

ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

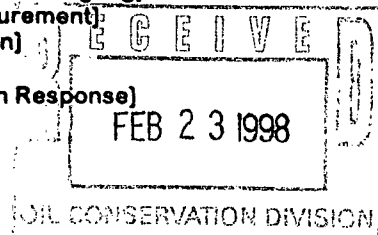
- Engineering Bureau -

## ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

### Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☒ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

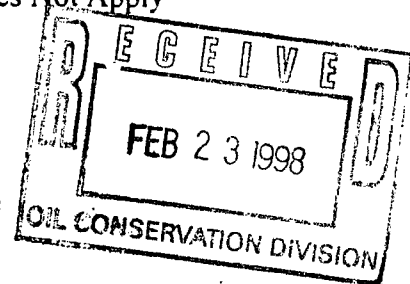
[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached



### [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Richard E. Foppiano  
Print or Type Name

*Richard E. Foppiano*  
Signature

Regulatory Affairs Advisor  
Title

2/20/98  
Date



OXY USA Inc.  
P.O. Box 50250, Midland, TX 79710-0250

February 20, 1998

New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, NM 87505

Attention: Mr. Michael E. Stogner

Re: *Application of OXY USA Inc. for Unorthodox Well Location*  
*OXY Wallace State Com. #1*  
*1350 FNL 1980 FEL Unit G Sec 9 T17S R27E*  
*Undesignated Logan Draw Morrow Pool*  
*Eddy County, New Mexico*

Dear Mr. Stogner:

OXY USA Inc. ("OXY") respectfully requests administrative approval under Rule 104 (F) of this application for the subject unorthodox gas well location. The surface location was staked 30' from an interior quarter-quarter section line. This was done due to archaeological sites to the south and to place this well as far south as possible from a well drilled in Unit O of Section 4. OXY proposes to designate the north half of the section as a 320-acre spacing unit.

OXY is requesting NSL authority for all zones below the top of the Wolfcamp to the base of the Morrow. Also attached is Form C-102 and since this well is located 1290' from the nearest side boundary and 1980' from the nearest end boundary, there are no affected parties and no notice was given. If I can provide any additional information to aid in processing this request, please call me at (915) 685-5717. Thank you for consideration of our application.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Stewart".

David Stewart  
Regulatory Analyst  
OXY USA Inc.

Attachments

CC: NMOCD - Artesia Office  
R. Foppiano - OXY USA Inc.

## BASIN SURVEYS

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address: OXY USA Inc. P.O. Box 50250 Midland, TX 79710-0250		OGRID Number 16696
		API Number 30 - 0 15-
Property Code	Property Name OXY Wallace State Com.	Well No. 1

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	9	17S	27E		1350	North	1980	East	Eddy

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Undesignated Logan Draw Morrow 80400					Proposed Pool 2				

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3381'
Multiples No	Proposed Depth 9400'	Formation Morrow	Contrast N/A	Spud Date 3/1/98

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Seals of Cement	Estimated TOC
17-1/2"	13-3/8"	48# H40	400'	420	Surface
11"	8-5/8"	24-32# K55	1800'	515	Surface
7-7/8"	4-1/2"	11.6# N80	9400'	640	6500'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See other side

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

David Stewart

Title:

Regulatory Analyst

Date:

2/20/98

Phone:

915-685-5717

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

**ATTACHMENT C-101**  
**OXY USA Inc.**  
**OXY WALLACE STATE COM. #1**  
**SEC 9 T17S R27E**  
**Eddy County, NM**

**PROPOSED TD:** 9400' TVD

**BOP PROGRAM:** 0' - 400' None

400'-1800' 13-3/8" 5M blind and pipe rams with 5M annular preventer.

1800'-9400' 13-3/8" 5M blind and pipe rams with 5M annular preventer and rotating head below 8500'.

**CASING:** 13-3/8" 48# H40 ST&C casing @ 400'. 17 1/2" hole.

8-5/8" 24-32# K55 ST&C casing @ 1800', 11" hole

4-1/2" 11.6# N80 LT&C casing @ 9400', 7-7/8" hole..

**CEMENT:** Surface - Circulate cement with 220sx 35/65 POZ/C w/2%  $\text{CaCl}_2$  + 6% gel + .25#/sx Cello-seal followed by 200sx Cl C with 2%  $\text{CaCl}_2$ .

Intermediate - Circulate cement with 315sx 35/65 POZ/C w/ 6% gel + 5% salt + .25#/sx Cello-seal followed by 200sx Cl C with 2%  $\text{CaCl}_2$ . Cement volumes may be adjusted to fluid caliper.

Production - Cement with 640sx Super C Modified w/ .5#/sx Gilsonite + fluid loss additives and retarder. Estimated top of cement is 6500'. Cement volumes may be adjusted to hole caliper.

**MUD:** 0'- 400' FW/Native Mud. Lime for pH control(9-10). Paper for seepage. Wt. 8.7-9.2ppg, vis 32-34sec.

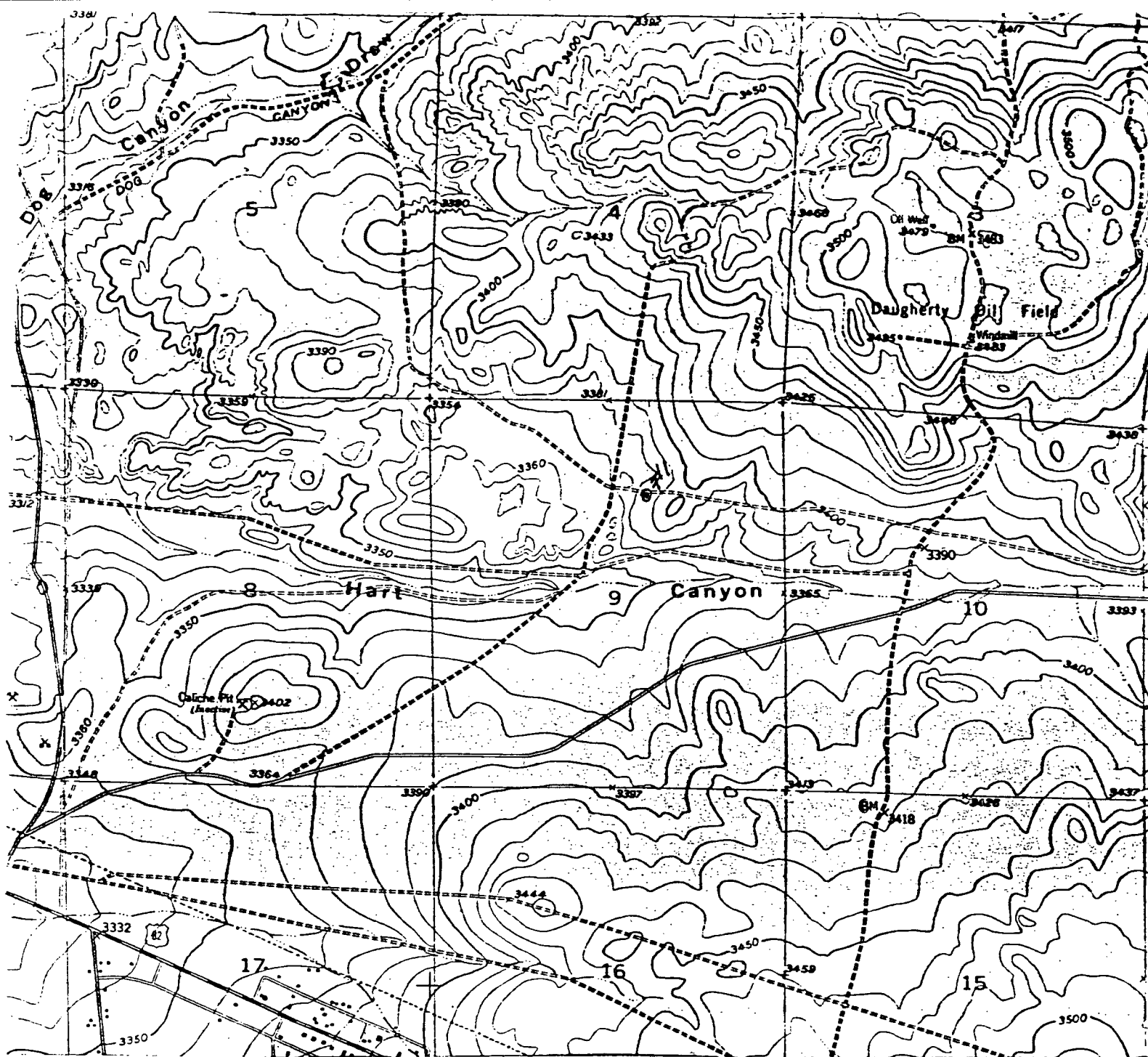
400'- 1800' Brine water. Caustic for pH control (10-10.5). Paper for seepage. Wt.10-10.1ppg, vis 28-29sec.

1800'-6000' Fresh water. Caustic for pH control (9-9.5). Paper for seepage. Wt. 8.4ppg, vis 28-29sec

6000'-9000' Cut brine. Caustic for pH control (10-10.5). Wt. 9.2-9.4ppg, vis 28-29sec

9000'-9400' Mud up with a XCD Polymer system Wt. 9-9.6ppg, vis 32-34sec WL 8cc.

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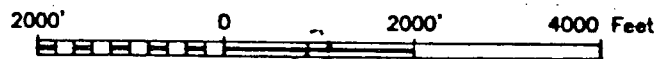


OXY USA INC.  
 WALLACE STATE COM. #1  
 1350' FNL & 1980' FEL  
 Sec. 9, T-17-S, R-27-E,  
 Eddy County, New Mexico.

SCALE: 1"=2000'

**BASIN SURVEYS**

P.O. BOX 1786-HOBBS, NEW MEXICO



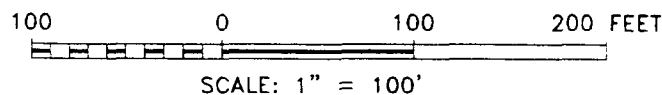
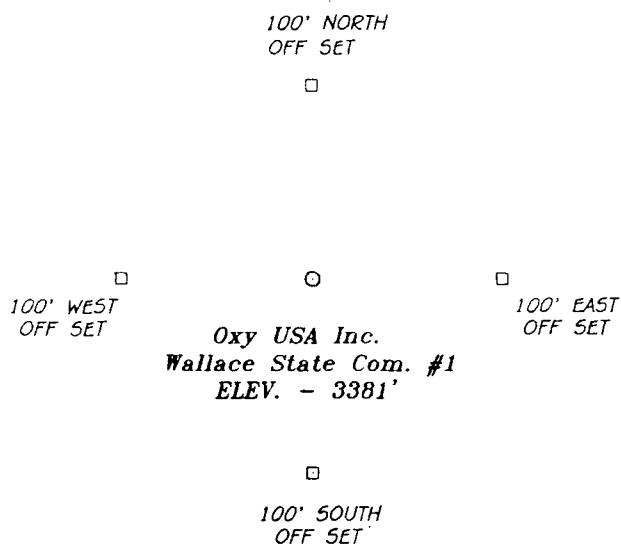
W.O. Number: 8051

Drawn By: K. GOAD

Survey Date: 01-22-98

Sheet 1 of 1 Sheets

SECTION 9, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



**Oxy USA Inc.**

REF: Wallace State Com. #1 / Well Pad Topo

THE WALLACE STATE COM. #1 LOCATED 1350' FROM THE  
NORTH LINE AND 1980' FROM THE EAST LINE OF  
SECTION 9, TOWNSHIP 17 SOUTH, RANGE 27 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 8051 Drawn By: K. GOAD

Date: 01-23-98 Disk: KJG #85 - 8051A.DWG

Survey Date: 01-22-98 Sheet 1 of 1 Sheets