

Approved

NSL

Order

Approved: 11/21/19

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



November 21, 2019

Ms. Jana Mendiola
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NON-STANDARD LOCATION

Administrative Order NSL-7946

**Oxy USA, Inc. [OGRID 16696]
Salt Flat CC 20 29 Federal Com Well No. 31H
API No. 30-015-45080**

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	252 FSL & 1222 FWL	M	17	24S	29E	Eddy
First Take Point	100 FSL & 380 FWL	D	20	24S	29E	Eddy
Last Take Point	300 FNL & 380 FWL	M	29	24S	29E	Eddy
Terminus	20 FNL & 380 FWL	M	29	24S	29E	Eddy

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
W2 of Section 20 W2 of Section 29	640	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on October 21, 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 (R-14262) 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 northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 17, encroachment to the SW/4

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.

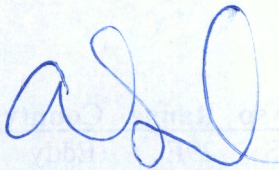
The Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 20 and Section 29.

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.

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