

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



OXY USA
 Fed 29 #1

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication
 NSL NSP 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
- [D] Other: Specify _____
- [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 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

RECEIVED-ODD
 2009 SEP 17 A 11:23

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

<u>David Stewart</u>	<u>[Signature]</u>	<u>SR. Reg. Analyst</u>	<u>9/15/09</u>
Print or Type Name	Signature	Title	Date
		<u>dauid_stewart@oxy.com</u>	
		e-mail Address	

Federal 29 #1



OXY USA Inc.

**PO Box 50250
Midland, TX 79710-0250**

alistof
~~July 23, 2009~~

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Richard Ezeanyim

Re: *Application for Administrative Approval of Non-Standard Location –
Sand Dunes Delaware, West
Federal 29 #1
330 FNL 2510 FWL Ut C
Section 29 T23S R31E
Eddy County, New Mexico*

Dear Mr. Ezeanyim:

OXY USA Inc. respectfully requests administrative approval under Rule 104 (F) of this application for the subject non-standard well location on the Federal 29 #1. The #1 well is proposed in the Delaware with a TVD of 8300'. The non-standard location is necessary for reasons of topography, as required by the BLM.

The #1 encroaches on the east (B) 29-23S-31E, 40-acre spacing unit. All of the interest owners have joined in the drilling of the #1 and waivers have been attached.

To support this request, the following information has been submitted for your review:

1. Application for Permit to Drill.
2. NMOCD C-102 Plat for the proposed well with offsetting well and affected spacing units.
3. List of affected offset parties that adjoin the non-standard well and the spacing unit being encroached upon, along with a copy of the certified returned receipts and signed waivers. Copies of the signed certified receipts will be furnished upon request.

If you need any additional information, please call me at 432-685-5717.

Sincerely,

David Stewart
Sr. Regulatory Analyst
OXY USA Inc.

Attachments

CC: NMOCD-Artesia, BLM-Carlsbad, Service List

NSL
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM0545035	
1b. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator OXY USA Inc.		7. Unit or CA Agreement Name and No.	
3a. Address P.O. Box 50250 Midland, TX 79710-0250		8. Lease Name and Well No. Federal 29 #1	
3b. Phone No. (include area code) 432-685-5717		9. API Well No. 30-015-	
4. Location of Well (Report location clearly and in accordance with any State requirements)* At surface 330 FNL 2510 FWL WENW(C) At proposed prod. zone		10. Field and Pool, or Exploratory Sand Dunes Delaware, West	
14. Distance in miles and direction from nearest town or post office* 20 miles northeast from Loving, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 28²⁹ T23S R31E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 330	16. No. of Acres in lease 320	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 2134'	19. Proposed Depth 8300'	20. BLM/BIA Bond No. on file ES0136	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3339.6'	22. Approximate date work will start* 8/09	23. Estimated duration 45	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification. 6. Such other site specific information and/or plans as may be required by the authorized officer. |
|---|---|

25. Signature 	Name (Printed/Typed) David Stewart	Date 5/15/09
-------------------	--	------------------------

Title
Sr. Regulatory Analyst

Approved by (Signautre)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on Reverse)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease- 4 Copies
Fee Lease- 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 53815	Pool Name Sand Dunes Delaware, West
Property Code 304920	Property Name FEDERAL 29	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3339.6'

Surface Location

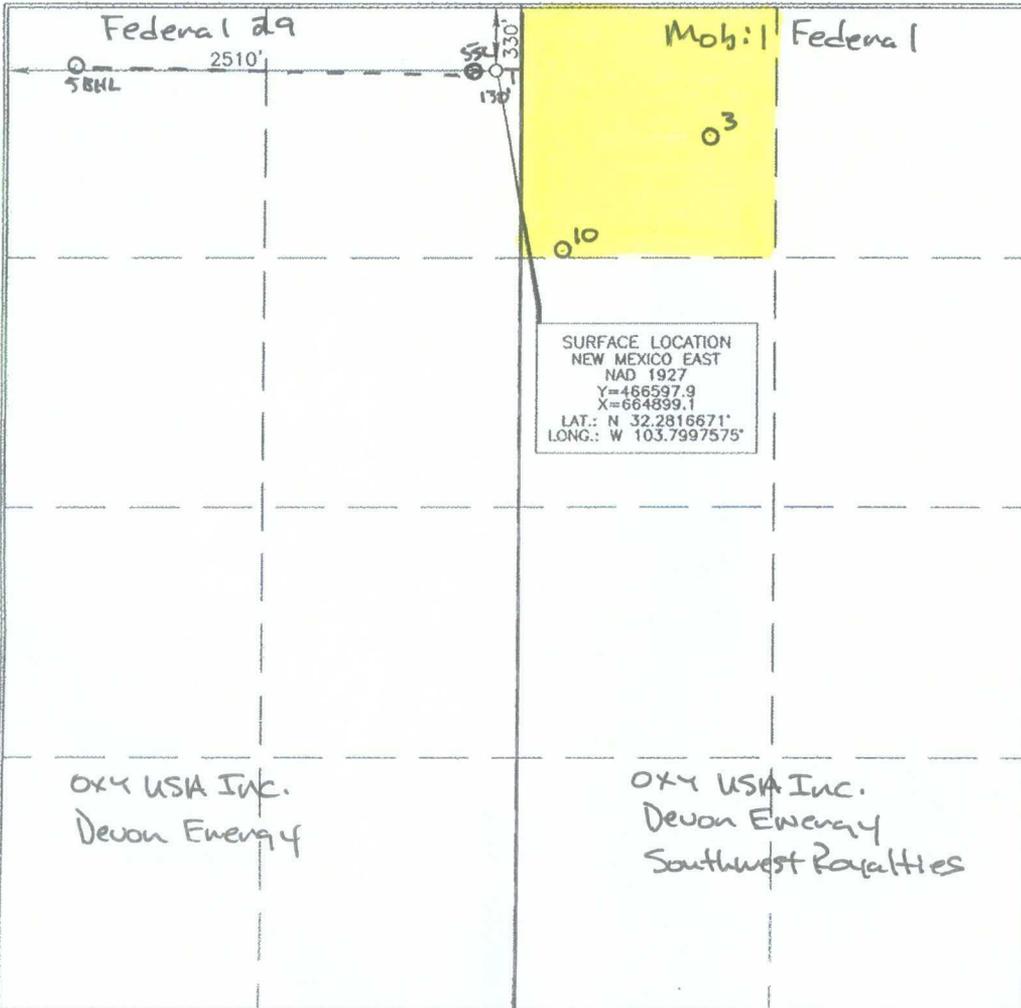
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	23 SOUTH	31 EAST, N.M.P.M.		330'	NORTH	2510'	WEST	EDDY

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	Joint or Infill	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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

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.

FEBRUARY 26, 2009

Date of Survey _____

Signature and Professional Surveyor _____

Terry J. Paul 3/14/2009
Certificate Number 15079

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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Revised October 12, 2005
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API Number 30-015-	Pool Code 53815	Pool Name Sand Dunes Delaware, West
Property Code 304820	Property Name FEDERAL 29	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC.	Elevation 3339.6'

Surface Location

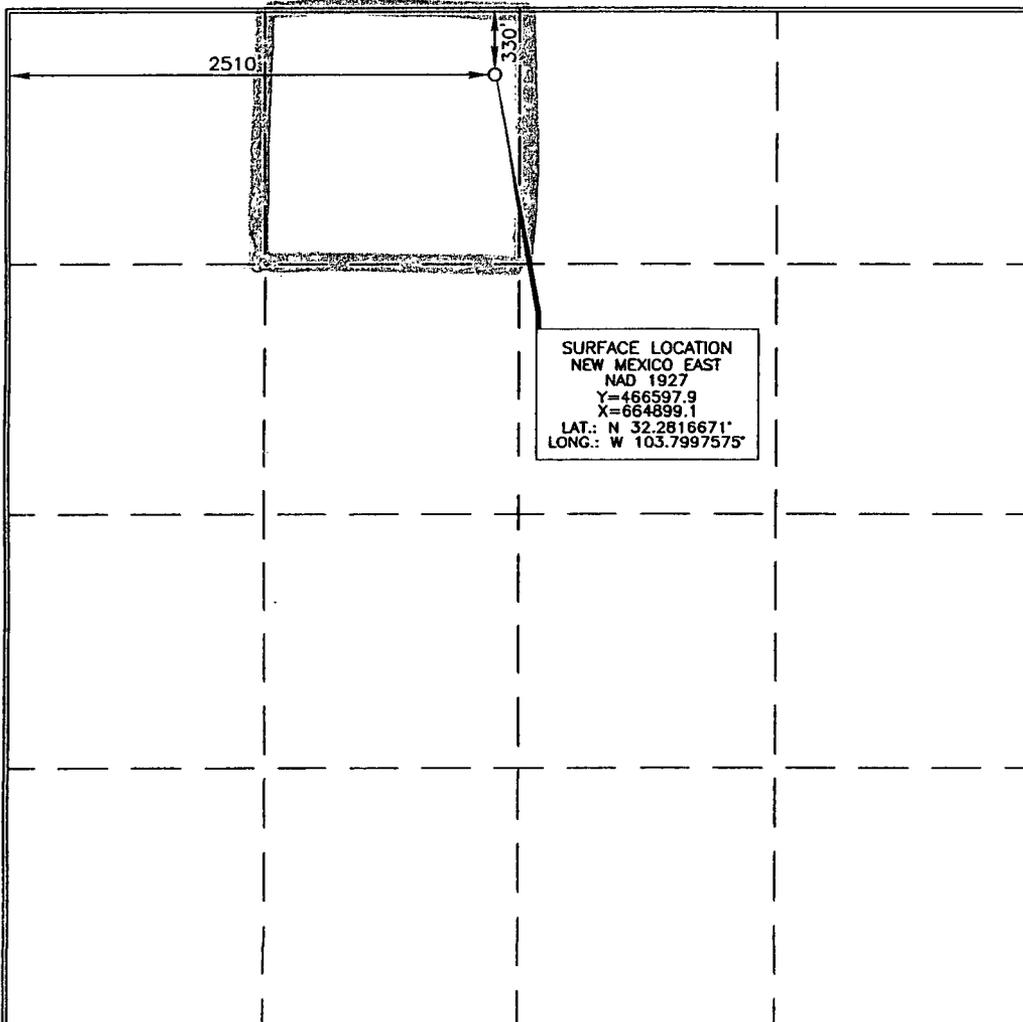
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	23 SOUTH	31 EAST, N.M.P.M.		330'	NORTH	2510'	WEST	EDDY

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 40	Joint or Infill NO	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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

David Stewart
Signature Date

David Stewart
Printed Name

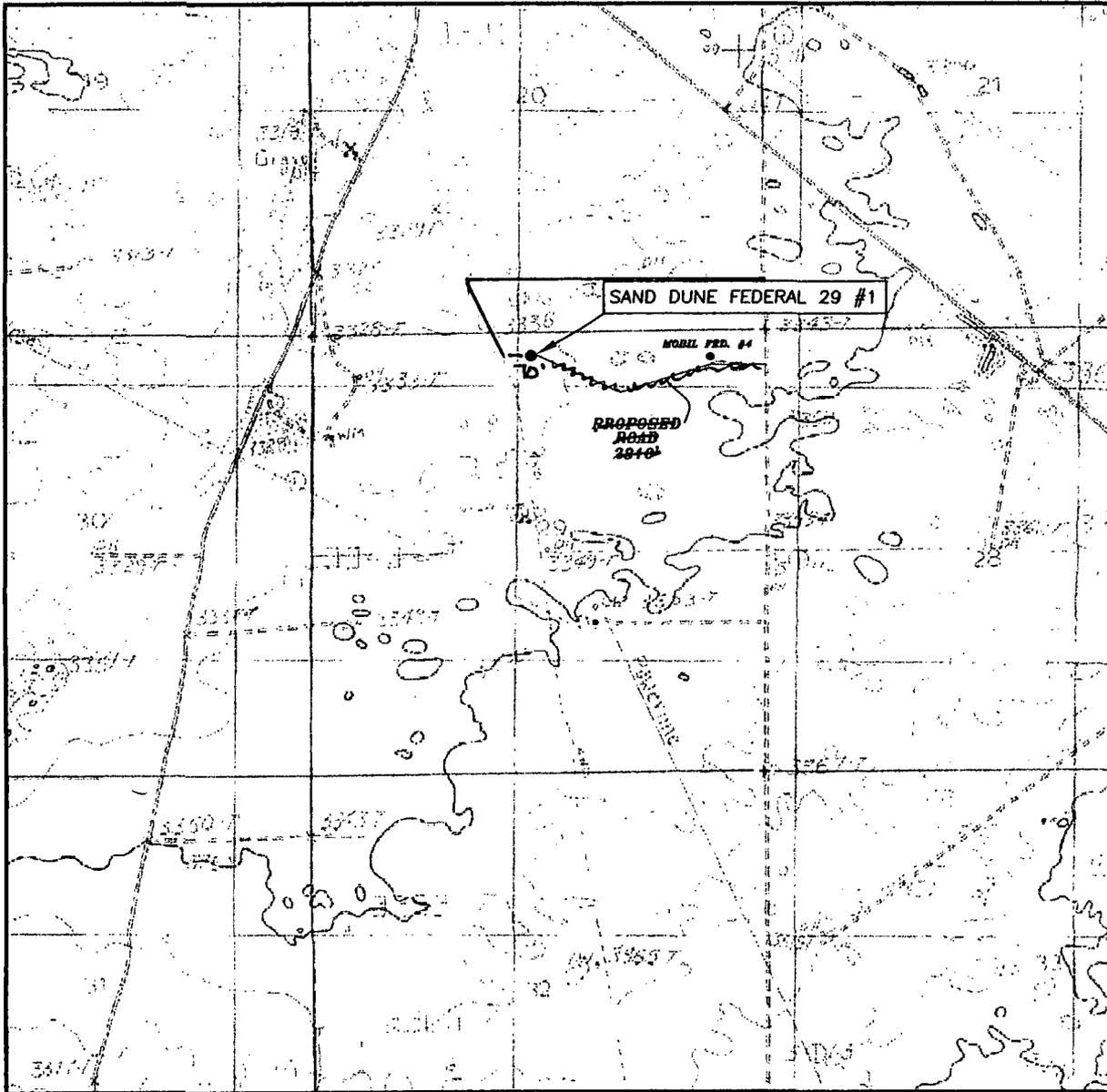
SURVEYOR CERTIFICATION

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.

15079
FEBRUARY 26, 2009
Date of Survey
Signature and Professional Surveyor

Terry J. Paul
Certificate Number 15079

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

SEC. 29 TWP. 23-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 330' FNL & 2510' FWL

ELEVATION 3339.6'

OPERATOR OXY USA INC.

LEASE SAND DUNE FEDERAL 29 #1

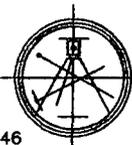
U.S.G.S. TOPOGRAPHIC MAP
LOS MEDANOS, N.M.

DIRECTIONS:

BEGINNING AT THE INTERSECTION OF N.M. STATE HWY. #128 AND EDDY COUNTY ROAD #798 (RED ROAD), GO NORTHWEST ON N.M. STATE HWY. #128 FOR 3.9 MILES, TURN LEFT AND GO SOUTH ON LEASE ROAD FOR 0.5 MILES, TURN RIGHT ON PROPOSED ROAD AND GO WEST FOR 0.5 MILES TO LOCATION.

Asel Surveying

P.O. BOX 393 - 310 W. TAYLOR
HOBBS, NEW MEXICO - 575-393-9146



**Service List – NSL
OXY USA Inc.
Federal 29 #1
Sec 29 T23S R31E**

United States Dept of Interior
Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division
1301 W. Grand Ave.
Artesia, NM 88210

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Affected Offset Parties:

Devon Energy Production Co., LP
Attn: Mr. Ken Gray
20 N. Broadway
Oklahoma City, OK 73102

Southwest Royalties Inc.
Attn: Mr. Randy Howard
6 Desta Drive, Suite 2100
Midland, TX 79705



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 27570, Houston, Texas 77227-7570
Phone 713.215.7000

July 13, 2009

Ken Gray
Devon Energy Production Company, LP
20 North Broadway
Oklahoma City, OK 73102

RE: **Federal 29 #1 (NE NW)**
330' FNL & 2510' FWL
Section 29-23S-31E
Eddy County, New Mexico

Gentlemen:

The location for the Federal 29 #1 well 330' FNL and 2510' FWL of Section 29-23S-31E, Eddy County, NM is an unorthodox location for the objective Delaware formation.

OXY is filing an application with the New Mexico Oil Conservation Division (OCD) for administrative approval of this non-standard location (NSL). The owners of the Mobil Federal lease covering the E/2 of Section 29-23S-31E are the only affected parties entitled to notice. Your execution of this waiver will facilitate administrative approval of OXY's NSL application. OXY requests that you waive any protest or objection to the NSL for the referenced well.

Your favorable consideration and early reply will be appreciated. Please return a signed copy of this waiver letter to me at the address shown above.

Very truly yours,

OXY USA Inc.

Donna G Havins
Land Negotiator
Dir: (713) 215-7232
Cell: (713) 202-7559
Fax: (713) 985-1818
email: donna_havins@oxy.com

Devon Energy Production Company, LP hereby waives any protest or objection to the non-standard location of the Federal 29 #1 well.

Devon Energy Production Company, LP

By _____

Dated _____

7/21/09



OXY USA Inc.

A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521
P.O. Box 27570, Houston, Texas 77227-7570
Phone 713.215.7000

July 13, 2009

Randy Howard
Southwest Royalties Inc.
#6 Desta Drive, Suite 2100
Midland, TX 79705

RE: **Federal 29 #1 (NE NW)**
330' FNL & 2510' FWL
Section 29-23S-31E
Eddy County, New Mexico

Gentlemen:

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OXY is filing an application with the New Mexico Oil Conservation Division (OCD) for administrative approval of this non-standard location (NSL). The owners of the Mobil Federal lease covering the E/2 of Section 29-23S-31E are the only affected parties entitled to notice. Your execution of this waiver will facilitate administrative approval of OXY's NSL application. OXY requests that you waive any protest or objection to the NSL for the referenced well.

Your favorable consideration and early reply will be appreciated. Please return a signed copy of this waiver letter to me at the address shown above.

Very truly yours,

OXY USA Inc.

Donna G Havins
Land Negotiator
Dir: (713) 215-7232
Cell: (713) 202-7559
Fax: (713) 985-1818
email: donna_havins@oxy.com

Southwest Royalties Inc hereby waives any protest or objection to the non-standard location of the Federal 29 #1 well.

Southwest Royalties Inc.

By

Dated

7/15/09

Randy Howard
Vice President



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

July 23, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Devon Energy Production Co., LP
Attn: Ken Gray
20 N. Broadway
Oklahoma City, OK 73102

Re: *Application for Administrative Approval of Non-Standard Location –
Sand Dunes Delaware, West
Federal 29 #1
330 FNL 2510 FWL Ut C
Section 29 T23S R31E
Eddy County, New Mexico*

Ladies and Gentlemen:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval under Rule 104 (F) of an unorthodox well location. As an affected party, notice is being provided to you pursuant to Rule 104 (F). The well is located in the NENW/4 of Section 29 T23S R31E, Eddy County, NM. If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Richard Ezeanyim).

If you need any additional information, please call me at 432-685-5717.

Sincerely,

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

David Stewart
Sr. Regulatory Analyst
OXY USA WTP LP

Attachments



OXY USA Inc.

PO Box 50250
Midland, TX 79710-0250

July 23, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Southwest Royalties Inc.
Attn: Mr. Randy Howard
6 Desta Drive, Suite 2100
Midland, TX 79705

Re: *Application for Administrative Approval of Non-Standard Location –
Sand Dunes Delaware, West
Federal 29 #1
330 FNL 2510 FWL Ut C
Section 29 T23S R31E
Eddy County, New Mexico*

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If you need any additional information, please call me at 432-685-5717.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Stewart".

David Stewart
Sr. Regulatory Analyst
OXY USA WTP LP

Attachments

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

UNITED STATES DEPT OF
INTERIOR
BUREAU OF LAND MANAGEMENT
620 E. GREENE STREET
CARLSBAD, NM 88220-6292

2. Article Number

(Transfer from service label)

7005 0390 0002 9910 6524

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

STATE OF NEW MEXICO
ENERGY & MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
1301 W. GRAND AVE.
ARTESIA, NM 88210

2. Article Number

(Transfer from service label)

7005 0390 0002 9910 6500

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

 D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

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 Yes**SENDER: COMPLETE THIS SECTION**

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1. Article Addressed to:

STATE OF NEW MEXICO
ENERGY & MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
SANTA FE, NM 87505

2. Article Number

(Transfer from service label)

7005 0390 0002 9910 6517

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

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 If YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Devon Energy Prod. Co. LP
 ATTN: Ken Gray
 20 N. Broadway
 Oklahoma City, OK 73102

2. Article Number

(Transfer from service label)

7005 0390 0002 9910 6531

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature:

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Southwest Royalties Inc.
 Attn: Randy Howard
 6 Dester Drive, Suite 2100
 Midland, TX 79705

2. Article Number

(Transfer from service label)

7005 0390 0002 9910 6548

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf YES, enter delivery address below: No

3. Service Type

 Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

 Yes

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 22, 2009 10:35 AM
To: 'david_stewart@oxy.com'
Subject: Federal 29 #1; NSL Application

Dear Mr. Stewart:

Please see my email written a few minutes ago concerning the Federal 29 #5. It appears that the Federal 29 #2 location also encroaches toward the SW/4 SE/4 of Section 21, and the same requirement will apply as in the case of the #5.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, September 22, 2009 1:56 PM
To: 'David_Stewart@oxy.com'
Subject: RE: Federal 29 #5 NSL Application - Federal 29 #1

Dear Mr. Stewart

Our interpretation is that, in the case of a diagonal encroachment, a proposed non-standard location encroaches if it is closer to the common corner than the nearest standard location. Since the nearest standard location to the common corner would be 330 feet from each unit boundary, it would be the square root of two time 330 feet squared, or 467 feet from the common corner.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

From: David_Stewart@oxy.com [mailto:David_Stewart@oxy.com]
Sent: Tuesday, September 22, 2009 12:31 PM
To: Brooks, David K., EMNRD
Subject: RE: Federal 29 #5 NSL Application - Federal 29 #1

Dear Mr. Brooks

I was going by 19.15.4.12.A(2)(c) where it talks about adjoining spacing units that are being encroached upon by the unorthodox location. So I calculated the distance from the proposed surface location and came up with well #1 being +/- 354' and #5 being +/- 376' from the spacing unit in the SW/4SE/4 of Sec 21. If this is not correct, please let me know and I will get with our land department to find out about that spacing unit. I appreciate the help.

Thanks,
David Stewart
Sr. Regulatory Analyst
OXY Permian
432-685-5717
Fax-432-685-5742

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, September 22, 2009 11:26 AM
To: Stewart, David
Subject: Federal 29 #5 NSL Application

Dear Mr. Stewart

In addition to the encroachment toward the NW/4 NE/4 of Section 29, this proposed location also encroaches diagonally toward the SW/4 SE/4 of Section 21, to the northeast. See definition of "adjoining spacing unit. 19.15.2.7.A(5) NMAC.

According to NMOCD records, it seems that OXY is operator of the Delaware well in the SW/4 SE/4 of Section 21. However, if there are other working interest owners who own no interest in the proposed Federal 29 #5 well, or own a smaller interest in the well than there interest in the SW/4 SE/4 of Section 21, notice of this application to those working interest owners will be required.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

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District III
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-015-		'Pool Code 53815		'Pool Name Sand Dunes Delaware, West	
'Property Code 304820		'Property Name Federal 29			'Well Number 1
'OGRID No. 16696		'Operator Name OXY USA INC.			'Elevation 3339.6'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	29	23S	31E		330	north	2910	west	Eddy

¹¹ 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	"Joint or Infill	"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.

16	21	Pure Gold A Fed. OXY USA INC. 11	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date _____ David Stewart Printed Name
	29	03 010	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____