

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Ken McQueen  
Cabinet Secretary

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Heather Riley, Division Director  
Oil Conservation Division



May 3, 2018

Sarah Mitchell  
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NON-STANDARD LOCATION

Administrative Order NSL-7705

**OXY USA INC. [OGRID 16696]**  
**Corral Fly 35 26 Federal Com Well No. 22H**  
**API No. 30-015-44703**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	694 FNL & 1278 FWL	4	2	25S	29E	Eddy
Penetration Point	340 FSL & 1405 FWL	N	35	24S	29E	Eddy
Final perforation	340 FNL & 1403 FWL	C	26	24S	29E	Eddy
Terminus	180 FNL & 1401 FWL	C	26	24S	29E	Eddy

**Proposed Project Area**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 W2 of Section 35	320	Pierce Crossing; Bone Spring, East	96473
E2 W2 of Section 26			

The NSL application was initially protested on March 26, 2018 and was set for Hearing. The protest was resolved between parties.

Reference is made to your application received on March 7, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

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This well's completed interval is as close as 351 feet to the southwestern edge, 85 - 83 feet to the western edge and 350 feet to the northwestern edge of the project area. Encroachments will impact the following tracts.

Section 2, T25S R29E encroachment to the NW4 NW4  
Section 35, T24S R29E encroachment to the W2 W2  
Section 26, T24S R29E encroachment to the W2 W2  
Section 23, T24S R29E encroachment to the SW4 SW4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

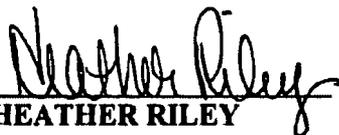
Division understands you seek this location to increase horizontal well spacing from 4 wells per section to 6 wells per section to effectively develop the Bone Spring formation underlying the E2 W2 of Section 35 and the E2 W2 of Section 26.

Your application has been filed under 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.

  
**HEATHER RILEY**  
Director

HR/rl

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