



OXY USA Inc.
P.O. Box 50250, Midland, TX 79710-0250

February 20, 1998

New Mexico Oil Conservation Division
2040 S. Pacheco Street
Santa Fe, NM 87505

Attention: Mr. Michael E. Stogner

Re: *Application of OXY USA Inc. for Unorthodox Well Location*
OXY Wallace State Com. #1
1350 FNL 1980 FEL Unit G Sec 9 T17S R27E
Undesignated Logan Draw Morrow Pool
Eddy County, New Mexico

Dear Mr. Stogner:

OXY USA Inc. ("OXY") respectfully requests administrative approval under Rule 104 (F) of this application for the subject unorthodox gas well location. The surface location was staked 30' from an interior quarter-quarter section line. This was done due to archaeological sites to the south and to place this well as far south as possible from a well drilled in Unit O of Section 4. OXY proposes to designate the north half of the section as a 320-acre spacing unit.

OXY is requesting NSL authority for all zones below the top of the Wolfcamp to the base of the Morrow. Also attached is Form C-102 and since this well is located 1290' from the nearest side boundary and 1980' from the nearest end boundary, there are no affected parties and no notice was given. If I can provide any additional information to aid in processing this request, please call me at (915) 685-5717. Thank you for consideration of our application.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Stewart".

David Stewart
Regulatory Analyst
OXY USA Inc.

Attachments

CC: NMOCD - Artesia Office
R. Foppiano - OXY USA Inc.

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 80400	Pool Name Undesignated Logan Draw Morrow
Property Code	Property Name WALLACE STATE COM	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3381'

Surface Location

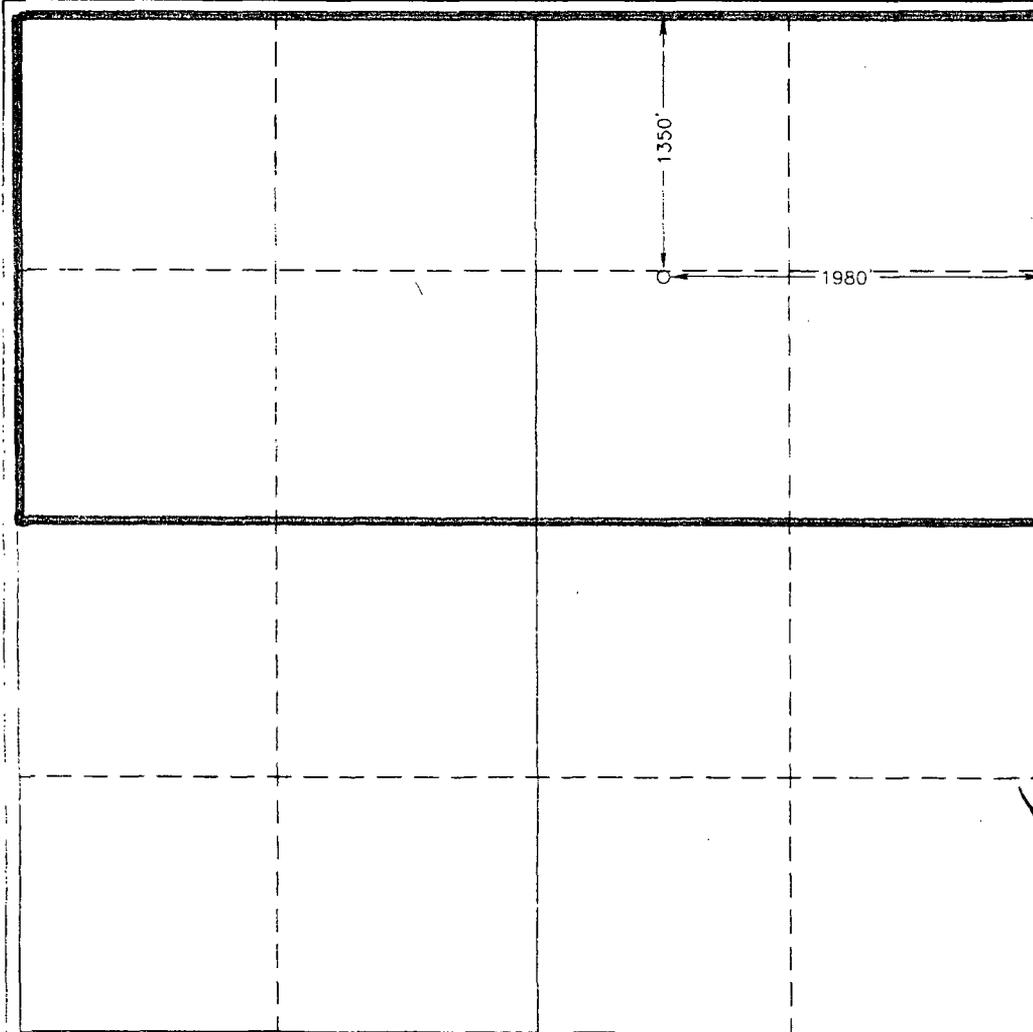
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	9	17 S	27 E		1350	NORTH	1980	EAST	EDDY

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 320	Joint or Infill N	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 the the information contained herein is true and complete to the best of my knowledge and belief.

David Stewart
Signature
David Stewart
Printed Name
Regulatory Analyst
Title
2/20/98
Date

SURVEYOR CERTIFICATION

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.

January 22, 1998
Date Surveyed
W. O. Jones
Signature of Surveyor
Professional Surveyor
7977
W.O. No. 865
Certified by W. O. Jones 7977

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Azusa, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250		OGRID Number 16696
		API Number 30 - 0 15-
Property Code	Property Name OXY Wallace State Com.	Well No. I

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	9	17S	27E		1350	North	1980	East	Eddy

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Undesignated Logan Draw Morrow					Proposed Pool 2 80400				

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3381'
Multiples No	Proposed Depth 9400'	Formation Morrow	Contractor N/A	Spud Date 3/1/98

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Secks of Cement	Estimated TOC
17-1/2"	13-3/8"	48# H40	400'	420	Surface
11"	8-5/8"	24-32# K55	1800'	515	Surface
7-7/8"	4-1/2"	11.6# N80	9400'	640	6500'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See other side

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: David Stewart		Approved by:	
Title: Regulatory Analyst		Title:	
Date: 2/20/98		Approval Date: Expiration Date:	
Phone: 915-685-5717		Conditions of Approval: Attached <input type="checkbox"/>	

ATTACHMENT C-101
OXY USA Inc.
OXY WALLACE STATE COM. #1
SEC 9 T178 R27E
Eddy County, NM

PROPOSED TD: 9400' TVD

BOP PROGRAM: 0' - 400' None
400'-1800' 13-3/8" 5M blind and pipe rams with 5M annular preventer.
1800'-9400' 13-3/8" 5M blind and pipe rams with 5M annular preventer and rotating head below 8500'.

CASING: 13-3/8" 48# H40 ST&C casing @ 400'. 17 1/2" hole.
8-5/8" 24-32# K55 ST&C casing @ 1800', 11" hole
4-1/2" 11.6# N80 LT&C casing @ 9400', 7-7/8" hole.

CEMENT: Surface - Circulate cement with 220sx 35/65 POZ/C w/2% CaCl₂ + 6% gel + .25#/sx Cello-seal followed by 200sx Cl C with 2% CaCl₂.
Intermediate - Circulate cement with 315sx 35/65 POZ/C w/ 6% gel + 5% salt + .25#/sx Cello-seal followed by 200sx Cl C with 2% CaCl₂. Cement volumes may be adjusted to fluid caliper.
Production - Cement with 640sx Super C Modified w/ .5#/sx Gilsonite + fluid loss additives and retarder. Estimated top of cement is 6500'. Cement volumes may be adjusted to hole caliper.

MUD: 0'- 400' FW/Native Mud. Lime for pH control(9-10). Paper for seepage. Wt. 8.7-9.2ppg, vis 32-34sec.
400'- 1800' Brine water. Caustic for pH control (10-10.5). Paper for seepage. Wt.10-10.1ppg, vis 28-29sec.
1800'-6000' Fresh water. Caustic for pH control (9-9.5). Paper for seepage. Wt. 8.4ppg, vis 28-29sec
6000'-9000' Cut brine. Caustic for pH control (10-10.5). Wt. 9.2-9.4ppg, vis 28-29sec
9000'-9400' Mud up with a XCD Polymer system Wt. 9-9.6ppg, vis 32-34sec WL 8cc.

LD-4
30-015-29865

BEARING SPEC & SUPPLY
DOCUMENT #
10 2219
10015004200

BEARING SPEC & SUPPLY
DOCUMENT #
10 2209
10015004300

REG. ENTERPRISES
DOCUMENT #
10 2130
10015004100

UNKNOWN OPERATOR 1-028899
DOCUMENT #
10 2074
10015004200

REG. ENTERPRISES
DOCUMENT #
10 2208
10015004300

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BEARING SPEC & SUPPLY
DOCUMENT #
10 2127
10015003800

REG. ENTERPRISES
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10015004100

REG. ENTERPRISES
DOCUMENT #
10 2181
10015004500

UNKNOWN OPERATOR
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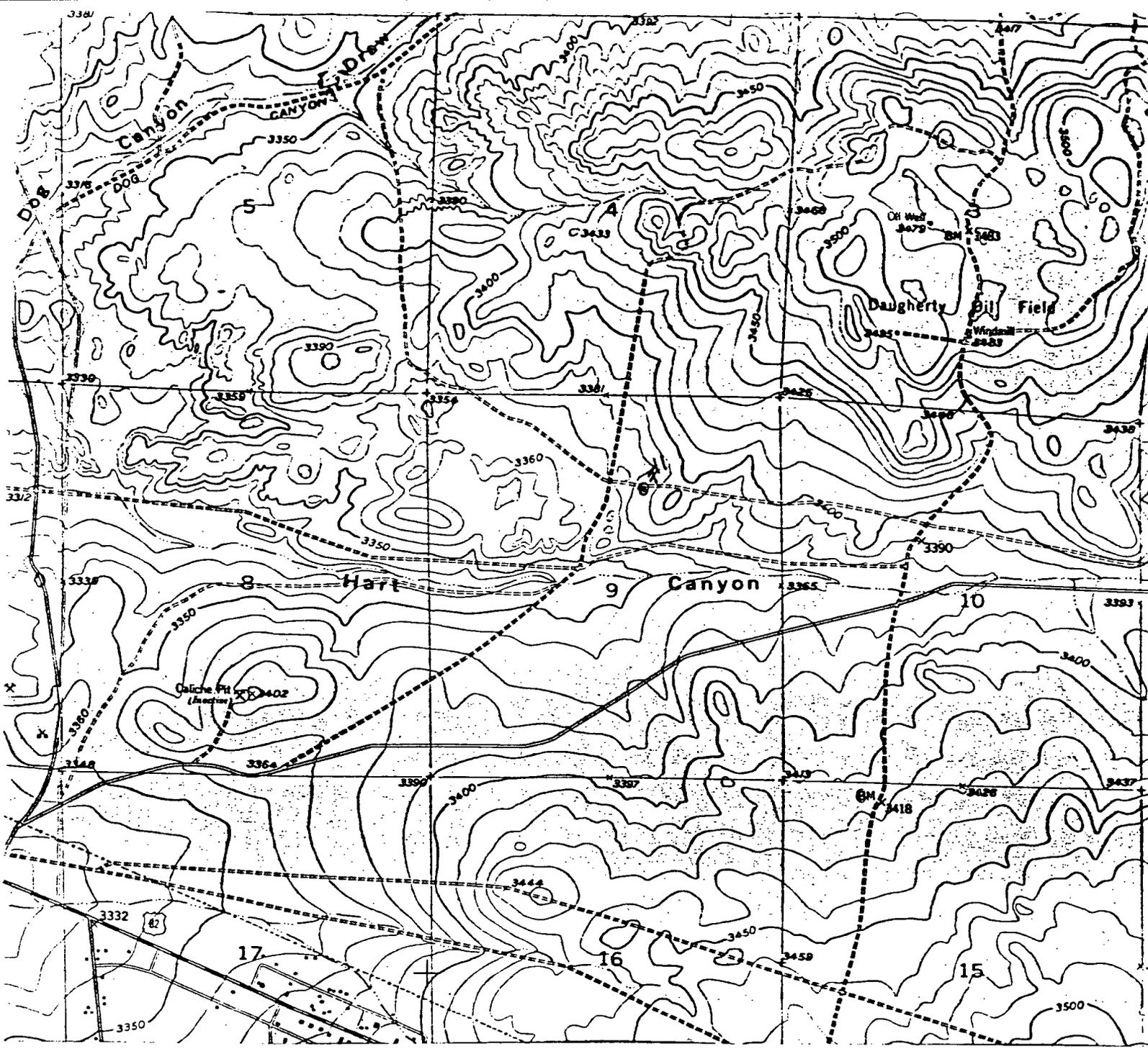
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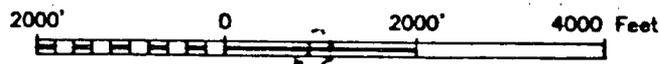


OXY USA INC.
 WALLACE STATE COM. #1
 1350' FNL & 1980' FEL
 Sec. 9, T-17-S, R-27-E,
 Eddy County, New Mexico.

SCALE: 1"=2000'

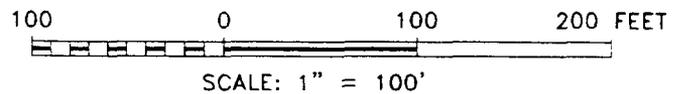
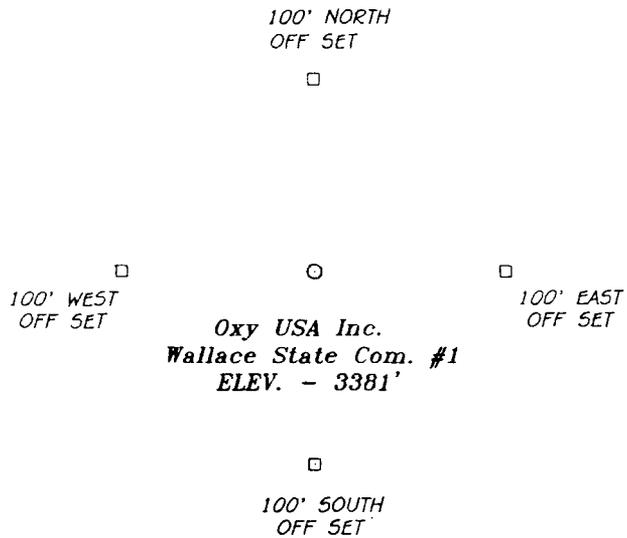
BASIN SURVEYS

P.O. BOX 1786-HOBBS, NEW MEXICO



W.O. Number: 8051	Drawn By: K. GOAD	Survey Date: 01-22-98	Sheet 1 of 1 Sheets
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SECTION 9, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



Oxy USA Inc.

REF: Wallace State Com. #1 / Well Pad Topo

THE WALLACE STATE COM. #1 LOCATED 1350' FROM THE
 NORTH LINE AND 1980' FROM THE EAST LINE OF
 SECTION 9, TOWNSHIP 17 SOUTH, RANGE 27 EAST,
 N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 8051

Drawn By: K. GOAD

Date: 01-23-98

Disk: KJG #85 - 8051A.DWG

Survey Date: 01-22-98

Sheet 1 of 1 Sheets