

DATE 7/29/02	SUSPENSE 8/18/02	ENGINEER MS	LOGGED IN KJ	TYPE NSL	APP NO. 221135459
--------------	------------------	-------------	--------------	----------	-------------------

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

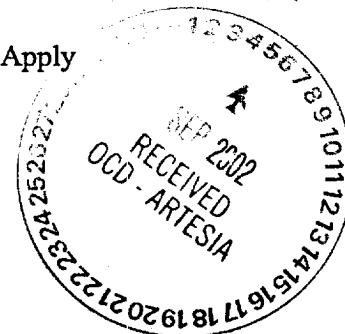
[B] ☐ Offset Operators, Leaseholders or Surface Owner

[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

Signature

Title

Date

e-mail Address

Rick Foppiano @ oxy.com



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 recompletable 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 recompletable 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.

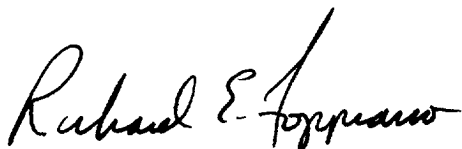
Approval of this request will protect correlative rights and allow the recovery of Wolfcamp reserves that will not be recovered by any other well. All working, royalty and overriding royalty interests are common between Unit I and Unit P. Because of this fact there is no adverse impact on the owners 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 NMOCDD granting this request, they don't need to do

July 24, 2002
Page 2

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,

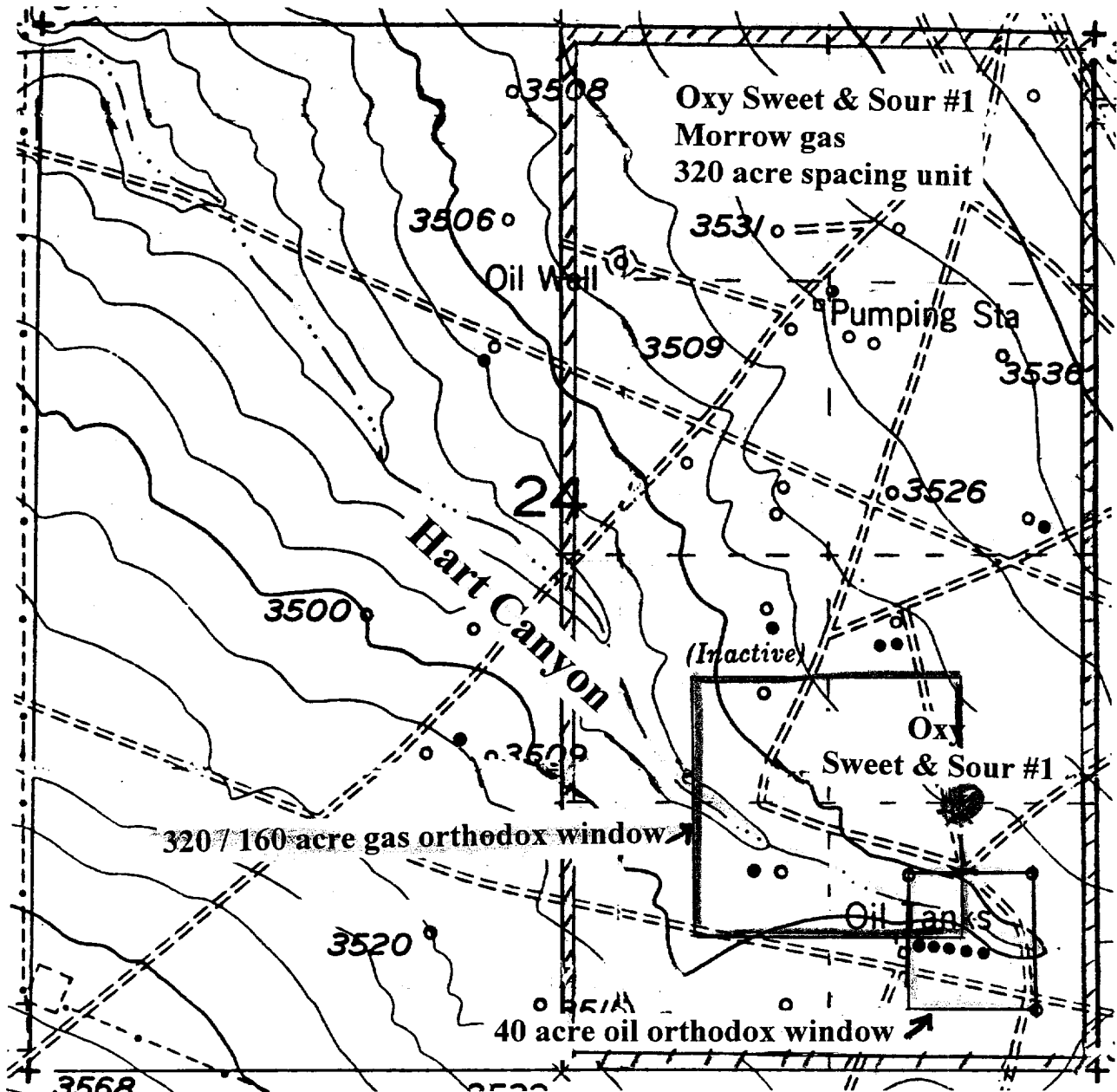
A handwritten signature in black ink, reading "Richard E. Foppiano". The signature is written in a cursive, flowing style.

Richard E. Foppiano
Senior Advisor – Regulatory Affairs

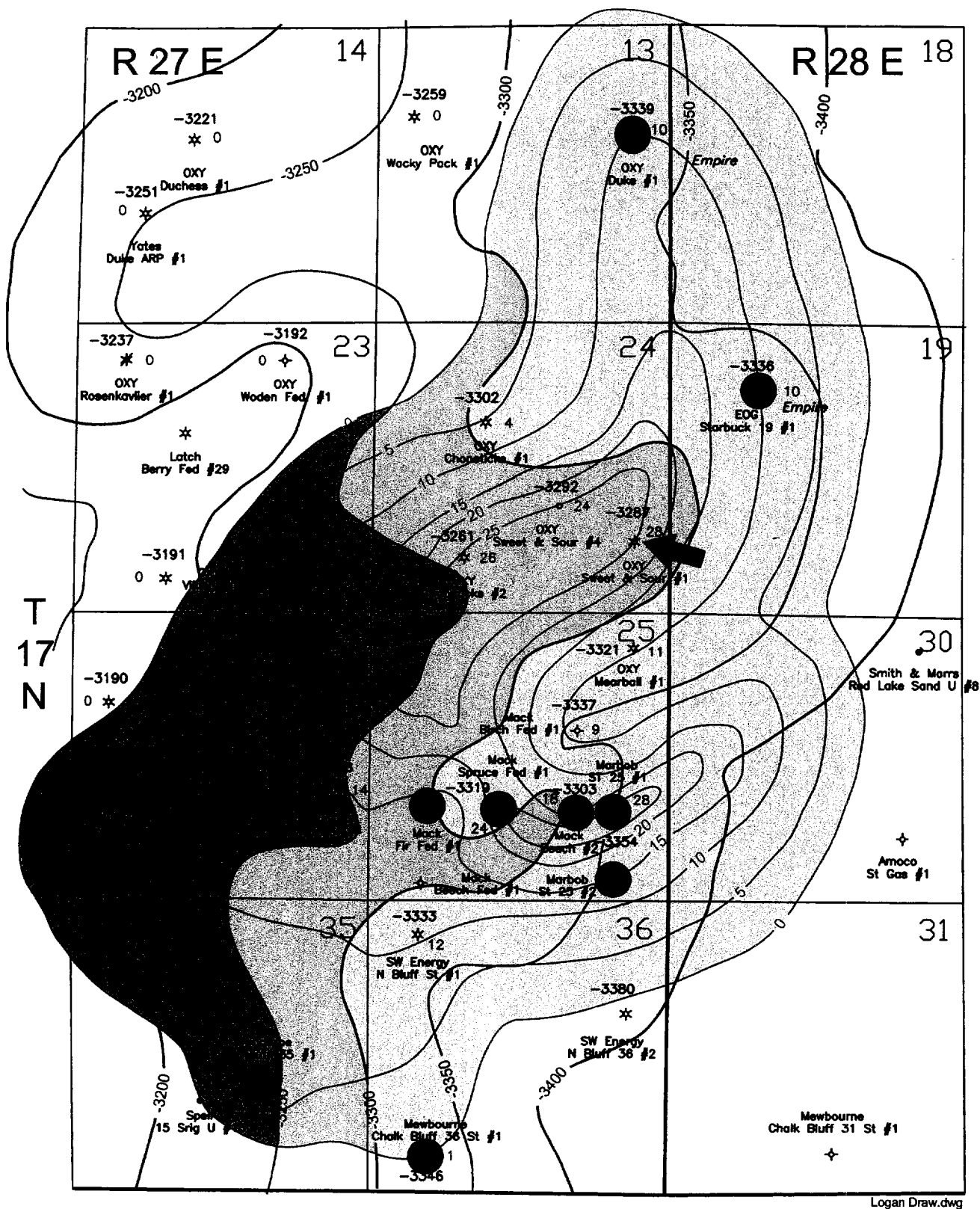
Attachments

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

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.



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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

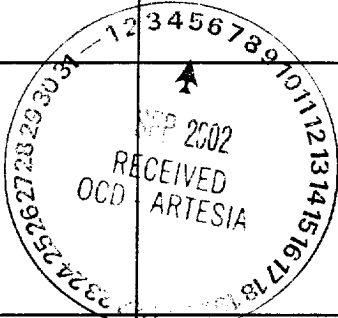
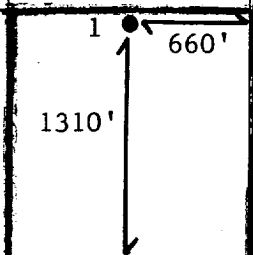
¹⁰ Surface Location

UL or lot no. p	Section 24	Township 17S	Range 27E	Lot. Idn	Feet from the 1310	North/South line south	Feet from the 660	East/West line east	County Eddy
---------------------------	----------------------	------------------------	---------------------	----------	------------------------------	----------------------------------	-----------------------------	-------------------------------	-----------------------

¹¹ 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
¹² Dedicated Acres 40	¹³ Joint or Infill No	¹⁴ Consolidation Code	¹⁵ 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				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David Stewart Printed Name Sr. Regulatory Analyst Title 7/16/02 Date
				¹⁸ SURVEYOR CERTIFICATION 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. 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

7002 0860 0001 1539 5351

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Post		
Sent To	Linda Hughes	
Street, Apt. or PO Box 1	2976 Michael Drive	
City, State, ZIP	Newbury Park, CA 91320	

PS Form 3800, April 2002 See Reverse for Instructions

7002 0860 0001 1539 5368

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Post		
Sent To	Barbara Childs	
Street, Apt. or PO Box 1	11520 Durango Lane	
City, State, ZIP	Agua Dulce, CA 91390-3469	

PS Form 3800, April 2002 See Reverse for Instructions

7000 1530 0002 7928 4875

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Post		
Sent To	Cannon Exploration Company	
Street, Apt. or PO Box 1	Todd Wilson	
City, State, ZIP	3608 SCR 1184 Midland, TX 79706	

PS Form 3800, May 2000 See Reverse for Instructions

7000 1530 0002 7928 4950

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		
Sent To	Mr. Michael E. Stogner	
Street, Apt. or PO Box 1	NMOCD	
City, State, ZIP	1220 South St., Francis Dr. Santa Fe, NM 87505	

PS Form 3800, May 2000 See Reverse for Instructions

7002 0860 0001 1539 5337

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees		
Sent To	State of New Mexico	
Street, Apt. or PO Box 1	Commissioner of Public Lands	
City, State, ZIP	P.O. Box 2308 Santa Fe, NM 87504-2308	

PS Form 3800, April 2002 See Reverse for Instructions

7002 0860 0001 1539 5344

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Post		
Sent To	Michael Hughes	
Street, Apt. or PO Box 1	10530 Independence Street	
City, State, ZIP	Chatsworth, CA 91311	

PS Form 3800, April 2002 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		
Sent To TARAJON Corporation 6003 Meadow View Lane Midland, TX 79707		
Street, Apt.		
City, State,		

PS Form 3800, May 2000 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total		
Sent To Atlantic Richfield Company Mr. Lee M. Scarborough P.O. Box 3092 Houston, TX 77253		
Street,		
City, St		

PS Form 3800, May 2000 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Post		
Sent To J. A. White #1 Old Meadow Lane Orono, ME 04473		
Street, Apt.		
City, State,		

PS Form 3800, May 2000 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		
Sent To Pathfinder Exploration Co. Scott Wilson 500 W. Texas Suite 1220 Midland, TX 79701		
Street, Apt. No		
City, State, ZI		

PS Form 3800, May 2000

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		
Sent To Rio Pecos Corporation 4501 Green Tree Blvd. Midland, TX 79707		
Street, Apt. No		
City, State, ZIP		

PS Form 3800, May 2000 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage		
Sent To Roger T. Elliott 4105 Baybrook Drive Midland, TX 79707		
Street, Apt. I		
City, State, Z		

PS Form 3800, May 2000 See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

7000 1530 0000 0002 7928 4943

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark
Here

Sent To
Street, Ap.
City, State,

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

PS Form 3

See Reverse for Instructions