

NSL Initial Application

Received: 01/07/20

P.O. # ERPW8-200107-NSL000

NSL-7977

Revised March 23, 2017

RECEIVED: 01/07/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2000753896
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: OXY USA INC. **OGRID Number:** 16696
Well Name: OXBOW CC 17-8 FEDERAL COM 42H **API:** 30-015-Pending
Pool: PURPLE SAGE WOLFCAMP **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☒ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☐ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete

☐ Application
Content
Complete

3) **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.

JANA MENDIOLA

Print or Type Name

Signature

1/6/2020

Date

432-685-5936

Phone Number

janalyn_mendiola@oxy.com

e-mail Address

**OXY USA Inc**

5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

January 6, 2020

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

Attention: Leonard Lowe

Re: *Application for Administrative Approval of Non-Standard Location
Oxbow CC 17-8 Federal Com 42H – Purple Sage Wolfcamp
Surface – 478' FNL 966' FWL Unit D Sec 20 T24S R29E
First Take Point – 100' FSL 1700' FWL Unit N Sec 17 T24S R29E
Last Take Point – 100' FNL 1700' FWL Unit C Sec 8 T24S R29E
Bottom Hole – 20' FNL 1700' FWL Unit C Sec 8 T24S R29E
Eddy County, New Mexico*

Dear Mr. Lowe:

OXY USA Inc. respectfully requests administrative approval of a non-standard location on the Oxbow CC 17-8 Federal Com 42H well, API Number-Pending, Property Code 321633. The #42H well is proposed to be completed in the Purple Sage Wolfcamp pool, Pool Code 98220 which has special pool rules specifying the completed interval must be located 330 feet from the exterior boundary of the applicable spacing unit. The proposed completed interval is projected as follows:

Surface – 478' FNL 966' FWL Unit D Sec 20 T24S R29E
First Take Point – 100' FSL 1700' FWL Unit N Sec 17 T24S R29E
Last Take Point – 100' FNL 1700' FWL Unit C Sec 8 T24S R29E
Bottom Hole – 20' FNL 1700' FWL Unit C Sec 8 T24S R29E

The Horizontal Spacing Unit is the W/2 of Section 8 and Section 17 located in T24S R29E. The adjoining units towards which the unorthodox location encroaches are located in T24S R29E, Section 5 - Units A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P and Section 20 - Units C, D, E, F.

Approval of the unorthodox completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

To support this request, the following information has been submitted for your review:

1. C-102 Plat for the proposed well and additional plats with offsetting well and affected spacing units.
2. List of affected offset parties in each adjoining spacing unit in the same pool or formation located closer to the unorthodox well location than the minimum distance prescribed by applicable rule or order, copies of the signed certified return receipts will be furnished upon request.
3. Statement from Oxy Production Engineer

If you need any additional information, please call me at 432-685-5936.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jana Mendiola", is written over a blue circular stamp or seal.

Jana Mendiola
Regulatory Specialist

Attachments
CC: Service List



OXY USA Inc

5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

January 6, 2020

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Re: *Application for Administrative Approval of Non-Standard Location*
Oxbow CC 17-8 Federal Com 42H – Purple Sage Wolfcamp
Surface – 478' FNL 966' FWL Unit D Sec 20 T24S R29E
First Take Point – 100' FSL 1700' FWL Unit N Sec 17 T24S R29E
Last Take Point – 100' FNL 1700' FWL Unit C Sec 8 T24S R29E
Bottom Hole – 20' FNL 1700' FWL Unit C Sec 8 T24S R29E
Eddy County, New Mexico

To Whom it May Concern:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by OXY USA Inc., requesting administrative approval for a non-standard location. As an affected party, notice is being provided to you pursuant to Rule 19.15.4.12(A)(2)(a), 19.15.15.9(A) and 19.15.16.15(B). The well is located as follows:

Surface – 478' FNL 966' FWL Unit D Sec 20 T24S R29E
First Take Point – 100' FSL 1700' FWL Unit N Sec 17 T24S R29E
Last Take Point – 100' FNL 1700' FWL Unit C Sec 8 T24S R29E
Bottom Hole – 20' FNL 1700' FWL Unit C Sec 8 T24S R29E

If you object to the well's location, you must notify the Division in writing no later than 20 days from the date the application is received by the NMOCD (1220 South St. Francis Drive, Santa Fe, NM 87505; Attention: Leonard Lowe).

If you need any additional information, you can contact Jeremy Murphrey at 713-350-4816 or myself at 432-685-5936.

Thank you,

A handwritten signature in blue ink, appearing to read "Jana Mendiola". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jana Mendiola
Regulatory Specialist
OXY USA Inc.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-9720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 98220	Pool Name Purple Sage Wolfcamp
Property Code	Property Name OXBOW CC "17_8" FEDERAL COM	Well Number 42H
OGRID No. 16695	Operator Name OXY USA INC.	Elevation 2965.7'

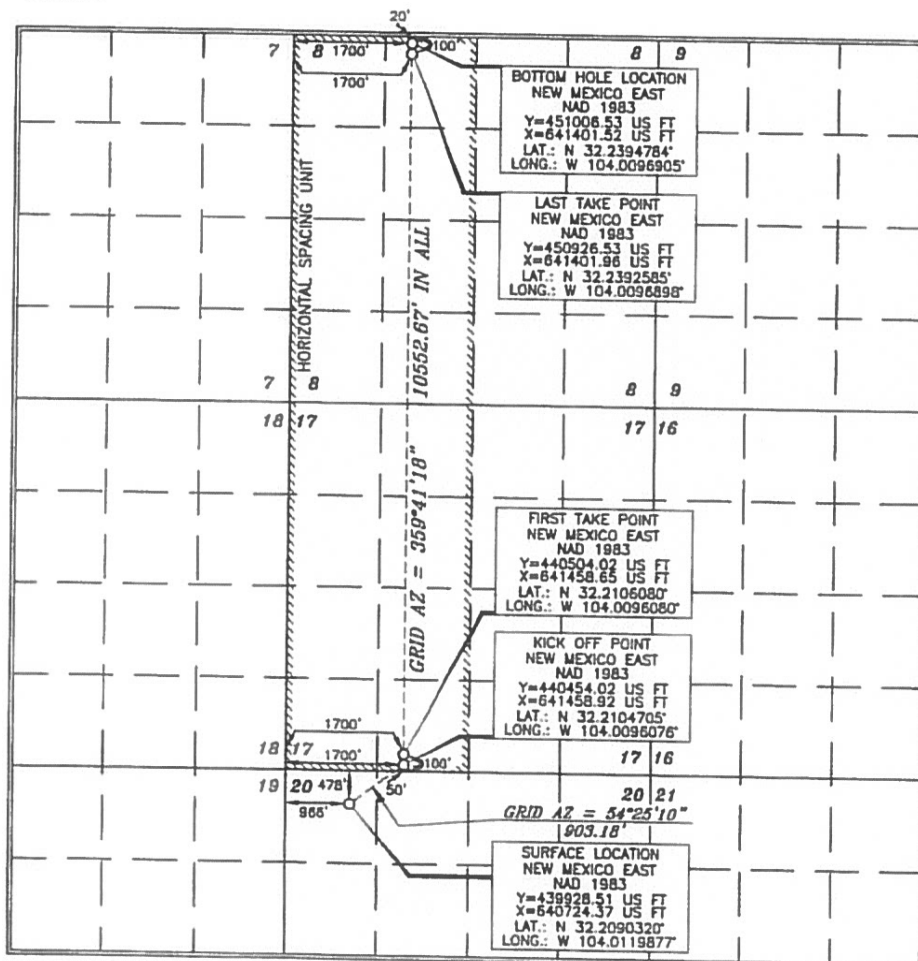
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	24 SOUTH	29 EAST, N.M.P.M.		478'	NORTH	966'	WEST	EDDY

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
C	8	24 SOUTH	29 EAST, N.M.P.M.		20'	NORTH	1700'	WEST	EDDY
Dedicated Acres 6.40	Joint or Infill Y	Consolidation Code	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.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order.

Approved by the division.

Signature: *David Stewart* Date: **6/19/19**

Printed Name: **David Stewart**
E-mail Address: **dauid.stewart@oxy.com**

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.

Signature: *TERRY J. ASH*
Date of Survey: **DECEMBER 18, 2018**

Signature and Seal of Professional Surveyor

Signature: *Terry Ash* Certificate Number: **15079**
Date: **3/29/2019**

WO# 181218WL-B (KA)

Intent ☒ As Drilled ☐

API # 30-015-pending		
Operator Name: OXY USA Inc.	Property Name: Oxbow CC 17-8 Federal Com	Well Number 42H

Kick Off Point (KOP)

UL N	Section 17	Township 24S	Range 29E	Lot	Feet 50	From N/S S	Feet 1700	From E/W W	County EDDY
Latitude 32.2104705					Longitude -104.0096076			NAD NAD83	

First Take Point (FTP)

UL N	Section 17	Township 24S	Range 29E	Lot	Feet 100	From N/S S	Feet 1700	From E/W W	County EDDY
Latitude 32.2106080					Longitude -104.0096080			NAD NAD83	

Last Take Point (LTP)

UL C	Section 8	Township 24S	Range 29E	Lot	Feet 100	From N/S N	Feet 1700	From E/W W	County EDDY
Latitude 32.2392585					Longitude -104.0096898			NAD NAD83	

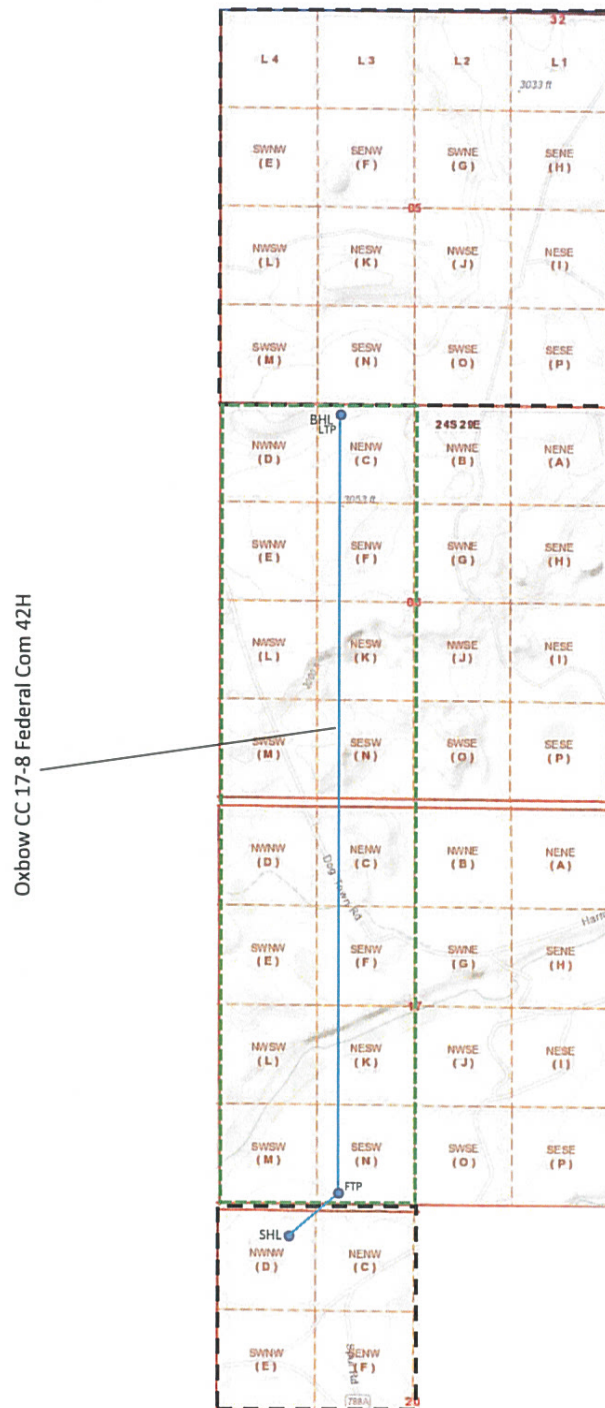
Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

OXY USA Inc.
Oxbow CC 17-8 Federal Com 42H
 Section 20 Township 24 South, Range 29 East, N.M.P.M.
 Eddy County, New Mexico





OXY USA Inc.

A subsidiary of Occidental Petroleum

5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521

P.O. Box 27570, Houston, Texas 77227-7570

Direct: 713.985.6972 Fax: 713.985.1278

Peter_VanLiew@Oxy.com

January 7, 2020

RE: **Oxbow CC 17-8 Federal Com 41H & 42H**
Section 20, T24S-R29E
Eddy County, New Mexico

To Whom It May Concern,

OXY USA Inc., OXY Y-1 Company and Occidental Permian, LP, all subsidiaries of Occidental Petroleum Corporation, are the sole working interest owners of section units C, D, E and F of Section 20, T24S-R29E, Eddy County, New Mexico as to the Bone Spring and Wolfcamp formations. Please contact me should you have any questions or need anything further.

Very Truly Yours,

OXY USA Inc.

A handwritten signature in blue ink, appearing to read "P. Van Liew", is written over the typed name.

Peter R. Van Liew, RPL
Senior Land Negotiator



Occidental Oil and Gas Corporation
ATTN: Marshall McQueen
5 Greenway Plaza, Suite 110
Houston, TX 77046
713-366-5799
marshall_mcqueen@oxy.com

January 6, 2020

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: *Application for Nonstandard Location—Engineering Justification*
OXY USA Inc.
Oxbow CC 17-8 Federal Com 42H
T24S R29E, Section 17 – Units C, D, E, F, K, L, M and N, Eddy County
T24S R29E Section 8 – Units C, D, E, F, K, L, M and N, Eddy County

Dear Mr. Lowe:

Oxy USA Inc. respectfully seeks approval for a non-standard location, decreasing the first and last take point for Oxbow CC 17-8 Federal Com 42H in the Wolfcamp formation of the Purple Sage Pool from 330 feet to 100 feet. It is Oxy's responsibility as a prudent operator to maximize lateral length and minimize reserves left in the ground. Decreasing the first and last take point will increase this well's effective lateral length by 460 feet and increase the estimated ultimate recovery of the well by approximately 5%. Any increase in first or last take point would result in untapped reserves left in the reservoir, and waste of a resource that would otherwise go undeveloped.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marshall McQueen", written in a cursive style.

Marshall McQueen
Reservoir Engineer

Application Non-Standard Location - Service List

OXY USA Inc.

Oxbow CC 17-8 Federal Com #42H

certified mail #

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

certified mail #

Bureau of Land Management Carlsbad
620 E. Greene Street
Carlsbad, NM 88220-6292
7015 3430 0000 1355 0553

Existing Horizontal Spacing Unit Section 5 (T24S-R29E) - Units A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P

EOG Y

5509 Champions Drive
Midland, TX 79706
7015 3430 0000 1355 0560

EOG A

5509 Champions Drive
Midland, TX 79706
7015 3430 0000 1355 0577

EOG M

5509 Champions Drive
Midland, TX 79706
7015 3430 0000 1355 0584

Chevron USA Inc.

1400 Smith St., Rm 41118
Houston, TX 77002
7015 3430 0000 1355 0591

T24S-R29E

No Existing Spacing Unit: Section 20 - Units C, D, E, F

OXY USA Inc.

P.O. Box 50250
Midland, TX 79710

Copies of this application were mailed to the following individuals, companies and organizations
on or before January 7, 2020.



Jana Mendiola, Regulatory Specialist
OXY USA Inc.