

State of New Mexico
Energy, Minerals and Natural Resources Department

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Governor

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Heather Riley, Division Director
Oil Conservation Division



May 25, 2018

Sarah Mitchell
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NON-STANDARD LOCATION

Administrative Order NSL-7722

OXY USA INC. [OGRID 16696]
Platinum MDP1 34 3 Federal Com Well No. 5H
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	110 FNL & 968 FEL	A	34	23S	31E	Eddy
Penetration Point	340 FNL & 1260 FEL	A	34	23S	31E	Eddy
Final perforation	340 FSL & 1260 FEL	P	3	24S	31E	Eddy
Terminus	180 FSL & 1260 FEL	P	3	24S	31E	Eddy

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 34 23S 31E	320.03	Ingle Wells; Bone Spring	33740
E2 E2 of Section 3 24S 31E			

Reference is made to your application received on May 4, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 345 feet to the northwestern edge, 60 feet to the western edge and 345 feet to the southwestern edge of the project area. Encroachments will impact the following tracts.

Section 27, T23S R31E encroachment to the SW4 SE4

Section 34, T23S R31E encroachment to the W2 E2

Section 3, T24S R31E encroachment to the W2 E2

Section 10, T24S R31E encroachment to the NW4 NE4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

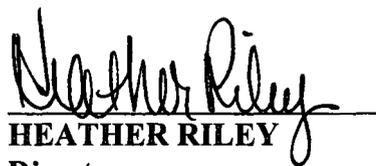
Division understands you seek this location to increase horizontal well spacing from 4 wells per section to 6 wells per section to effectively develop the Bone Spring formation underlying the E2 E2 of Section 34 T23S R31E and the E2 E2 of Section 3 T24S 31E.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 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.


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office