

RECEIVED: <b>06/23/22</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL2218132365</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



**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

**Applicant:** OXY USA INC. (16696) **OGRID Number:** 16696  
**Well Name:** ARKENSTONE 31 FEDERAL COM #1H **API:** 30-015-46370  
**Pool:** PURPLE SAGE WOLFCAMP (GAS)/WC-015 G-08 S233135; WOLFCAMP **Pool Code:** 98220/98236

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<b>FOR OCD ONLY</b>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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.

LESLIE REEVES

Print or Type Name

*Leslie T. Reeves*

Signature

6/29/2022  
Date

713-497-2492  
Phone Number

LESLIE\_REEVES@OXY.COM  
e-mail Address



# OXY USA Inc

5 Greenway Plaza, Suite 110  
Houston, TX 77046-0521

June 28, 2022

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

Attention: Leonard Lowe

Re: ***Application for Administrative Approval of Non-Standard Location  
Arkenstone 31 Federal Com 1H – WC-015 G-08 S233135; Wolfcamp/ Purple Sage Wolfcamp  
Surface – 130’ FNL 895’ FWL Unit D (Lot 1), Sec 31 T23S R31E  
First Take Point – 100’ FNL 333’ FWL Unit D (Lot 1), Sec 31 T23S R31E  
Last Take Point – 100’ FSL 333’ FWL Unit M (Lot 7), Sec 6 T24S R31E  
Bottom Hole –20’ FSL 333’ FWL Unit M (Lot 7), Sec 7 T24S R31E  
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Arkenstone 31 Federal Com 1H well, API Number-30-015-46370, Property Code 326150. The #1H well is proposed to be completed, partially in the Purple Sage Wolfcamp pool, Pool Code 98220, which has special pool rules specifying the completed interval must be located 330 feet from the exterior boundary of the applicable spacing unit. The proposed completed interval is projected as follows:

Surface – 130’ FNL 895’ FWL Unit D (Lot 1), Sec 31 T23S R31E  
First Take Point – 100’ FNL 333’ FWL Unit D (Lot 1), Sec 31 T23S R31E - (WC-015 G-08 S233135; Wolfcamp pool-98236 – Standard Location)  
Last Take Point – 100’ FSL 333’ FWL Unit M (Lot 7), Sec 6 T24S R31E – (Purple Sage Wolfcamp Pool- 98220 – Non-Standard Location)  
Bottom Hole –20’ FSL 333’ FWL Unit M (Lot 7), Sec 7 T24S R31E

- The adjoining units which the LTP, unorthodox location, encroaches are located to the South in T24S R31E, Section 7 –Units C, D, E, and F, which are 100% working interest owned by OXY.

Approval of the unorthodox LTP will allow for efficient spacing of horizontal wells in the wolfcamp formation and thereby prevent waste.

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

1. C-102 Plat for the proposed well.
2. List of affected offset parties in each adjoining spacing unit in the same pool or formation located closer to the unorthodox well location than the minimum distance prescribed by applicable rule or order, copies of the signed certified return receipts will be furnished upon request.
3. Statement from Oxy Development Area Engineer.

Sincerely,

Leslie Reeves  
Regulatory Manager  
Leslie\_Reeves@oxy.com



# OXY USA Inc

5 Greenway Plaza, Suite 110  
Houston, TX 77046-0521

June 29, 2022

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location  
Arkenstone 31 Federal Com 1H – WC-015 G-08 S233135; Wolfcamp/ Purple Sage Wolfcamp  
Surface – 130' FNL 895' FWL Unit D (Lot 1), Sec 31 T23S R31E  
First Take Point – 100' FNL 333' FWL Unit D (Lot 1), Sec 31 T23S R31E  
Last Take Point – 100' FSL 333' FWL Unit M (Lot 7), Sec 6 T24S R31E  
Bottom Hole – 20' FSL 333' FWL Unit M (Lot 7), Sec 7 T24S R31E  
Eddy County, New Mexico***

To Whom it May Concern:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval for a non-standard location and non-standard proration unit. As an affected party, notice is being provided to you pursuant to Rule 19.15.4.12(A)(2)(a), 19.15.15.9(A) and 19.15.16.15(B). The well is located as follows:

Surface – 130' FNL 895' FWL Unit D (Lot 1), Sec 31 T23S R31E  
First Take Point – 100' FNL 333' FWL Unit D (Lot 1), Sec 31 T23S R31E  
Last Take Point – 100' FSL 333' FWL Unit M (Lot 7), Sec 6 T24S R31E  
Bottom Hole – 20' FSL 333' FWL Unit M (Lot 7), Sec 7 T24S R31E

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: Leonard Lowe).

If you need any additional information, you can contact Matt Cole at 713-366-5928 or myself at 713-497-2492.

Thank you,

A handwritten signature in blue ink that reads "Leslie Reeves".

Leslie Reeves  
Regulatory Manager  
OXY USA Inc.

**DISTRICT I**  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. FIRST ST., ARTESIA, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**DISTRICT III**  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**DISTRICT IV**  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
**Energy, Minerals & Natural Resources Department**  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-46370</b>		Pool Code <b>98236</b>	Pool Name <b>WC-015 G-08 S233135; WOLFCAMP</b>
Property Code <b>326150</b>	Property Name <b>ARKENSTONE 31 FEDERAL</b>		Well Number <b>1H</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>		Elevation <b>3347.3'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	31	23-S	31-E		130	NORTH	895	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
7	6	24-S	31-E		20	SOUTH	333	WEST	EDDY

Dedicated Acres <b>647.91</b>	Joint or Infill <b>Y</b>	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**

**NAD83 SURFACE LOCATION**  
Y=461540.5 N  
X=699152.8 E  
LAT.=32.267818° N  
LONG.=103.822745° W

**NAD27 SURFACE LOCATION**  
Y=461481.2 N  
X=657969.2 E  
LAT.=32.267695° N  
LONG.=103.822259° W

**POINT LEGEND NAD83**

1	Y=461692.5 N
2	X=703599.6 E
3	Y=459051.9 N
4	X=703615.3 E
5	Y=456410.9 N
6	X=703629.2 E
7	Y=451180.0 N
8	X=703842.6 E
9	Y=451107.7 N
10	X=701001.4 E
11	Y=456396.8 N
12	X=700990.4 E
13	Y=461680.6 N
14	X=700956.6 E
15	Y=461665.2 N
16	X=698257.2 E
17	Y=459024.2 N
18	X=698269.2 E
19	Y=456382.3 N
20	X=698281.8 E
21	Y=453939.8 N
22	X=698291.2 E
23	Y=451095.2 N
24	X=698302.4 E

**NAD83 PROPOSED BOTTOM HOLE LOCATION**  
Y=451116.7 N  
X=698635.3 E  
LAT.=32.239172° N  
LONG.=103.824579° W

**OPERATOR CERTIFICATION**

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

*Leslie T. Reeves* 6/29/2022  
Signature Date

**LESLIE REEVES**  
Printed Name

**LESLIE\_REEVES@OXY.COM**  
E-mail Address

**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.*

SEPTEMBER 11, 2018  
Date of Survey

Signature & Seal of Professional Surveyor



*Chad Harcrow* 6/7/22  
Certificate No. CHAD HARCROW 17777  
W.O. #22-545 DRAWN BY: BD

**DISTRICT I**  
1625 N. FRENCH DR., HOBBS, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**DISTRICT II**  
811 S. FIRST ST., ARTESIA, NM 88210  
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**DISTRICT IV**  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-46370</b>		Pool Code <b>98220</b>	Pool Name <b>PURPLE SAGE WOLFCAMP (GAS)</b>
Property Code <b>326150</b>	Property Name <b>ARKENSTONE 31 FEDERAL</b>		Well Number <b>1H</b>
OGRID No. <b>16696</b>	Operator Name <b>OXY USA INC.</b>		Elevation <b>3347.3'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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**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
7	6	24-S	31-E		20	SOUTH	333	WEST	EDDY

Dedicated Acres <b>648.19</b>	Joint or Infill	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

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*Leslie T. Reeves* 6/29/2022  
Signature Date

**LESLIE REEVES**  
Printed Name

**LESLIE\_REEVES@OXY.COM**  
E-mail Address

**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.

SEPTEMBER 11, 2018  
Date of Survey

Signature & Seal of Professional Surveyor



*Chad Harcrow* 6/7/22  
Certificate No. CHAD HARCROW 17777  
W.O. #22-545 DRAWN BY: BD

Intent  As Drilled

API # <b>30-015-46370</b>		
Operator Name: OXY USA Inc.	Property Name: ARKENSTONE 31 FEDERAL COM	Well Number 1H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	31	23S	31E		50	FNL	333	FWL	EDDY
Latitude <b>32.268035</b>					Longitude <b>-103.824563</b>				NAD <b>NAD83</b>

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	31	23S	31E		100	FNL	333	FWL	EDDY
Latitude <b>32.267898</b>					Longitude <b>-103.824564</b>				NAD <b>NAD83</b>

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
M	6	24S	31E		100	FSL	333	FWL	EDDY
Latitude <b>32.239391</b>					Longitude <b>-103.824579</b>				NAD <b>NAD83</b>

Is this well the defining well for the Horizontal Spacing Unit?  N

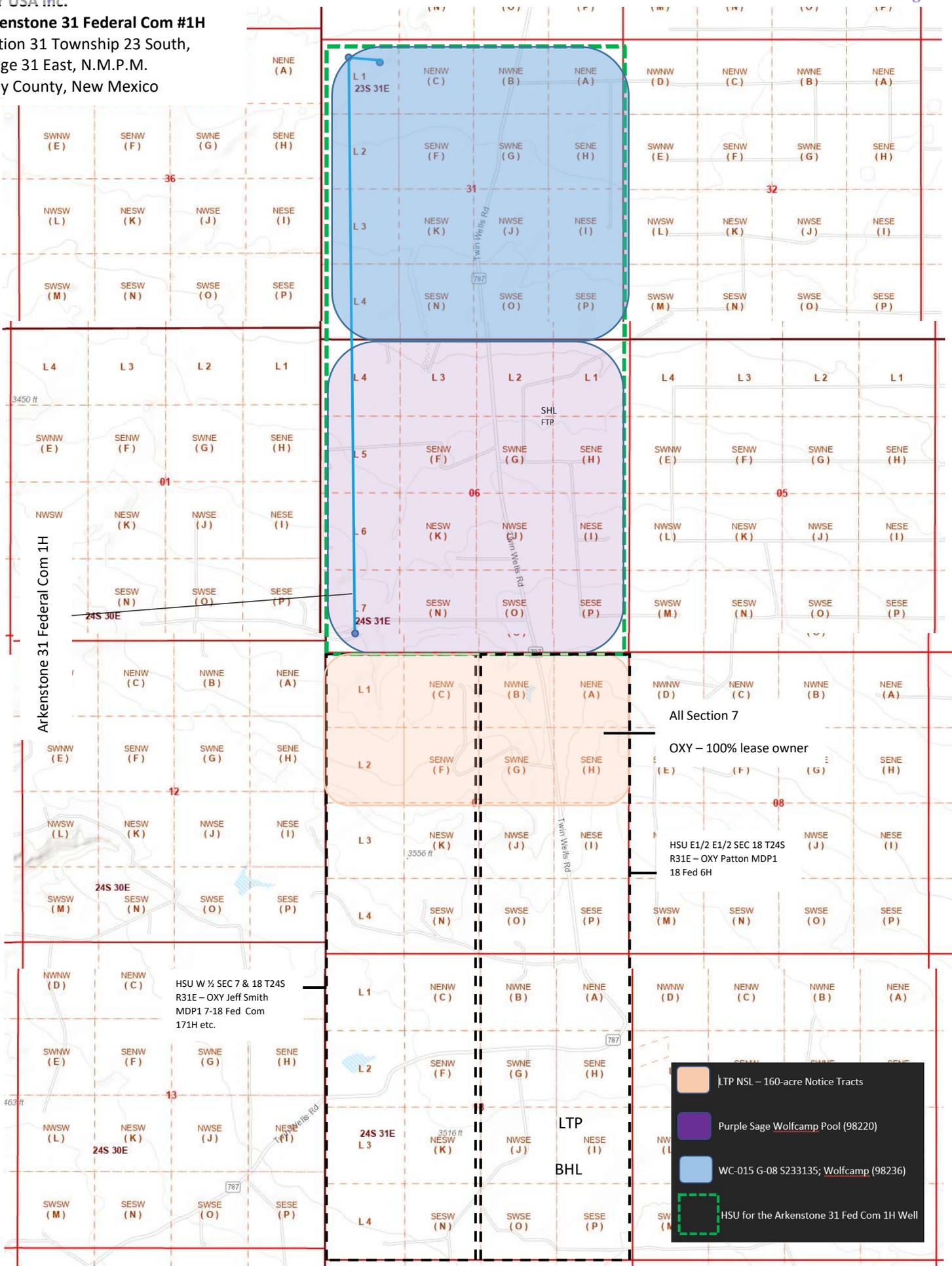
Is this well an infill well?  Y

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API # <b>30-015-47318</b>		
Operator Name: OXY USA INC.	Property Name: ARKENSTONE 31 FEDERAL	Well Number #172H

KZ 06/29/2018

**Arkenstone 31 Federal Com #1H**  
Section 31 Township 23 South,  
Range 31 East, N.M.P.M.  
Eddy County, New Mexico



All Section 7  
 OXY – 100% lease owner  
 HSU E1/2 E1/2 SEC 18 T24S  
 R31E – OXY Patton MDP1  
 18 Fed 6H

- LTP NSL – 160-acre Notice Tracts
- Purple Sage Wolfcamp Pool (98220)
- WC-015 G-08 S233135; Wolfcamp (98236)
- HSU for the Arkenstone 31 Fed Com 1H Well



**OXY USA INC.**  
A subsidiary of Occidental Petroleum Corporation

5 Greenway Plaza, Suite 110, Houston, Texas 77046  
P.O. Box 4294, Houston, Texas 77210-4294

June 28, 2022

**Re: Arkenstone 31 Federal Com 1H, 2H, 5H, 7H, 171H, 172H, 174H**

**Section 31, T23S R31E, Eddy County**  
**Section 6, T24S, R31E, Eddy County**

To Whom It May Concern:

OXY USA INC., OXY Y-1 Company and Occidental Permian Limited Partnership, all subsidiaries of Occidental Petroleum Corporation, are the sole Working Interest Owners of Section 7, T24S, R31E as to depths below the Bone Spring Formation. If you have any questions, please contact me at the number listed below.

Best Regards,

**OXY USA INC.**

A handwritten signature in black ink, appearing to read "Matt Cole". The signature is fluid and cursive, with the first letter of each word being capitalized and prominent.

Matt Cole  
Land Negotiator  
713-366-5928



**Occidental Oil and Gas Corporation**  
**ATTN: Pablo Cabal**  
**5 Greenway Plaza, Suite 110**  
**Houston, TX 77046**  
**713-215-7433**  
**pablo\_cabal@oxy.com**

June 29, 2022

Mr. Leonard Lowe  
New Mexico Oil Conservation Division  
1220 South Francis Drive  
Santa Fe, New Mexico 87505

RE: ***Application for Nonstandard Location & Nonstandard Proration—Engineering Justification***  
***OXY USA Inc.***  
***Well List below***  
***T23S R 31E, Section 31 & T24S R31E, Section 6 – All, Eddy County***

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the last take point for below list of wells in the Wolfcamp formation of the Purple Sage Pool from 330 feet to 100 feet. It is Oxy's responsibility as a prudent operator to maximize lateral length and minimize reserves left in the ground. Decreasing the last take point will increase this well's effective lateral length by 230 feet and increase the estimated ultimate recovery of the well by approximately 2.3%. Any increase in first or last take point would result in untapped reserves left in the reservoir, and waste of a resource that would otherwise go undeveloped.

ARKENSTONE 31 FEDERAL 1H  
ARKENSTONE 31 FEDERAL 2H  
ARKENSTONE 31 FED COM 5H  
ARKENSTONE 31 FEDERAL 7H  
ARKENSTONE 31 FEDERAL 171H  
ARKENSTONE 31 FEDERAL 172H  
ARKENSTONE 31 FEDERAL 174H

Sincerely,

A handwritten signature in blue ink, appearing to read "P. Cabal", is placed over a light blue rectangular background.

Pablo Cabal  
Development Engineer

**Application Non-Standard Location - Service List**

**OXY USA Inc.**

**Arkenstone 31 Federal Com 1H**

**Online Submission**

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

**Certified Mail #7019 0700 0000 0995 4663**

Bureau of Land Management Carlsbad  
620 E. Greene Street  
Carlsbad, NM 88220-6292

**Offset Tracts Section 7 (T24S-R31E) - Units A, B, C, D, E, F, G, H,  
100% Working Interest Owner**

OXY USA Inc.  
5 Greenway Plaza, Suite 110  
Houston, Texas 77046-0521

Copies of this application were mailed to the individuals, companies and organizations  
on or before June 29, 2022



---

Leslie Reeves, Regulatory Manager  
OXY USA Inc.

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 120001

**CONDITIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 120001
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	NSL - 8399 is approved. The approved order can be retrieved at the following OCD website: <a href="https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx">https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx</a>	6/30/2022