



**OXY USA Inc.**

580 Westlake Park Blvd.  
P.O. Box 4294, Houston, TX 77210-4294  
Phone 281-552-1000 Fax 281-552-1200

August 25, 2001

New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Attention: Mr. Michael E. Stogner

Re: ***Application of OXY USA WTP Limited Partnership for Unorthodox Oil Well Location  
OXY Sweet & Sour State #1 Well  
1310 FSL & 660 FEL of 24-T17S-R27E, Unit P  
Logan Draw (Wolfcamp) Oil Pool  
Eddy County, New Mexico***

Dear Mr. Stogner:

OXY USA WTP Limited Partnership ("OXY") respectfully requests administrative approval pursuant to Rule 104 to recomplete and produce the subject well at unorthodox oil well location. This well was originally drilled with Morrow as the primary objective. The surface location was orthodox for deep gas zones but is unorthodox for 40-acre oil well spacing because of the proximity to Hart Canyon, which runs in a NW-SE direction through the SE/4 of the section. This presence of this canyon significantly reduces the number of drillable locations in this quarter section, as indicated on the attached topographic map.

We drilled the well in September of 2000 and completed it as a Morrow producer on 320-acre spacing. Production from the Morrow is now approaching the economic limit in this well and OXY desires to recomplete it to test and produce the Wolfcamp reserves. When it was originally drilled we expected the Wolfcamp was more likely to be a gas reservoir at this location (and therefore, orthodox) but subsequent activity in sections 24 and 25 has revealed a strong possibility of an oil completion in the Wolfcamp. Attached is a structure and isopach map of the Wolfcamp in this area with the Sweet & Sour #1 well identified with the red arrow. As you can see, it appears the well is located structurally between the oil and the gas completions in the Wolfcamp. If the well is completed as a gas well it will be subject to 160-acre spacing rules as per Order No. R-4809. We will assign the SE/4 of section 24 as the spacing unit, and the location will be orthodox. If, however, it is completed as an oil well, 40-acre spacing rules will apply per Order No. R-11256 and the well's location will be 320 feet too close to Unit I.

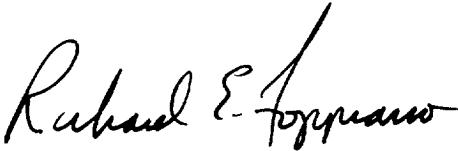
Approval of this request will protect correlative rights and allow the recovery of Wolfcamp reserves that will not be recovered by any other well. All working, royalty and overriding royalty interests are common between Unit I and Unit P. Because of this fact there is no adverse impact on the owners in the 40-acre tract being encroached upon. Notice of this request is being sent by certified mail-return receipt to all working and royalty interest owners in Unit I. They are advised that if they have no objection to the NMOCDC granting this request, they don't need to do

July 24, 2002  
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anything. If they do object, however, then they should file a written objection with the NMOCD to the address shown above within 20 days of the date of this letter. Failure to file a timely objection will preclude the party from objecting at a later date.

A list of the noticed parties is attached as well as copies of the green cards and Form C-102. If I can provide any additional information to aid in processing this request, please call me at (281) 552-1303. Thank you for consideration of our application.

Sincerely,

A handwritten signature in black ink, reading "Richard E. Foppiano". The signature is fluid and cursive, with the first name "Richard" being the most prominent.

Richard E. Foppiano  
Senior Advisor – Regulatory Affairs

Attachments

CC: Tom Kellahin  
All Parties on Attached Notice List  
Tim Gum, NMOCD District Supervisor, Artesia  
David Stewart

DATE IN	SUSPENSE	ENV	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



## ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [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 - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ 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

[D] Other: Specify \_\_\_\_\_

### [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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Richard E. Foppiano  
 Print or Type Name

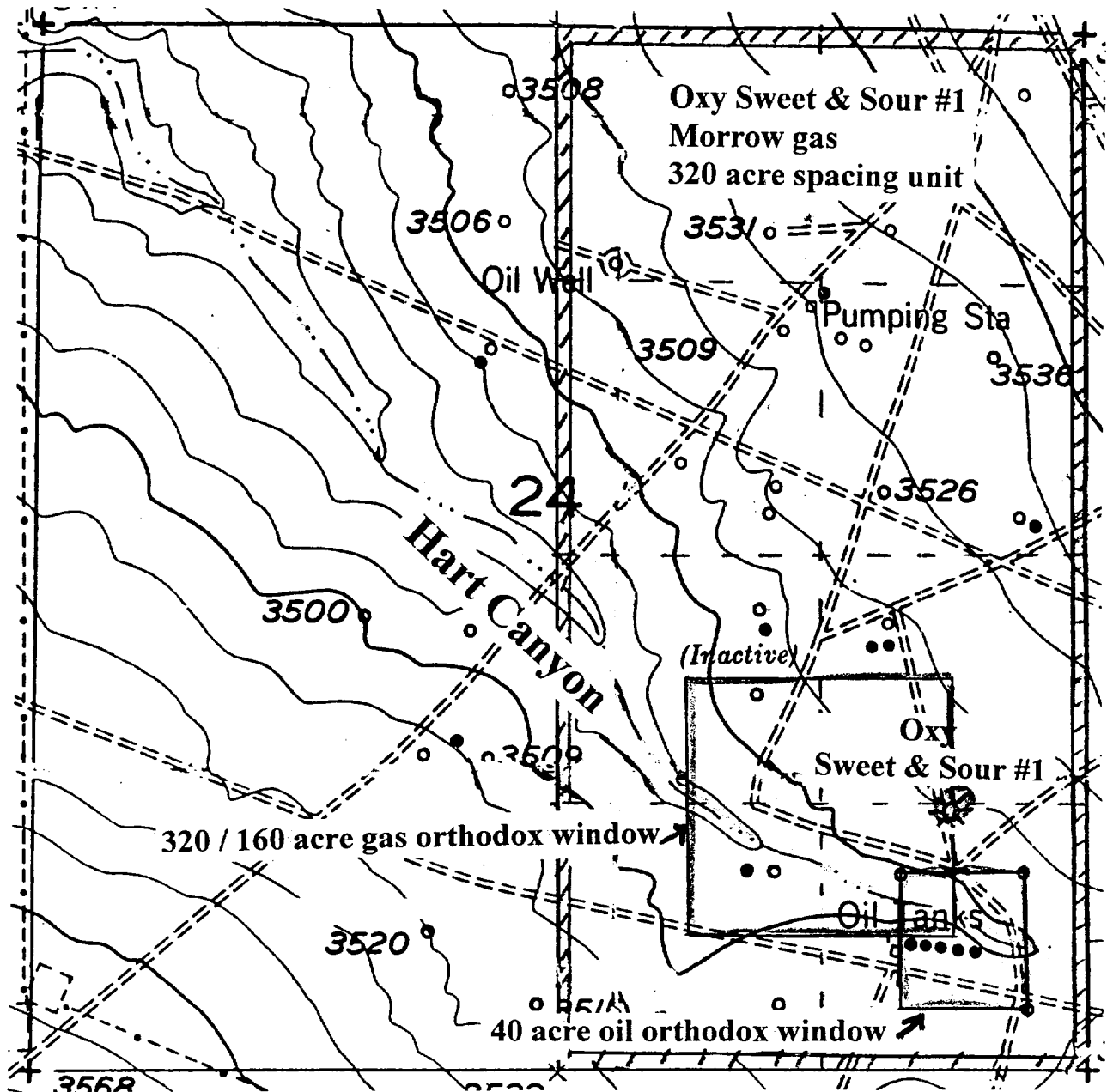
Richard E. Foppiano  
 Signature

Reg. Advisor  
 Title

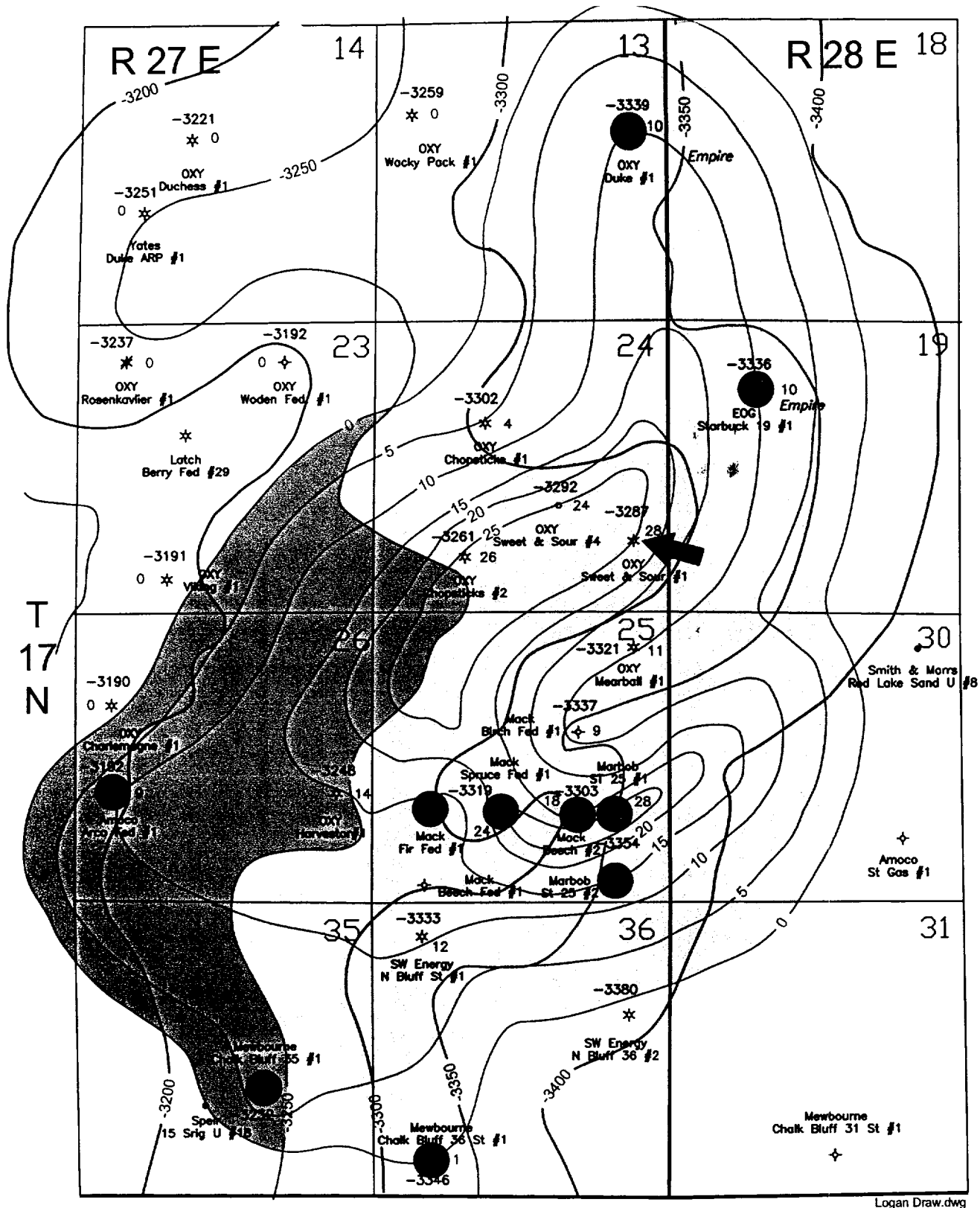
7/24/02  
 Date

Rick-Foppiano@oxy.com  
 e-mail Address

Oxy Sweet & Sour State #1  
 1310 FSL & 660 FEL  
 Section 24 (E/2), 17S 27E  
 Eddy County, New Mexico



Topographic map of Hart Canyon vicinity, section 24, 17S 27E,  
 Eddy County, New Mexico.



## LOGAN DRAW and EMPIRE (Wolfcamp) FIELDS Eddy County, New Mexico

Structure: Middle Wolfcamp Marker, C.I. = 50 Ft.  
Isopach: Middle Wolfcamp Net Ft. of Porosity >4%,  
C.I. = 5 Ft.

Known Gas
  Known Oil
  Unknown Fluid Phase

Wolfcamp Gas Well
  Wolfcamp Oil Well

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
811 S. 1st Street, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources

Form C-102  
Revised March 17, 1999

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

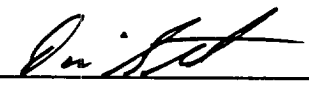
WELL LOCATION AND ACREAGE DEDICATION PLAT

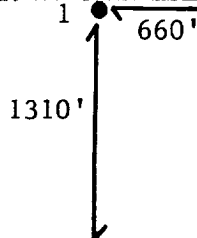
<sup>1</sup> API Number <b>30-015-31314</b>	<sup>2</sup> Pool Code <b>96960</b>	<sup>3</sup> Pool Name <b>Undesignated Logan Draw Wolfcamp</b>
<sup>4</sup> Property Code <b>26603</b>	<sup>5</sup> Property Name <b>OXY Sweet &amp; Sour State</b>	
<sup>7</sup> OGRID No. <b>192463</b>	<sup>8</sup> Operator Name <b>OXY USA WTP Limited Partnership</b>	<sup>6</sup> Well Number <b>1</b>
		<sup>9</sup> Elevation <b>3508'</b>

<sup>10</sup> Surface Location									
UL or lot no. <b>p</b>	Section <b>24</b>	Township <b>17S</b>	Range <b>27E</b>	Lot. Idn	Feet from the <b>1310</b>	North/South line <b>south</b>	Feet from the <b>660</b>	East/West line <b>east</b>	County <b>Eddy</b>

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <b>40</b>	<sup>13</sup> Joint or Infill <b>No</b>	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>   Signature <b>David Stewart</b> Printed Name <b>Sr. Regulatory Analyst</b> Title <b>7/16/02</b> Date
					<sup>18</sup> SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i>  Date of Survey Signature and Seal of Professional Surveyer:  Certificate Number



## **Service List**

### **OXY Sweet & Sour State #1**

State of New Mexico  
Commissioner of Public Lands  
P.O. Box 2308  
Santa Fe, NM 87504-2308

Michael Hughes  
10530 Independence Street  
Chatsworth, CA 91311

Linda Hughes  
2976 Michael Drive  
Newbury Park, CA 91320

Barbara Childs  
11520 Durango Lane  
Agua Dulce, CA 91390-3469

Cannon Exploration Company  
Attn: Todd Wilson  
3608 SCR 1184  
Midland, TX 79706

Pathfinder Exploration Co.  
Scott E. Wilson  
500 W. Texas Suite 1220  
Midland, TX 79701

Rio Pecos Corporation  
4501 Green Tree Blvd.  
Midland, TX 79707

Roger T. Elliott  
4105 Baybrook Drive  
Midland, TX 79707

TARAJON Corporation  
6003 Meadow View Lane  
Midland, TX 79707

Atlantic Richfield Company  
ATTN: Mr. Lee M. Scarborough  
P. O. Box 3092  
Houston, TX 77253

J. A. White  
#1 Old Meadow Lane  
Orono, ME 04473

Marbob Energy Corporation  
Pitch Energy Corporation  
P.O. Box 227  
Artesia, NM 88211-0227