

Revised March 23, 2017

ID NO. 225576

NSL - 8602

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|-----------|-----------|-------|-------------------------------|
| RECEIVED: | REVIEWER: | TYPE: | APP NO: pLEL2316033895 |
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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: CHUCK SMITH MDP1 8-17 FEDERAL COM 24H **API:** PENDING
Pool: PURPLE SAGE WOLFCAMP (GAS) **Pool Code:** 98220

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

| <u>FOR OCD ONLY</u> | |
|--------------------------|------------------------------|
| <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.

RONI MATHEW

Print or Type Name

Roni Mathew

Signature

6/8/2023
Date

713-215-7827
Phone Number

roni_mathew@oxy.com
e-mail Address



OXY USA Inc

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

June 8, 2023

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
Chuck Smith MDP1 8-17 Federal Com 24H – Purple Sage Wolfcamp
Surface – 279' FSL 1550' FEL Unit O Sec 5 T24S R31E
First Take Point – 100' FNL 1645' FEL Unit B, Sec 8 T24S R31E
Last Take Point – 100' FSL 1645' FEL Unit O, Sec 17 T24S R31E
Bottom Hole –20' FSL 1645' FEL Unit O, Sec 17 T24S R31E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Chuck Smith MDP1 8-17 Federal Com 24H well. The #24H well is proposed to be completed 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 – 279' FSL 1550' FEL Unit O Sec 5 T24S R31E
First Take Point – 100' FNL 1645' FEL Unit B, Sec 8 T24S R31E
Last Take Point – 100' FSL 1645' FEL Unit O, Sec 17 T24S R31E
Bottom Hole –20' FSL 1645' FEL Unit O, Sec 17 T24S R31E

The Horizontal Spacing Unit will be 640-acres including the East ½ of section 8 and section 17, T24S R31E. The adjoining units which the completed interval, unorthodox location encroaches are located in the following areas:

- To the North the adjoining units which the unorthodox location encroaches are located in T24S R31E, Section 5 – Units I, J, O, and P.
- To the South the adjoining units which the unorthodox location encroaches are located in T24S R31E, Section 20 – Units A, B, G, and H, which is operated by XTO Permian Operating, LLC.

Approval of the unorthodox, completed interval will allow for efficient spacing of horizontal wells 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 and additional plats with offsetting well and affected spacing units.
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 Reservoir Engineer.

If you need any additional information, please call me at 713-215-7827.

Sincerely,

Roni Mathew

Roni Mathew
Regulatory Advisor
roni_mathew@oxy.com



OXY USA Inc

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

June 8, 2023

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location
Chuck Smith MDP1 8-17 Federal Com 24H – Purple Sage Wolfcamp
Surface – 279' FSL 1550' FEL Unit O Sec 5 T24S R31E
First Take Point – 100' FNL 1645' FEL Unit B, Sec 8 T24S R31E
Last Take Point – 100' FSL 1645' FEL Unit O, Sec 17 T24S R31E
Bottom Hole –20' FSL 1645' FEL Unit O, Sec 17 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. 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 – 279' FSL 1550' FEL Unit O Sec 5 T24S R31E
First Take Point – 100' FNL 1645' FEL Unit B, Sec 8 T24S R31E
Last Take Point – 100' FSL 1645' FEL Unit O, Sec 17 T24S R31E
Bottom Hole –20' FSL 1645' FEL Unit O, Sec 17 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 713-215-7827.

Thank you,

Roni Mathew

Roni Mathew
Regulatory Advisor
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 Road, 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, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------------|--|---|--|---|---------------------------------|
| ¹ API Number 30-015- | | ² Pool Code 98220 | | ³ Pool Name PURPLE SAGE; WOLFCAMP | |
| ⁴ Property Code | | ⁵ Property Name CHUCK SMITH MDP1 8_17 FED COM | | | ⁶ Well Number 24H |
| ⁷ OGRID No. 16696 | | ⁸ Operator Name OXY USA INC. | | | ⁹ Elevation 3453' |

¹⁰ Surface Location

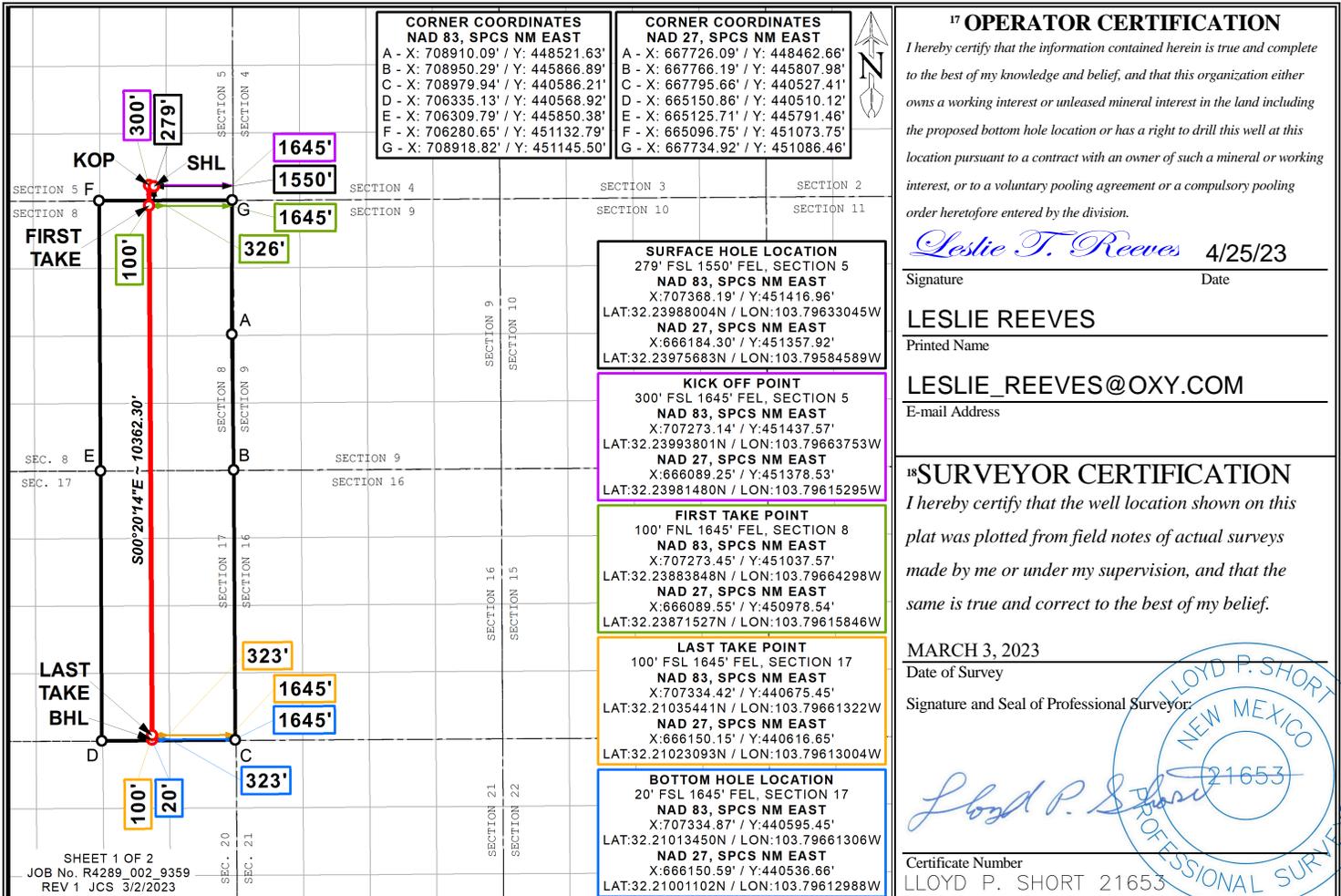
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 5 | 24S | 31E | | 279 | SOUTH | 1550 | EAST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| O | 17 | 24S | 31E | | 20 | SOUTH | 1645 | EAST | EDDY |

| | | | |
|--|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 640.0 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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.



Distances/areas relative to NAD 83 Combined Scale Factor: 0.99977581 Convergence Angle: 00°16'19.04999"

Horizontal Spacing Unit



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

June 8, 2023

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

RE: ***Application for Nonstandard Location—Engineering Justification***
OXY USA Inc.
Chuck Smith MDP1 8-17 Federal Com 24H, 25H, 26H
T24S R31E, Section 8 & 17 – East 1/2, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first and last take point for Chuck Smith MDP1 8-17 Federal Com 24H, for Chuck Smith MDP1 8-17 Federal Com 25H and the for Chuck Smith MDP1 8-17 Federal Com 26H 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 first and last take point will increase the well's effective lateral length by 460 feet and increase the estimated ultimate recovery of the well by approximately 5%. 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.

Sincerely,

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

Pablo Cabal
Development Engineer

Application Non-Standard Location - Service List

OXY USA Inc.

Chuck Smith MDP1 8-17 Federal Com 24H

Online Submission

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

Certified Mail # 9407 1118 9876 5420 5932 50

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

Offset Tracts Section 5 (T24S-R31E) - Units I, J, O, and P

Offset Tracts Section 20 (T24S-R31E) - Units A, B, G, and H

100% Working Interest Owner

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, Texas 77

Existing Horizontal Spacing Unit Sections 20 & 29 (T24S-R31E) - Units A, B, G, H, I, J, O, P (W 1/2 HSU)

Certified Mail # 9407 1118 9876 5420 5932 67

Operator:

XTO Permian Operating, LLC (373075)
22777 Springwoods Village Parkway
Spring, Texas 77389

Copies of this application were mailed to the following individuals, companies and organizations on or before June 8, 2023

Roni Mathew

Roni Mathew, Regulatory Advisor
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
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District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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District IV
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 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 225576

CONDITIONS

| | |
|--|--|
| Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294 | OGRID: 16696 |
| | Action Number: 225576 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 6/9/2023 |