

DATE IN 7/24/98	SUSPENSE 8/13/98	ENGINEER MS	LOGGED KV	TYPE NSL
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

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]

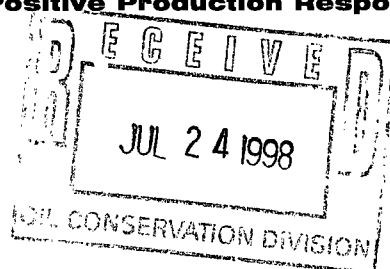
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

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

Check One Only for [B] and [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] Offset Operators, Leaseholders or ~~Surface Owners~~ Unleased Minerals Owners, and working interest owners as applicable.
 (N/2 Sec 27, Sec 28, NE/4 Sec 33, NW/4 Sec 34)
☐ [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

[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 understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Notar Statement must be completed by an individual who swears to its accuracy.

David Stewart
Print or Type Name

David Stewart
Signature

Regulatory Analyst
Title

7/22/98
Date



OXY USA Inc.
6 Desta Drive, Suite 6000, Midland, TX 79705, P.O. Box 50250, Midland, TX 79710-0250
Telephone 915 685-5600 Fax 915 685-5754

July 22, 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 Ironhorse State #1
660 FSL 1650 FWL Unit N Sec 27 T23S R26E
Eddy County, New Mexico

Dear Mr. Stogner:

OXY USA Inc. respectfully requests administrative approval under Rule 104 (F) to drill and produce the referenced well at a non-standard gas well location for 320-acre spacing. OXY proposes to designate the south half of this section as a 320-acre spacing unit for production from South Carlsbad Morrow Gas Pool.

The need for the unorthodox location is due to the geology of the Morrow. Attached is a porosity map which reveals that the porosity in the Morrow improves moving in a westerly direction from a legal location in the SE/4 of the SW/4. Drilling the proposed Oxy Ironhorse State #1 well at this non-standard location affords a much greater chance of intersecting undrained Morrow porosity, hence the need for the NSL authority

Also attached are a lease plat, Form C-102 and a "service list" which identifies all affected parties as defined in Rule 104 (F) (3). A copy of this cover letter and lease plat have been sent certified mail, return receipt requested, to all parties on the service list. By copy of this letter they are hereby notified that if they have any objection it must be filed within twenty days from the date of this notice.

NMOCD approval of this request will aid in protecting OXY's correlative rights and prevent waste. 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.

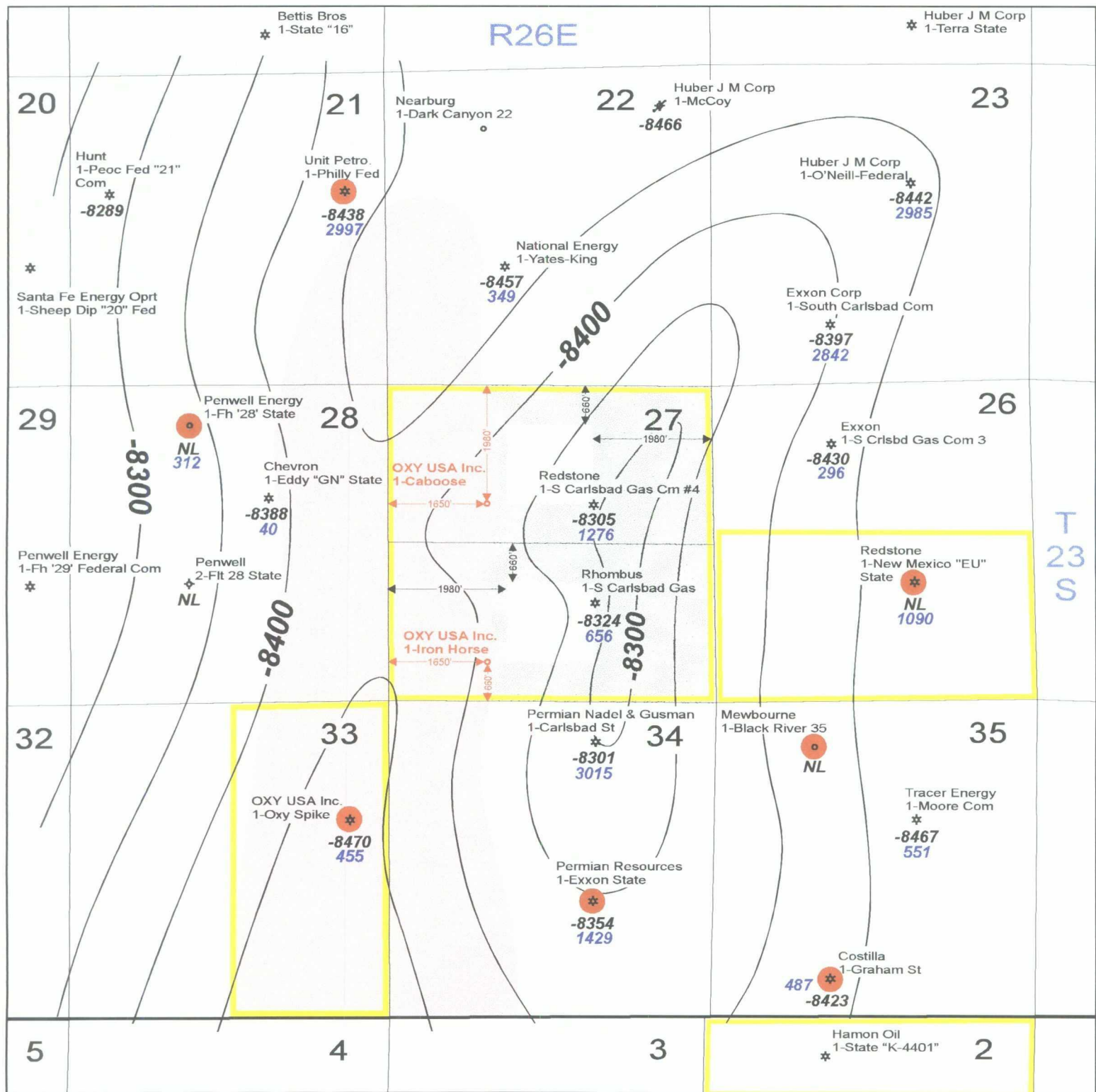
Sincerely,

David Stewart
Regulatory Analyst
OXY USA Inc.

Attachments

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

NSL - GAS. N38



SB062-00.cdr

Estimated Productive Limit of
Morrow (Spike) Sandstone

SOUTH CARLSBAD (MORROW) FIELD Eddy County, New Mexico

*
455 Morrow Producer (Cum prod in MMCF)

● Active Morrow Producer

Only wells that penetrated Morrow are shown

LOWER MORROW STRUCTURE

Geol: R.I. Doty

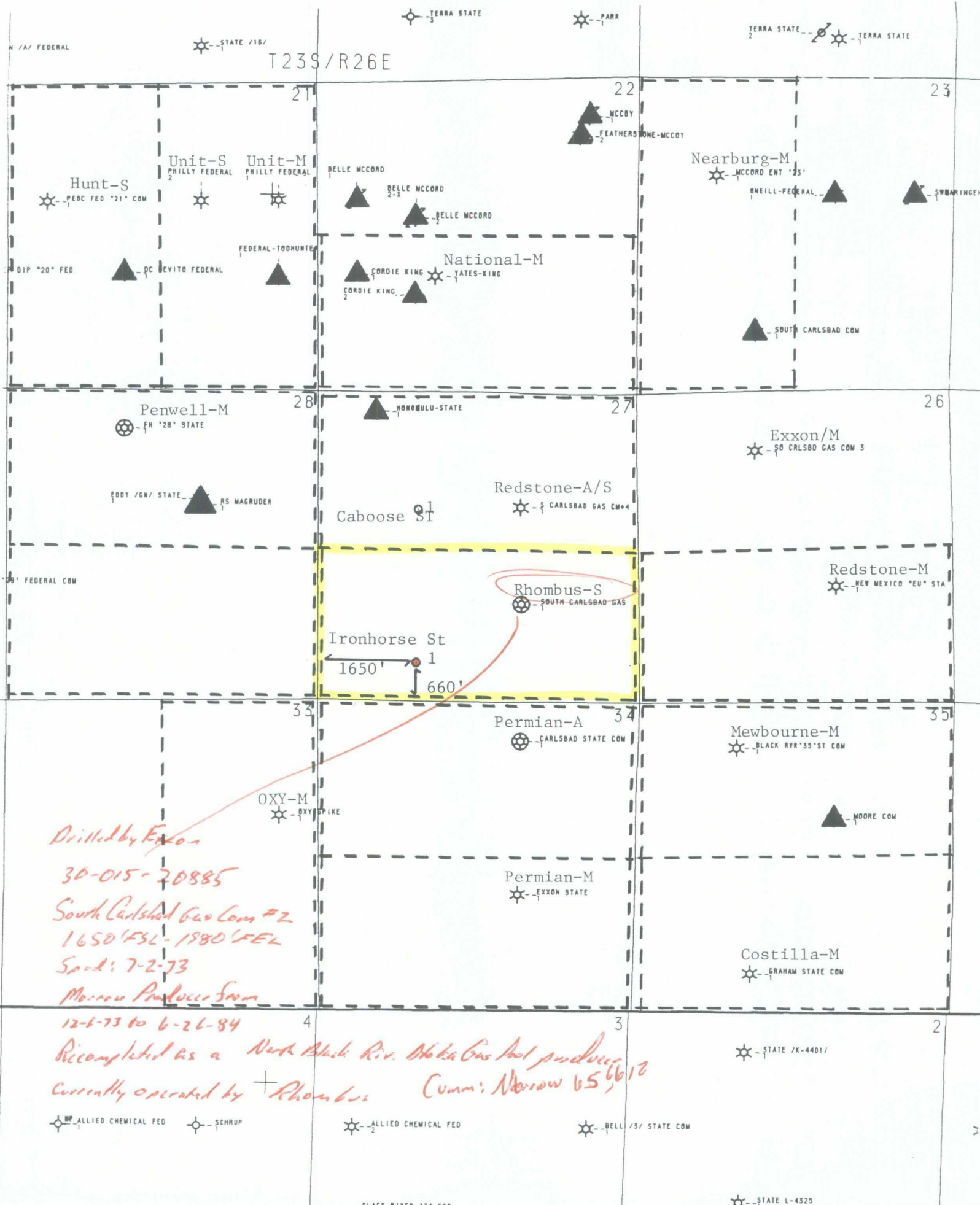
Date: 6/98

2000 Ft

C.I. : 50 ft.

OXY USA INC.
OXY IRONHORSE STATE #1
OFFSET OPERATORS

SPACING UNIT
P&A/DRY HOLE ▲ MORROW (M)
ATOKA (A) STRAWN (S)



Drilled by Exxon

30-015-20885

South Carlsbad Gas Com #2

1650' FSL - 1980' FEL

Spud: 7-2-73

Morrow Producer from

12-6-73 to 6-26-84

*Recompleted as a North Atoka Riv. Atoka Gas Pool producer
Currently operated by Rhombus Comm: Morrow 65,66,67*

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 73960	Pool Name Carlsbad Morrow, South
Property Code	Property Name OXY IRONHORSE STATE	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC	Elevation 3310'

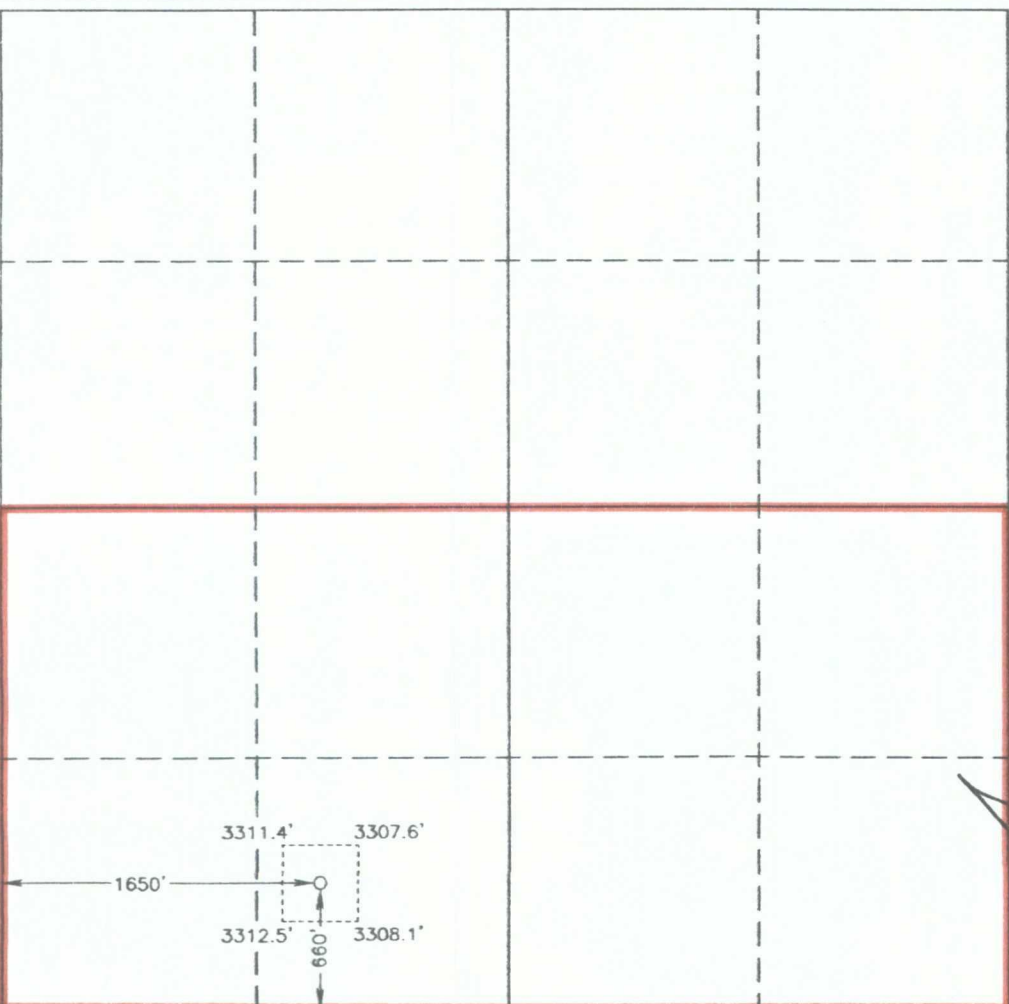
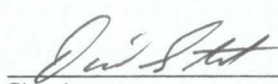

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	23 S	26 E		660	SOUTH	1650	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
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.						

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> Signature David Stewart Printed Name Regulatory Analyst Title 7/22/98 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>June 9, 1998 Date Surveyed  Signature & Seal of Professional Surveyor W.O. No. 8262 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>

SERVICE LIST
OXY USA INC.
OXY IRONHORSE STATE #1
SEC 27 T23S R26E
EDDY COUNTY, NM

S&P CO.
ATTN: JACK JETER
P.O. BOX 3735
SHREVEPORT, LA 71133-3735

SANTA FE ENERGY RESOURCES, INC.
550 W. TEXAS, STE. 1330
MIDLAND, TX 79701

CODA ENERGY, INC.
ATTN: GARY BYRD
5735 PINELAND DR., STE. 300
DALLAS, TX 75231-9200

TROPORO OIL & GAS CO.
600 N. MARIENFELD, STE. 1000
MIDLAND, TX 79701

LORO CORP.
214 W. TEXAS, STE. 900
MIDLAND, TX 79702-0371

FINWING CORP.
P.O. BOX 10886
MIDLAND, TX 79702

RICHARD H. & SIGRID M. COATS
2312 SEABOARD AVE.
MIDLAND, TX 79705

REDSTONE OIL & GAS CO.
8235 DOUGLAS AVE., STE. 1050
DALLAS, TX 75225

EXXON COMPANY U.S.A.
P.O. BOX 1600
MIDLAND, TX 79702

AMERISTATE OIL & GAS INC.
1211 WEST TEXAS
MIDLAND, TX 79701

JAMES P. BRANNIGAN
2610 GAYE DRIVE
ROSWELL, NM 88201

MCNIC OIL & GAS PROPERTIES INC.
ATTN: JOHN PIRRAGLIA
1360 POST OAK BLVD, STE. 1500
HOUSTON, TX 77056

PENWELL ENERGY INC.
600 NORTH MARIENFELD, STE. 1100
MIDLAND, TX 79701

MALLON OIL CO.
999 18TH ST., STE. 1700
DENVER, CO 80202

J.M. HUBER CORP.
ATTN: ROBERT GLENN
1900 W. LOOP SOUTH, STE. 1600
HOUSTON, TX 77027

SCHLAGAL BROTHERS
202 N. EISENHOWER
MIDLAND, TX 79703

RHOMBUS ENERGY CO.
200 N. LORAIN
MIDLAND, TX 79701

S.E.S. OIL & GAS INC.
214 W. TEXAS, STE. 900
MIDLAND, TX 79702-0371

MANTA OIL & GAS CORP.
P.O. BOX 10886
MIDLAND, TX 79702

NADEL & GUSMAN PERMIAN
3200 FIRST PLACE TOWER
TULSA, OK 74103

THOMAS M. BEALL
C/O FUELS PRODUCTS INC.
P.O. BOX 3098
MIDLAND, TX 79702-3098