

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Ms. Leslie Reeves,
LESLIE_REEVES@OXY.COM

NON-STANDARD LOCATION

Administrative Order NSL-8345

OXY USA INC. [OGRID 16696]
Jeff Smith MDP1 7 18 Federal Com Well No. 174H
API No. 30-015-47241

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	275 FSL & 2291 FWL	N	6	24S	31E	Eddy
First Take Point	100 FNL & 1740 FWL	B	7	24S	31E	Eddy
Last Take Point	100 FSL & 1740 FWL	O	18	24S	31E	Eddy
Terminus	20 FSL & 1740 FWL	O	18	24S	31E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of section 7	640	Purple Sage; Wolfcamp (GAS)	98220
E/2 of section 18			

Reference is made to your application received on March 28th, 2022

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 northern and southern edge. Encroachment will impact the following tract.

Section 6, encroachment to the SE/4
Section 19, encroachment to the NE/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 and thereby preventing waste within the Wolfcamp formation underlying the E/2 of section 7 and the E/2 of section 18.

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.



ADRIENNE E. SANDOVAL
Division Director

Date: 5/09/2022

AES/lrl