

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary - Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Leslie Reeves
Leslie_Reeves@oxy.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8823

OXY USA, INC. [OGRID 16696]
Corral Fly 1 State Com Well No. 72H
API No. 30-015-55409

Reference is made to your application received on November 6th, 2024.

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	363 FSL & 1717 FWL	N	01	25S	29E	Eddy
First Take Point	100 FSL & 2210 FWL	N	01	25S	29E	Eddy
Last Take Point	100 FSL & 1570 FEL	O	01	25S	29E	Eddy
Terminus	20 FSL & 1570 FEL	O	01	25S	29E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 Section 01	319.92	Pierce Crossing; Bone Spring, East	96473
W/2 E/2 Section 01			

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an oil well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8823
OXY USA, INC.
Page 2 of 2

well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 241 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 01, encroachment to the E/2 E/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location in order to optimize the spacing of wells, to maximize well effectiveness and thus preventing waste and protecting correlative rights within the Bone Spring formation underlying the E/2 W/2 and the W/2 E/2 of Section 01.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 1/15/2025

NSL - 8823

Revised March 23, 2017

ID NO. 400082

RECEIVED: 11/06/24	REVIEWER:	TYPE:	APP NO: pLEL2431754893
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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: CORRAL FLY 1 STATE COM #72H API: 30-015-55409
 Pool: PIERCE CROSSING; BONE SPRING, EAST Pool Code: 96473

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

FOR OCD ONLY	
<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

11/5/2024
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

November 5, 2024

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
Corral Fly 1 State Com 72H – Pierce Crossing, Bone Spring, East
Surface – 363' FSL 1717' FWL Unit N Sec 1 T25S R29E
First Take Point – 100' FSL 2210' FWL Unit N Sec 1 T25S R29E
Last Take Point – 100' FSL 1570' FEL Unit O Sec 1 T25S R29E
Bottom Hole – 20' FSL 1570' FEL Unit O Sec 1 T25S R29E
Eddy County, New Mexico***

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Corral Fly 1 State Com 72H well. The #72H well is proposed to be completed in the Pierce Crossing, Bone Spring, East pool, Pool Code 96473. The horizontal rules specify that 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 – 363' FSL 1717' FWL Unit N Sec 1 T25S R29E
First Take Point – 100' FSL 2210' FWL Unit N Sec 1 T25S R29E
Last Take Point – 100' FSL 1570' FEL Unit O Sec 1 T25S R29E
Bottom Hole – 20' FSL 1570' FEL Unit O Sec 1 T25S R29E

The Horizontal Spacing Unit will be 319.92-acres including the East ½ West ½ of section 1 and the West ½ East ½ section 1, T25S R29E. The adjoining units which the completed interval, unorthodox location encroaches are located in the following areas:

- To the East the adjoining units which the unorthodox location encroaches are in T25S R29E, Section 1 – Units A, H, I, and P.

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 713-497-2492.

Sincerely,

Leslie T. Reeves

Leslie Reeves
Regulatory Manager
Leslie_Reeves@oxy.com



OXY USA Inc

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

November 5, 2024

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: ***Application for Administrative Approval of Non-Standard Location
Corral Fly 1 State Com 72H – Pierce Crossing, Bone Spring, East
Surface – 363’ FSL 1717’ FWL Unit N Sec 1 T25S R29E
First Take Point – 100’ FSL 2210’ FWL Unit N Sec 1 T25S R29E
Last Take Point – 100’ FSL 1570’ FEL Unit O Sec 1 T25S R29E
Bottom Hole – 20’ FSL 1570’ FEL Unit O Sec 1 T25S R29E
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 – 363’ FSL 1717’ FWL Unit N Sec 1 T25S R29E
First Take Point – 100’ FSL 2210’ FWL Unit N Sec 1 T25S R29E
Last Take Point – 100’ FSL 1570’ FEL Unit O Sec 1 T25S R29E
Bottom Hole – 20’ FSL 1570’ FEL Unit O Sec 1 T25S R29E

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 Alissa Payne at 713-497-2413 or myself at 713-497-2492.

Thank you,

Leslie T. Reeves

Leslie Reeves
Regulatory Manager
OXY USA Inc.

Property Name CORRAL FLY 1 STATE COM	Well Number 72H	Drawn By L.T.T. 07-31-24	Revised By
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NAD 83 (SURFACE HOLE LOCATION)
LATITUDE = 32°09'10.70" (32.152973°)
LONGITUDE = -103°56'27.82" (-103.941061°)
NAD 27 (SURFACE HOLE LOCATION)
LATITUDE = 32°09'10.26" (32.152849°)
LONGITUDE = -103°56'26.07" (-103.940576°)
STATE PLANE NAD 83 (N.M. EAST)
N: 419607.92' E: 662735.27'
STATE PLANE NAD 27 (N.M. EAST)
N: 419549.51' E: 621550.64'

NAD 83 (KICK OFF POINT)
LATITUDE = 32°09'04.18" (32.151160°)
LONGITUDE = -103°56'22.08" (-103.939466°)
NAD 27 (KICK OFF POINT)
LATITUDE = 32°09'03.73" (32.151036°)
LONGITUDE = -103°56'20.33" (-103.938981°)
STATE PLANE NAD 83 (N.M. EAST)
N: 418950.35' E: 663231.31'
STATE PLANE NAD 27 (N.M. EAST)
N: 418891.96' E: 622046.65'

NAD 83 (FIRST TAKE POINT)
LATITUDE = 32°09'08.13" (32.152259°)
LONGITUDE = -103°56'22.09" (-103.939469°)
NAD 27 (FIRST TAKE POINT)
LATITUDE = 32°09'07.69" (32.152136°)
LONGITUDE = -103°56'20.34" (-103.938984°)
STATE PLANE NAD 83 (N.M. EAST)
N: 419350.26' E: 663228.90'
STATE PLANE NAD 27 (N.M. EAST)
N: 419291.87' E: 622044.26'

NAD 83 (TURN POINT 1)
LATITUDE = 32°09'47.53" (32.163202°)
LONGITUDE = -103°56'22.06" (-103.939461°)
NAD 27 (TURN POINT 1)
LATITUDE = 32°09'47.08" (32.163078°)
LONGITUDE = -103°56'20.31" (-103.938976°)
STATE PLANE NAD 83 (N.M. EAST)
N: 423330.85' E: 663216.93'
STATE PLANE NAD 27 (N.M. EAST)
N: 423272.37' E: 622032.39'

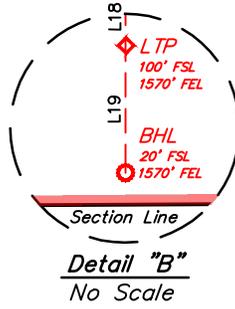
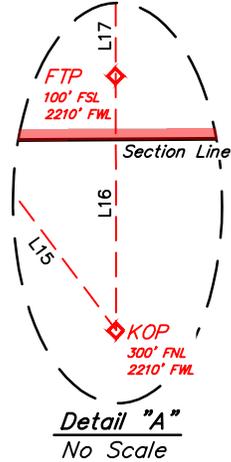
NAD 83 (TURN POINT 2)
LATITUDE = 32°09'56.36" (32.165655°)
LONGITUDE = -103°56'13.03" (-103.936954°)
NAD 27 (TURN POINT 2)
LATITUDE = 32°09'55.91" (32.165531°)
LONGITUDE = -103°56'11.29" (-103.936468°)
STATE PLANE NAD 83 (N.M. EAST)
N: 424226.16' E: 663989.51'
STATE PLANE NAD 27 (N.M. EAST)
N: 424167.66' E: 622804.99'

NAD 83 (TURN POINT 3)
LATITUDE = 32°09'47.58" (32.163216°)
LONGITUDE = -103°56'04.29" (-103.934526°)
NAD 27 (TURN POINT 3)
LATITUDE = 32°09'47.13" (32.163092°)
LONGITUDE = -103°56'02.55" (-103.934041°)
STATE PLANE NAD 83 (N.M. EAST)
N: 423341.56' E: 664743.89'
STATE PLANE NAD 27 (N.M. EAST)
N: 423283.08' E: 623559.34'

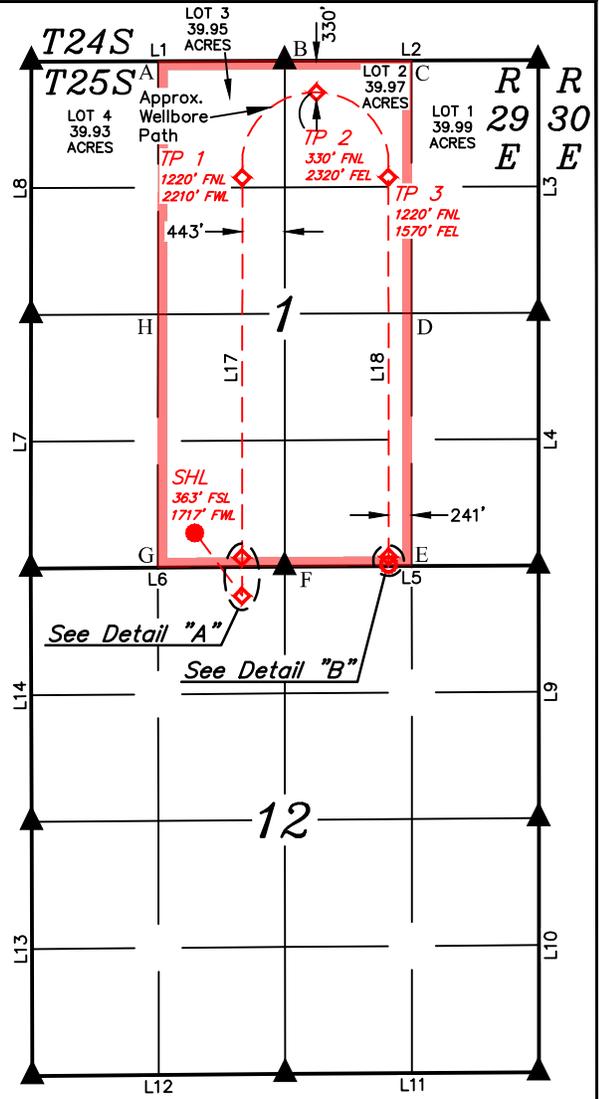
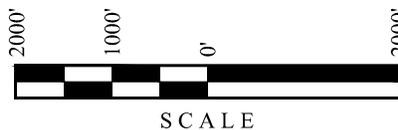
NAD 83 (LAST TAKE POINT)
LATITUDE = 32°09'08.23" (32.152287°)
LONGITUDE = -103°56'04.24" (-103.934510°)
NAD 27 (LAST TAKE POINT)
LATITUDE = 32°09'07.79" (32.152164°)
LONGITUDE = -103°56'02.49" (-103.934025°)
STATE PLANE NAD 83 (N.M. EAST)
N: 419366.08' E: 664763.62'
STATE PLANE NAD 27 (N.M. EAST)
N: 419307.69' E: 623578.96'

NAD 83 (BOTTOM HOLE LOCATION)
LATITUDE = 32°09'07.44" (32.152067°)
LONGITUDE = -103°56'04.24" (-103.934510°)
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°09'07.00" (32.151944°)
LONGITUDE = -103°56'02.49" (-103.934025°)
STATE PLANE NAD 83 (N.M. EAST)
N: 419286.10' E: 664764.01'
STATE PLANE NAD 27 (N.M. EAST)
N: 419227.71' E: 623579.35'

NOTE:
 • Distances referenced on plat to section lines are perpendicular.
 • Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)



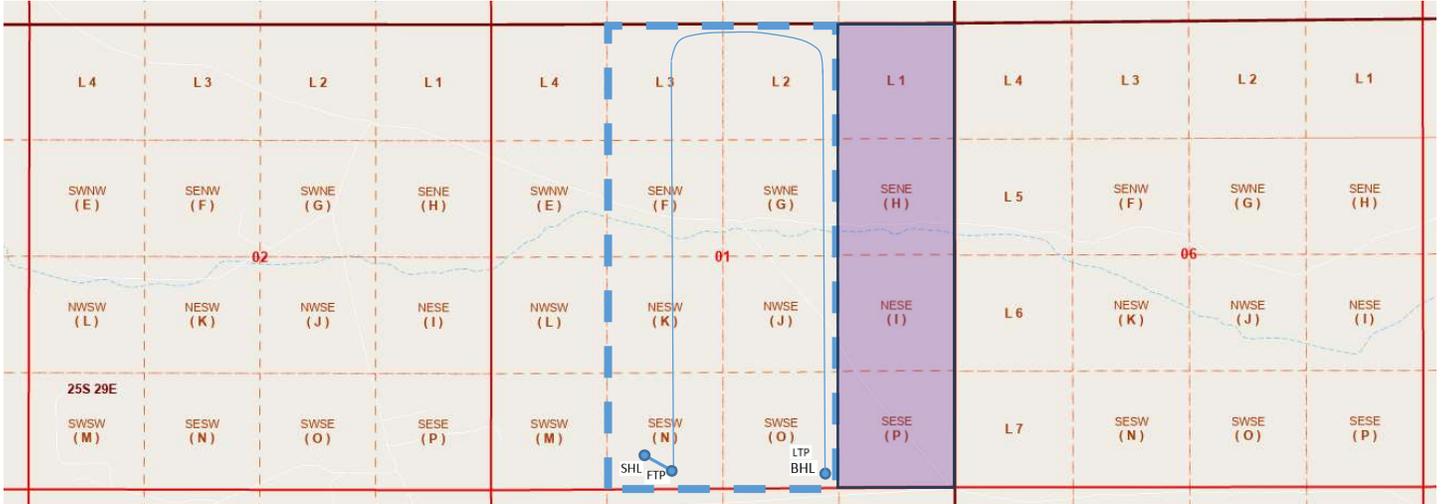
LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°49'40"W	2651.87'
L2	S89°50'31"W	2653.10'
L3	N00°03'12"W	2644.86'
L4	N00°02'24"W	2646.49'
L5	S89°39'34"W	2658.17'
L6	S89°37'24"W	2657.23'
L7	N00°04'21"E	2656.26'
L8	N00°03'27"E	2653.06'
L9	N00°04'46"W	2646.95'
L10	N00°02'30"E	2662.95'
L11	S89°37'52"W	2654.54'
L12	S89°30'00"W	2646.75'
L13	N00°10'06"W	2662.50'
L14	N00°10'27"W	2654.36'
L15	S36°47'22"E	823.85'
L16	N00°06'17"W	400.00'
L17	N00°04'02"E	3981.43'
L18	S00°02'41"E	3976.34'
L19	S00°02'24"E	80.00'



HSU COORDINATES				
POINT	NAD 27 N.M. STATE PLANE, EAST ZONE		NAD 83 N.M. STATE PLANE, EAST ZONE	
	NORTHING	EASTING	NORTHING	EASTING
A	424485.74	621144.68	424544.25	662329.17
B	424495.27	622470.30	424553.78	663654.80
C	424504.48	623796.53	424562.98	664981.05
D	421858.03	623808.58	421916.48	664993.17
E	419210.15	623820.32	419268.54	665004.98
F	419196.70	622491.58	419255.09	663676.24
G	419182.41	621163.33	419240.80	662347.97
H	421835.18	621154.18	421893.64	662338.75

- = SURFACE HOLE LOCATION
- ◆ = KICK OFF POINT/TAKE POINTS/TURN POINTS
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED
- = HORIZONTAL SPACING UNIT

OXY USA Inc.
CORRAL FLY 1 STATE COM 72H NSL Notice Plat
Section 1 Township 25 South, Range 29 East, N.M.P.M.
Eddy County, New Mexico



Legend:

- Offset Encroaching Tracts
- HSU boundary
- Wellbore



Occidental Oil and Gas Corporation
ATTN: Winslow Horne
5 Greenway Plaza, Suite 110
Houston, TX 77046
832-567-4494
Winslow_Horne@oxy.com

November 5, 2024

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.
Corral Fly 1 State Com 72H (30-015-55409)
T25S R29E, Section 1 – West ½ East 1/2 & East 1/2 West ½, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, completing within 330' of the HSU boundary at the subject wells last take point. It is Oxy's responsibility as a prudent operator to minimize reserves left in the ground. Completing the well 330' of the HSU boundary will maximize and subsequently optimize the spacing between the wells in the flow unit to maximize well effectiveness and ultimate recovery in the Corral Fly 1 State Com 72H and wells adjacent. Reducing the space between wells would lead to untapped reserves remaining in the reservoir, and waste of a resource that would otherwise go undeveloped.

Sincerely,

Winslow Horne
Development Reservoir Engineer

Application Non-Standard Location - Service List

OXY USA Inc.

Corral Fly 1 State Com 72H

30-015-55409

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
Submitted Electronically on OCD Website

NM State Land Office
P.O. Box 1148
Santa, Fe, NM 87504
9407 1118 9876 5481 7140 69

Section 1

T25S-R29E

OXY USA Inc.
5 Greenway Plaza, Ste 110
Houston, TX 77046

COG Operating LLC
600 W Illinois Avenue
Midland, TX 79701
9407 1118 9876 5481 7140 07

Contango Resources Inc.
301 NW 63rd Street, Suite 300
Oklahoma City, OK, 73116
9407 1118 9876 5481 7140 45

Copies of this application were mailed to the following individuals, companies and organizations on or before November 6, 2024.

Leslie T. Reeves

Leslie Reeves
OXY USA Inc.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 400082

CONDITIONS

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 400082
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	An NSP order will be needed for this well and HSU.	1/27/2025