



Approved

NSL

Order

Approved: 09/27/19

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

Adrienne E. Sandoval, Director
Oil Conservation Division



September 27, 2019

Ms. Sarah Chapman
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NON-STANDARD LOCATION

Administrative Order NSL-7939

Oxy USA, Inc. [OGRID 16696]
Platinum MDP1 34 3 Federal Com Well No. 177H
API No. 30-015-46046

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	220 FNL & 2557 FWL	C	34	23S	31E	Eddy
First Take Point	312 FNL & 1650 FWL	C	34	23S	31E	Eddy
Last Take Point	340 FSL & 1661 FWL	N	3	24S	31E	Eddy
Terminus	229 FSL & 1706 FWL	N	3	24S	31E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 34	640.33	Purple Sage; Wolfcamp (GAS)	98220
W2 of Section 3			

Reference is made to your application received on September 18, 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 312 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 27, 23S 31E, encroachment to the SW4

adjoining units towards which the proposed location encroaches. All waivers were signed; therefore, the notice duration is no longer valid.

Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the W2 of Section 34, 23S 31E and W2 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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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