

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

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Oil Conservation Division



Ms. Sarah McKinney  
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NON-STANDARD LOCATION

**Administrative Order NSL - 8591**

**OXY USA INC. [OGRID 16696]**  
**Avogato 30 31 State Com Well No. 2H**  
**API No. 30-025-51340**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	200 FNL & 265 FWL	C	30	22S	33E	Lea
First Take Point	100 FNL & 2560 FEL	B	30	22S	33E	Lea
Last Take Point	100 FSL & 2560 FEL	O	31	22S	33E	Lea
Terminus	20 FSL & 2560 FEL	O	31	22S	33E	Lea

**Proposed Horizontal Spacing Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 30	640	Red Tank; Bone Spring, East	51687
E/2 of Section 31			

Reference is made to your application received on May 25<sup>th</sup>, 2023.

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 80 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 30, encroachment to the W/2  
Section 31, encroachment to the W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

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Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells within the Bonespring formation. Thereby preventing waste within the formation underlying the E/2 of Section 30 and the E/2 Section 31.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.

  
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**DYLAN M. FUGE**  
**DIRECTOR**  
DMF/lrl

**Date:** 7/10/2023

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 238505

**CONDITIONS**

Operator: OXY USA INC P.O. Box 4294 Houston, TX 772104294	OGRID: 16696
	Action Number: 238505
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	7/11/2023