

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Leslie Reeves
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NON-STANDARD LOCATION

Administrative Order NSL - 8529

OXY USA INC. [OGRID 16696]
Nimitz MDP1 13 1 Federal Com Well No. 173H
API No. 30-015-48589

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	195 FSL & 2444 FEL	O	13	24S	30E	Eddy
First Take Point	100 FSL & 2336 FEL	O	13	24S	30E	Eddy
Last Take Point	100 FNL & 2336 FEL	B/2	1	24S	30E	Eddy
Terminus	20 FNL & 2336 FEL	B/2	1	24S	30E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2, W/2 E/2 of Section 13	959.9	Purple Sage; Wolfcamp (GAS)	98220
E/2 W/2, W/2 E/2 of Section 12			
E/2 W/2, W/2 E/2 of Section 01			

Reference is made to your application received on January 18th, 2023.

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 24, encroachment to the E/2 NW/4 & W/2 NE/4
Section 36, T23S, R30E to the E/2 SW/4 & W/2 SE/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 horizontal wells and thereby preventing waste within the Wolfcamp formation underlying the E/2 W/2, W/2 E/2 of Section 13, E/2 W/2, W/2 E/2 of Section 12 and the E/2 W/2, W/2 E/2 of Section 01.

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: 2/9/2023