

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



October 10, 2019

Ms. Jana Mendiola
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NON-STANDARD LOCATION

Administrative Order NSL-7943

Oxy USA, Inc. [OGRID 16696]
Oxbow CC 17 8 Federal Com Well No. 036H
API No. 30-015-45088

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	601 FSL & 1201 FEL	P	17	24S	29E	Eddy
First Take Point	100 FSL & 500 FEL	P	17	24S	29E	Eddy
Last Take Point	100 FNL & 500 FEL	A	8	24S	29E	Eddy
Terminus	20 FNL & 500 FEL	A	8	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 of Section 17 E2 of Section 8	640	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on September 18, 2019.

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 for the Purple Sage; Wolfcamp (Gas) Pool of 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 tracts.

Section 20, encroachment to the NE/4
Section 5, encroachment to the 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 seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the E2 of Section 17 and Section 8.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 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

AES/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office