

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Stephen Janacek
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NON-STANDARD LOCATION

Administrative Order NSL - 8516

**OXY USA INC. [OGRID 16696]
Heads CC 9 4 Federal Com Well No. 311H
API No. 30-015-47339**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	789 FNL & 1619 FWL	C	16	24S	29E	Eddy
First Take Point	100 FSL & 940 FWL	M	09	24S	29E	Eddy
Last Take Point	100 FNL & 940 FWL	4	04	24S	29E	Eddy
Terminus	20 FNL & 940 FWL	4	04	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Section 9	1280	Purple Sage; Wolfcamp (GAS)	98220
Section 4			

Reference is made to your application received on December 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 of the horizontal spacing unit. Encroachment will impact the following tract.

Section 16, encroachment to the NW/4
Section 33, T23S, R28E 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 in order to maximize ultimate recovery of the well in untapping reserves left in the reservoir, thus preventing waste within the Wolfcamp formation underlying all of Section 4, and Section 9.

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.**

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.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 1/21/2023