

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Adrienne E. Sandoval, Director
Oil Conservation Division



November 4th, 2021

Ms. Leslie Reeves
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NON-STANDARD LOCATION

Administrative Order NSL-8242

Oxy USA INC. [OGRID 16696]
Tails CC 10 3 Federal Com Well No. 32H
API No. 30-015-48880

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	220 FSL & 1760 FWL	N	10	24S	29E	Eddy
First Take Point	100 FSL & 990 FWL	M	10	24S	29E	Eddy
Last Take Point	100 FNL & 990 FWL	D/4	3	24S	29E	Eddy
Terminus	20 FNL & 990 FWL	D/4	3	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Section 10	1278.62	Purple Sage; Wolfcamp (GAS)	98220
Section 3			

Reference is made to your application received on October 14th, 2021.

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 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 edges. Encroachment will impact the following tract.

Section 15, encroachment to the NW/4
Section 34, 23S 29E, 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 Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location to allow for efficient spacing of wells within the Wolfcamp formation underlying section 10 and section 3. Thereby preventing waste.

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 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.

A handwritten signature in black ink, appearing to read 'AES', is written over a horizontal line.

ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Bureau of Land Management – Carlsbad Field Office