

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



January 14, 2019

Ms. Leslie Reeves
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NON-STANDARD LOCATION

Administrative Order NSL-7795

Oxy USA, Inc. [OGRID 16696]
Height CC 6 7 Federal Com Well No. 033H
API No. 30-015-45561

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	230 FNL & 2355 FWL	C/3	6	24S	29E	Eddy
First Take Point	100 FNL & 2140 FWL	C/3	6	24S	29E	Eddy
Last Take Point	330 FSL & 2140 FWL	N/N	7	24S	29E	Eddy
Terminus	20 FSL & 2140 FWL	N/N	7	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 6	637.33	Purple Sage; Wolfcamp (GAS)	98220
W2 of Section 7			

This NSL application was initially protested on December 28, 2018. The protest was resolved between the parties.

Reference is made to your application received on December 13, 2018.

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 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 entire section

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches

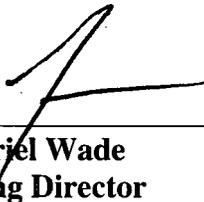
Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 6 and W2 of Section 7.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 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.



Gabriel Wade
Acting Director

GW/lrl

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