

Approved

NSL

Order

Approved: 10/31/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



October 31, 2019

Ms. Jana Mendiola
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NON-STANDARD LOCATION

Administrative Order NSL-7956

**Oxy USA, Inc. [OGRID 16696]
Corral Canyon 36 25 Federal Com Well No. 044H
API No. 30-015-PENDING**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|-------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 910 FNL & 150 FEL | A | 1 | 25S | 29E | Eddy |
| First Take Point | 100 FSL & 940 FEL | P | 36 | 24S | 29E | Eddy |
| Last Take Point | 100 FNL & 940 FEL | A | 25 | 24S | 29E | Eddy |
| Terminus | 20 FNL & 940 FEL | A | 25 | 24S | 29E | Eddy |

Proposed Horizontal Gas Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------------------------|--------------|-----------------------------|------------------|
| E2 of Section 36 E2 of Section 25 | 640 | Purple Sage; Wolfcamp (GAS) | 98220 |

Reference is made to your application received on October 10, 2019.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the southern and northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 1, 25S 29E, encroachment to the NE/4
Section 24, 24S 29E, encroachment to the SE/4

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

Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the E2 of Section 36 and E2 of Section 25.

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

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office
State Land Office – Oil, Gas, and Minerals Division