

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

RECEIVED IN DIVISION FEB 17 1997

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling [X] NSL [] NSP [] DD [] SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement [] DHC [] CTB [] PLC [] PC [] OLS [] OLM [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [] WFX [] PMX [] SWD [] IPI [] EOR [] PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [] Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners [B] [X] Offset Operators, Leaseholders or Surface Owner [C] [] Application is One Which Requires Published Legal Notice [D] [] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office [E] [] For all of the above, Proof of Notification or Publication is Attached, and/or, [F] [] Waivers are Attached

NSL-OXY. 1

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Richard E. Foppiano Richard E. Foppiano Print or Type Name Signature

Regulatory Affairs Advisor 1/22/97 Title Date



OXY USA INC.

Box 50250, Midland, TX 79710

January 22, 1997

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner, Hearing Examiner

**RE: Application of OXY USA Inc. for Non-Standard Gas Well Location
for the Government AL #2, 660 FNL 2060 FEL Sec 17 T20S R28E,
Undesignated Yates, Eddy County, New Mexico**

Dear Sir:

OXY USA Inc. respectfully requests administrative approval of this application for the subject unorthodox gas well location. The surface location was staked 580' from the west lease line to use the same well pad as our Government AL #1. This was done to minimize surface disturbance and costs for this shallow gas well. The well is 76' west from the Government AL #1, which was drilled at a legal location. An orthodox location on the existing well pad is not available due to the location of the tank battery and related facilities as shown on Exhibit A.

At this depth, OXY USA Inc. is the lessee of record for the affected area (NW/4 Sec 17, SW/4 Sec 8). A Form C-102 for this well is attached and a map showing all existing wells within one mile, Exhibit B.

A copy of the Notice of Staking that was filed with the BLM is attached. They have conducted their onsite and approval is expected pending filing of the Application for Permit to Drill.

If you have any questions relating to this application, please contact me @ 915-685-5717. Thank you for considering our application.

Sincerely,

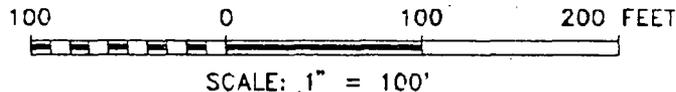
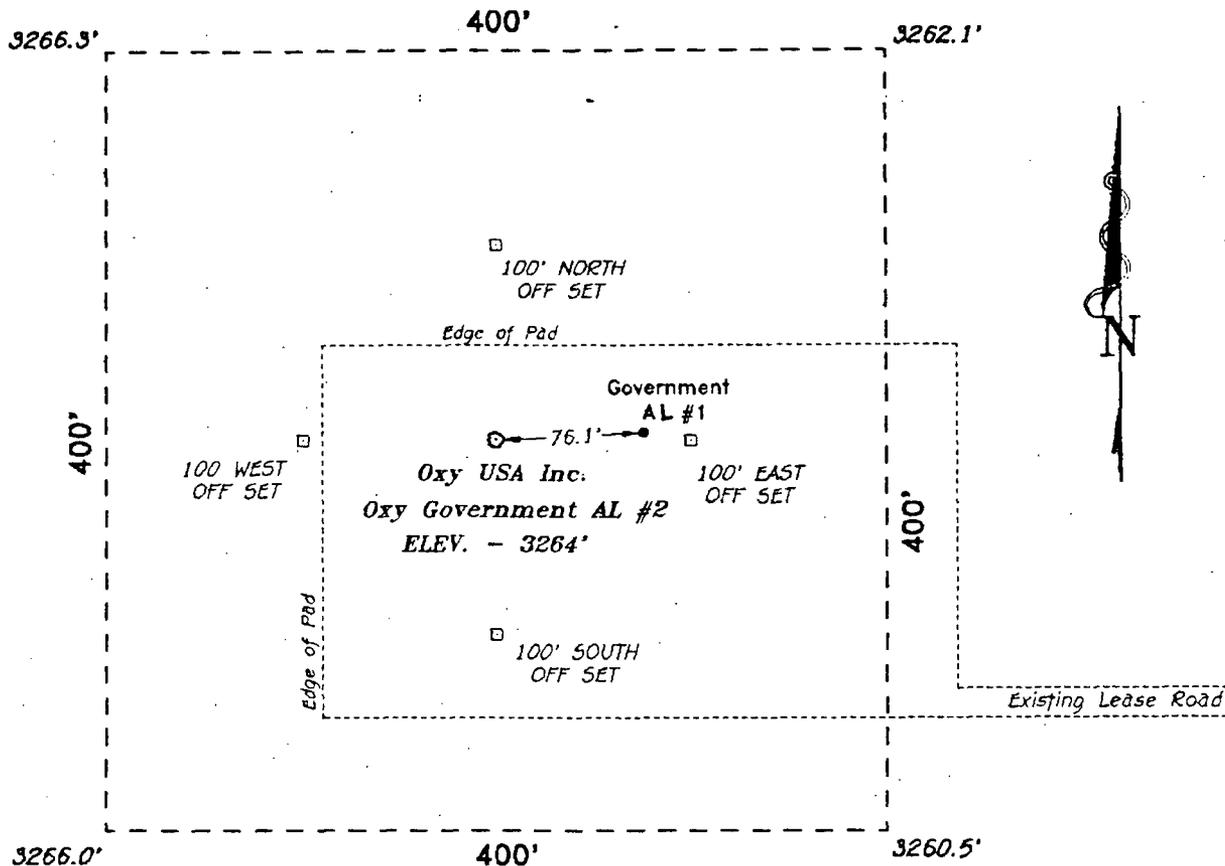
A handwritten signature in black ink, appearing to read 'David Stewart', is written over a horizontal line.

David Stewart
Regulatory Analyst
Western Region - Midland

Attachment

CC: NMOCD - Artesia Office
R. Foppiano - OXY - Midland

SECTION 17, TOWNSHIP 20 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



OXY USA INC

REF: OXY GOVERNMENT AL No. 2 / WELL PAD TOPO

THE OXY GOVERNMENT AL No. 2 LOCATED 660' FROM THE
 NORTH LINE AND 2060' FROM THE EAST LINE OF
 SECTION 17, TOWNSHIP 20 SOUTH, RANGE 28 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 6458

Drawn By: S.C. NICHOLS

Date: 10-24-96

Disk: SCN #32 - OXY6458B.DWG

Survey Date: 10-23-96

Sheet 1 of 1 Sheets

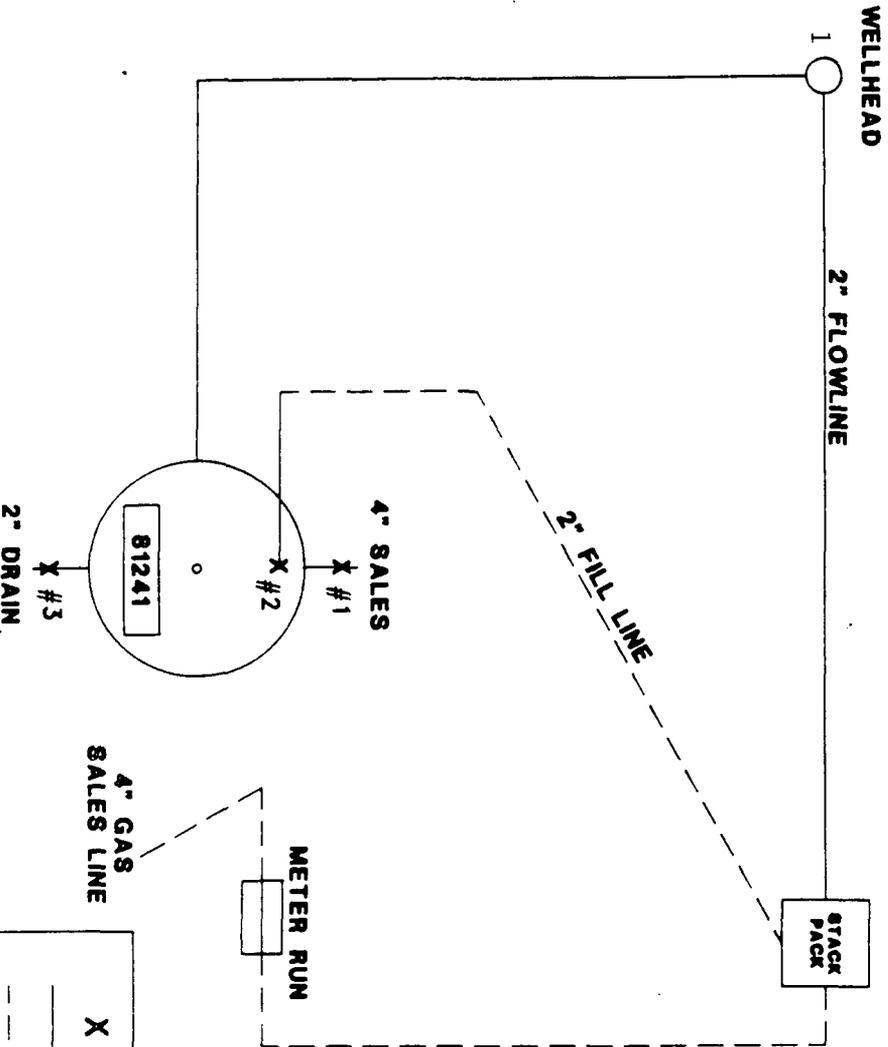
GOVERNMENT AL #1
 SEC. 17-T208-R28E
 EDDY COUNTY, NM
FEDERAL LEASE
 No. NM 17220

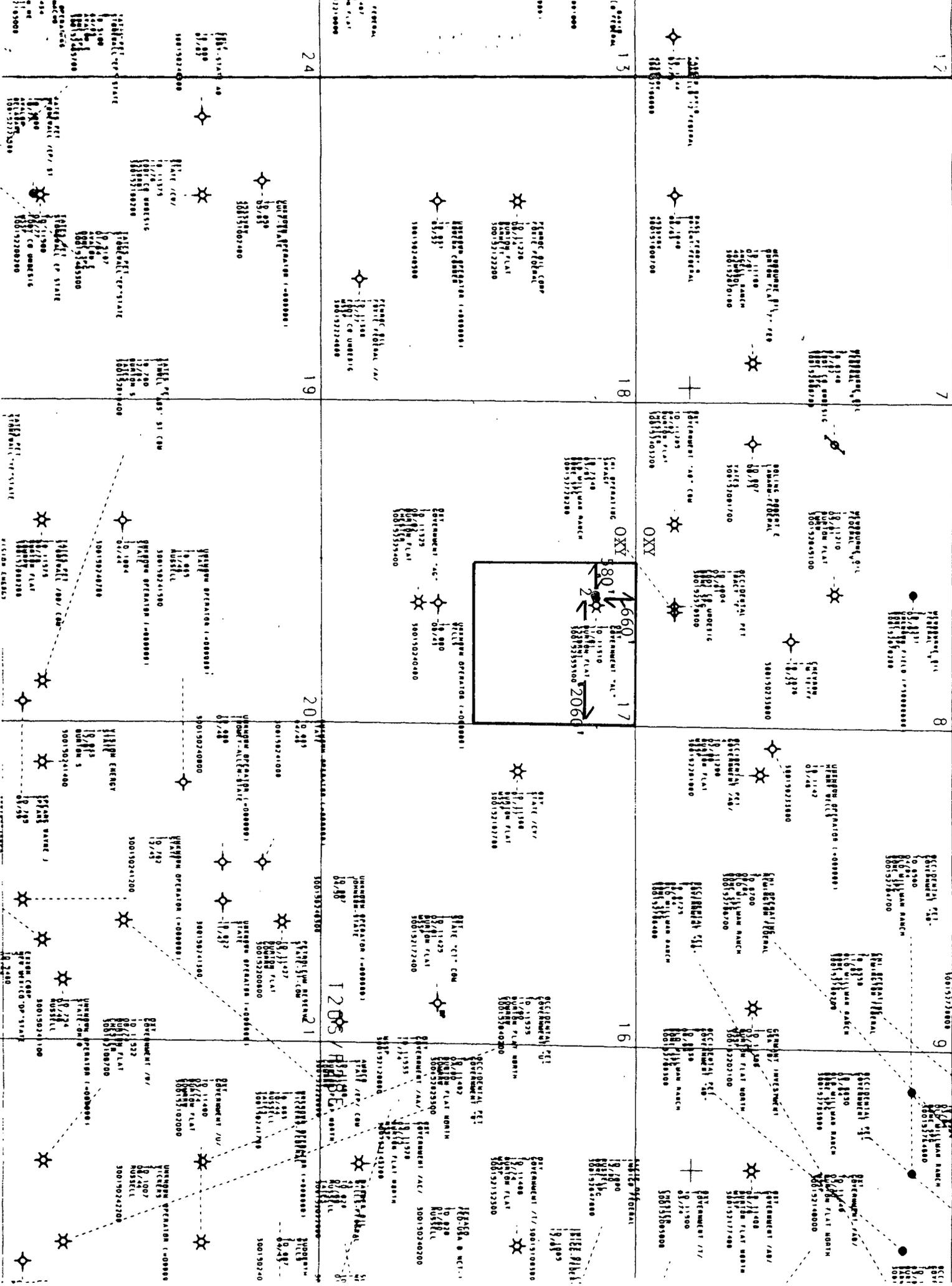


OPEN SYSTEM

VALVE SEQUENCE

PHASE	CLOSED	OPEN
PRODUCTION TANK 81241	#1, 3	#2
SALES TANK 81241	#2, 3	#1





DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-		Pool Code	Pool Name Undesignated South Burton Yates
Property Code	Property Name Government AL		Well Number 2
OGRID No. 16696	Operator Name Oxy USA Inc.		Elevation 3264'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	20 S	28 E		660	North	2060	East	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

Dedicated Acres 160	Joint or Infill N	Consolidation Code C	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>David Stewart</i> Signature</p> <p>David Stewart Printed Name</p> <p>Regulatory Analyst Title</p> <p>1/22/97 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>October 23, 1996 Date Surveyed</p> <p><i>[Signature]</i> Signature & Seal of P.N.S. Professional Surveyor</p> <p>NEW MEXICO W.O. No. 6458a</p> <p>Certificate No. Gary L. Jones 7977 PROFESSIONAL LAND SURVEYOR BASIN SURVEYS</p>

NOTICE OF STAKING

(Not to be used in place of Application for Permit to Drill Form 3160-3)

1. Oil Well _____ Gas Well <u>X</u> Other (Specify) _____	6. Lease Number: NM17220
2. Name of Operator: OXY USA Inc. P.O. Box 50250 Midland, Texas 79710-0250	7. If Indian, Allottee, or Tribe Name
3. Name of Specific Contact Person: Robert P. Elliott	8. Unit Agreement Name:
4. Phone No. of Operator or Agent: 915-685-5821	9. Lease: Government AL
5. Surface Location of Well: 660 FNL 2060 FEL Attach a) Sketch showing road entry into pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.	10. Well No.: 2
	11. Field or Wildcat Name: Undesignated South Burton Yates
	12. Sec., T., R., M., or Blk and Survey Section 17 T20S R28E
15. Formation Objectives: Yates	16. Estimated Well Depth 1000'
	13. County: Eddy
	14. State: New Mexico

17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number).

Unknown at this time, it will be furnished with the APD.

18. Signed  Title Regulatory Analyst Date 11/6/96

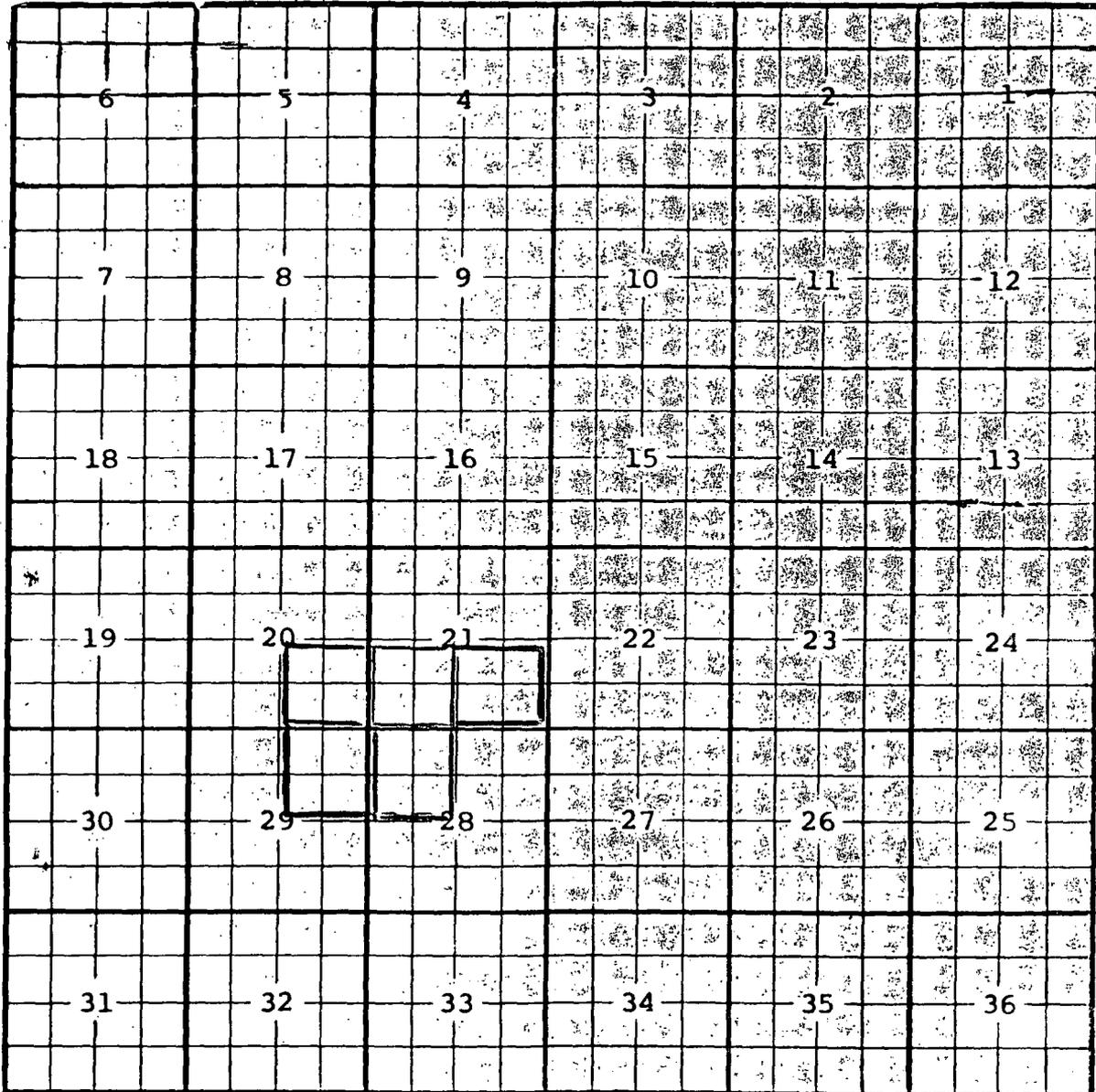
Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite

Operators must consider the following prior to onsite:

- a) H2S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

County Eddy Pool South Burton-Yates Gas

TOWNSHIP 20 South Range 28 East NMPM



Description: SW/4 Sec. 21 (R-9709, 8-25-92)

Amend Range to 28 East and Ext: NW/4 Sec. 28 (R-10042, 12-28-93)

Ext: SE/4 Sec. 21 (R-10159, 7-26-94) Ext: SE/4 Sec. 20 (R-10343, 4-24-95)

Ext: NE/4 Sec. 29 (R-10576, 5-24-95)