.00	0.00	0.00	0.00	0.00
7,400.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00
7,500.00	0.00	0.00	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00
7,548.00	0.00	0.00	7,548.00	0.00	0.00	0.00	0.00	0.00	0.00
7,600.00	1.04	76.65	7,600.00	0.11	0.46	-0.08	2.00	2.00	0.00
7,700.00	3.04	76.65	7,699.93	0.93	3.92	-0.71	2.00	2.00	0.00
7,800.00	5.04	76.65	7,799.68	2.56	10.78	-1.94	2.00	2.00	0.00
7,900.00	7.04	76.65	7,899.12	4.99	21.01	-3.78	2.00	2.00	0.00
8,000.00	9.04	76.65	7,998.13	8.22	34.62	-6.23	2.00	2.00	0.00
8,048.12	10.00	76.65	8,045.58	10.06	42.37	-7.62	2.00	2.00	0.00
8,100.00	10.00	76.65	8,096.68	12.14	51.13	-9.20	0.00	0.00	0.00
8,200.00	10.00	76.65	8,195.16	16.15	68.03	-12.24	0.00	0.00	0.00
8,300.00	10.00	76.65	8,293.64	20.16	84.93	-15.28	0.00	0.00	0.00
8,400.00	10.00	76.65	8,392.12	24.17	101.83	-18.32	0.00	0.00	0.00
8,500.00	10.00	76.65	8,490.60	28.18	118.73	-21.36	0.00	0.00	0.00
8,600.00	10.00	76.65	8,589.08	32.19	135.63	-24.40	0.00	0.00	0.00
8,700.00	10.00	76.65	8,687.56	36.20	152.53	-27.44	0.00	0.00	0.00
8,800.00	10.00	76.65	8,786.04	40.22	169.43	-30.48	0.00	0.00	0.00
8,900.00	10.00	76.65	8,884.52	44.23	186.33	-33.52	0.00	0.00	0.00
9,000.00	10.00	76.65	8,983.00	48.24	203.23	-36.56	0.00	0.00	0.00
9,071.55	10.00	76.65	9,053.46	51.11	215.32	-38.74	0.00	0.00	0.00
9,100.00	9.43	76.65	9,081.50	52.22	219.99	-39.58	2.00	-2.00	0.00
9,200.00	7.43	76.65	9,180.41	55.60	234.26	-42.15	2.00	-2.00	0.00
9,300.00	5.43	76.65	9,279.78	58.19	245.16	-44.11	2.00	-2.00	0.00
9,400.00	3.43	76.65	9,379.47	59.98	252.68	-45.46	2.00	-2.00	0.00
9,500.00	1.43	76.65	9,479.38	60.96	256.81	-46.20	2.00	-2.00	0.00
9,571.67	0.00	179.69	9,551.04	61.16	257.68	-46.36	2.00	-2.00	0.00
9,600.00	2.83	179.69	9,579.36	60.46	257.69	-45.66	10.00	10.00	0.00
9,700.00	12.83	179.69	9,678.30	46.85	257.76	-32.07	10.00	10.00	0.00
9,800.00	22.83	179.69	9,773.38	16.27	257.93	-1.52	10.00	10.00	0.00
9,900.00	32.83	179.69	9,861.69	-30.36	258.18	45.05	10.00	10.00	0.00
10,000.00	42.83	179.69	9,940.57	-91.62	258.52	106.22	10.00	10.00	0.00
10,100.00	52.83	179.69	10,007.62	-165.65	258.92	180.15	10.00	10.00	0.00
10,200.00	62.83	179.69	10,060.79	-250.19	259.38	264.58	10.00	10.00	0.00
10,300.00	72.83	179.69	10,098.47	-342.68	259.89	356.95	10.00	10.00	0.00

Oxy Planning Report

Database: HOPSPP
Company: ENGINEERING DESIGNS
Project: PRD NM DIRECTIONAL PLANS (NAD 1983)
Site: CAL-MON MDP1 35 FED
Well: CAL-MON MDP1 35 FED 2H
Wellbore: WB00
Design: Permitting Plan

Local Co-ordinate Reference: Well CAL-MON MDP1 35 FED 2H
TVD Reference: DATUM @ 3482.80ft
MD Reference: DATUM @ 3482.80ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
10,400.00	82.83	179.69	10,119.52	-440.31	260.42	454.45	10.00	10.00	0.00
10,471.67	90.00	179.69	10,124.00	-511.79	260.81	525.83	10.00	10.00	0.00
10,500.00	90.00	179.69	10,124.00	-540.12	260.97	554.13	0.00	0.00	0.00
10,600.00	90.00	179.69	10,124.00	-640.12	261.51	653.99	0.00	0.00	0.00
10,700.00	89.99	179.69	10,124.01	-740.11	262.06	753.86	0.00	0.00	0.00
10,800.00	89.99	179.69	10,124.03	-840.11	262.60	853.73	0.00	0.00	0.00
10,900.00	89.99	179.69	10,124.05	-940.11	263.15	953.59	0.00	0.00	0.00
11,000.00	89.98	179.69	10,124.08	-1,040.11	263.70	1,053.46	0.00	0.00	0.00
11,100.00	89.98	179.69	10,124.12	-1,140.11	264.24	1,153.33	0.00	0.00	0.00
11,200.00	89.98	179.69	10,124.16	-1,240.11	264.79	1,253.19	0.00	0.00	0.00
11,300.00	89.97	179.69	10,124.20	-1,340.11	265.33	1,353.06	0.00	0.00	0.00
11,400.00	89.97	179.69	10,124.26	-1,440.10	265.88	1,452.93	0.00	0.00	0.00
11,500.00	89.96	179.69	10,124.31	-1,540.10	266.43	1,552.79	0.00	0.00	0.00
11,600.00	89.96	179.69	10,124.38	-1,640.10	266.97	1,652.66	0.00	0.00	0.00
11,700.00	89.96	179.69	10,124.45	-1,740.10	267.52	1,752.53	0.00	0.00	0.00
11,800.00	89.95	179.69	10,124.53	-1,840.10	268.06	1,852.39	0.00	0.00	0.00
11,900.00	89.95	179.69	10,124.61	-1,940.10	268.61	1,952.26	0.00	0.00	0.00
12,000.00	89.95	179.69	10,124.70	-2,040.09	269.16	2,052.13	0.00	0.00	0.00
12,100.00	89.94	179.69	10,124.79	-2,140.09	269.70	2,151.99	0.00	0.00	0.00
12,200.00	89.94	179.69	10,124.89	-2,240.09	270.25	2,251.86	0.00	0.00	0.00
12,300.00	89.94	179.69	10,125.00	-2,340.09	270.79	2,351.73	0.00	0.00	0.00
12,400.00	89.93	179.69	10,125.11	-2,440.09	271.34	2,451.60	0.00	0.00	0.00
12,500.00	89.93	179.69	10,125.23	-2,540.09	271.89	2,551.46	0.00	0.00	0.00
12,600.00	89.93	179.69	10,125.35	-2,640.09	272.43	2,651.33	0.00	0.00	0.00
12,700.00	89.92	179.69	10,125.48	-2,740.08	272.98	2,751.20	0.00	0.00	0.00
12,800.00	89.92	179.69	10,125.62	-2,840.08	273.52	2,851.06	0.00	0.00	0.00
12,900.00	89.92	179.69	10,125.76	-2,940.08	274.07	2,950.93	0.00	0.00	0.00
13,000.00	89.91	179.69	10,125.91	-3,040.08	274.62	3,050.80	0.00	0.00	0.00
13,100.00	89.91	179.69	10,126.06	-3,140.08	275.16	3,150.66	0.00	0.00	0.00
13,200.00	89.91	179.69	10,126.22	-3,240.08	275.71	3,250.53	0.00	0.00	0.00
13,300.00	89.90	179.69	10,126.39	-3,340.07	276.25	3,350.40	0.00	0.00	0.00
13,400.00	89.90	179.69	10,126.56	-3,440.07	276.80	3,450.26	0.00	0.00	0.00
13,500.00	89.90	179.69	10,126.74	-3,540.07	277.35	3,550.13	0.00	0.00	0.00
13,600.00	89.89	179.69	10,126.93	-3,640.07	277.89	3,649.99	0.00	0.00	0.00
13,700.00	89.89	179.69	10,127.12	-3,740.07	278.44	3,749.86	0.00	0.00	0.00
13,800.00	89.89	179.69	10,127.31	-3,840.07	278.98	3,849.73	0.00	0.00	0.00
13,900.00	89.88	179.69	10,127.51	-3,940.06	279.53	3,949.59	0.00	0.00	0.00
14,000.00	89.88	179.69	10,127.72	-4,040.06	280.08	4,049.46	0.00	0.00	0.00
14,100.00	89.88	179.69	10,127.94	-4,140.06	280.62	4,149.33	0.00	0.00	0.00
14,200.00	89.87	179.69	10,128.16	-4,240.06	281.17	4,249.19	0.00	0.00	0.00
14,300.00	89.87	179.69	10,128.38	-4,340.06	281.71	4,349.06	0.00	0.00	0.00
14,400.00	89.87	179.69	10,128.61	-4,440.06	282.26	4,448.93	0.00	0.00	0.00
14,500.00	89.86	179.69	10,128.85	-4,540.05	282.80	4,548.79	0.00	0.00	0.00
14,600.00	89.86	179.69	10,129.10	-4,640.05	283.35	4,648.66	0.00	0.00	0.00
14,700.00	89.86	179.69	10,129.35	-4,740.05	283.90	4,748.53	0.00	0.00	0.00
14,800.00	89.85	179.69	10,129.60	-4,840.05	284.44	4,848.39	0.00	0.00	0.00
14,900.00	89.85	179.69	10,129.86	-4,940.05	284.99	4,948.26	0.00	0.00	0.00
14,950.83	89.85	179.69	10,130.00	-4,990.87	285.27	4,999.02	0.00	0.00	0.00

Oxy

Planning Report

Database:	HOPSPP	Local Co-ordinate Reference:	Well CAL-MON MDP1 35 FED 2H
Company:	ENGINEERING DESIGNS	TVD Reference:	DATUM @ 3482.80ft
Project:	PRD NM DIRECTIONAL PLANS (NAD 1983)	MD Reference:	DATUM @ 3482.80ft
Site:	CAL-MON MDP1 35 FED	North Reference:	Grid
Well:	CAL-MON MDP1 35 FED 2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB00		
Design:	Permitting Plan		

Design Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Cal-Mon_MDP1_35_F - plan hits target center - Point	0.00	0.00	9,551.04	61.16	257.68	461,734.28	720,695.49	32° 16' 4.977417 N	103° 45' 10.967887
Cal-Mon_MDP1_35_F - plan hits target center - Point	0.00	0.00	10,130.00	-4,990.87	285.27	456,682.53	720,723.07	32° 15' 14.986361 N	103° 45' 10.964755

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
7,548.00	7,548.00	0.00	0.00	STEP OUT DLS 2.00
8,048.12	8,045.58	10.06	42.37	HOLD 10 DEG TANGENT
9,071.55	9,053.46	51.11	215.32	DROP BACK TO VERTICAL DLS 2.00
9,571.67	9,551.04	61.16	257.68	BUILD CURVE 10 DEG/100
10,471.67	10,124.00	-511.79	260.81	LANDING POINT
14,950.83	10,130.00	-4,990.87	285.27	TD at 14950.82



Occidental Oil and Gas Corporation
ATTN: Kacie Cruz
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-350-4889
kacie_cruz@oxy.com

September 11, 2017

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.
Cal-Mon MDP1 35 Federal Com #2H
W/2 W/2 Section 35, T23S-R31E, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for non-standard locations, increasing horizontal well spacing from 4 wells per section ("wps") to 6 wps to effectively develop the Bone Spring and Wolfcamp formations. It is Oxy's responsibility as a prudent operator to optimize well spacing for horizontal development and minimize reserves left in the ground. Increasing horizontal well spacing from 4 wps to 6 wps will optimize recoverable reserves. Any reduction in well spacing will result in untapped reserves being left in the reservoir resulting in waste of a resource that will not be developed otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Kacie Cruz", written over a horizontal line.

Kacie Cruz
Development Production Engineer

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Wednesday, October 11, 2017 9:16 AM
To: 'Sarah_Mitchell@oxy.com'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Sharp, Karen, EMNRD; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'jstovall@blm.gov'; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD
Subject: APPROVED NSL-7592 & NSL-7593_OXY USA INC_Cal-Mon MDP1 35 Federal No. 2H & 5H_SEC35 23S 31E

Importance: High

Ms. Sarah Mitchell,

The following 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-7592

Oxy USA, Inc.

API #: 30-025-Pending

WELL: Cal-Mon MDP1 35 Federal No. 2H

NSL-7593

Oxy USA, Inc.

API #: 30-025-Pending

WELL: Cal-Mon MDP1 35 Federal No. 5H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>