



Approved

NSL

Order

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Gabriel Wade, Acting Director
Oil Conservation Division



March 27, 2019

Ms. Sarah Chapman
SARAH_CHAPMAN@oxy.com

NON-STANDARD LOCATION

Administrative Order NSL-7838

**Oxy USA, Inc. [OGRID 16696]
Platinum MDP1 34 3 Federal Com Well No. 174H
API No. 30-015-45232**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	220 FNL & 2627 FWL	C	34	23S	31E	Eddy
First Take Point	100 FNL & 2200 FEL	B	34	23S	31E	Eddy
Last Take Point	330 FSL & 2200 FEL	O	3	24S	31E	Eddy
Terminus	180 FSL & 2200 FEL	O	3	24S	31E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 of Section 34	640.11	Purple Sage; Wolfcamp (GAS)	98220
E2 of Section 3			

The NSL application was initially protested on March 15, 2019. The Protest was removed from the encroaching tract by changing the LTP to an orthodox location.

Reference is made to your application received on March 5, 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 edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 27, 23S 31E, encroachment to the SE4

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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 34, 23S 31E and E2 of Section 3, 24S 31E.

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.



Gabriel Wade
Acting Director

GW/lrl

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