

State of New Mexico
Energy, Minerals and Natural Resources Department

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NON-STANDARD LOCATION

Administrative Order NSL - 8517

**OXY USA INC. [OGRID 16696]
Heads CC 9 4 Federal Com Well No. 34H
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 | 100 FSL & 2163 FEL | O | 09 | 24S | 29E | Eddy |
| First Take Point | 100 FSL & 2260 FWL | N | 09 | 24S | 29E | Eddy |
| Last Take Point | 100 FNL & 2260 FWL | 3 | 04 | 24S | 29E | Eddy |
| Terminus | 20 FNL & 2260 FWL | 3 | 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 the recovery of the well for resources, thus preventing waste within the Wolfcamp formation underlying all of Section 4, and all of Section 9.

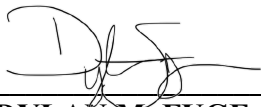
Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

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