

Approved

NSL

Order

Approved: 03/23/20

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



March 23, 2020

Ms. Jana Mendiola
janalyn_mendiola@oxy.com

NON-STANDARD LOCATION

Administrative Order NSL-7977

**Oxy USA, Inc. [OGRID 16696]
Oxbow CC 17 8 Federal Com Well No. 42H
API No. 30-015-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	478 FNL & 966 FWL	D	20	24S	29E	Eddy
First Take Point	100 FSL & 1700 FWL	N	17	24S	29E	Eddy
Last Take Point	330 FNL & 1700 FWL	C	8	24S	29E	Eddy
Terminus	20 FNL & 1700 FWL	C	8	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 17 W2 of Section 8	640	Purple Sage; Wolfcamp (GAS)	98220

Reference is made to your application received on February 2, 2020.

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 from the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the NW/4

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.

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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 17 and Section 8.

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, March 30, 2020 9:52 AM
To: 'Mendiola, Jana Lyn A'
Cc: Bratcher, Mike, EMNRD; Podany, Raymond, EMNRD; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Terry Warnell; Rose-Coss, Dylan H, EMNRD; McClure, Dean, EMNRD; Simmons, Kurt, EMNRD; Lamkin, Baylen, EMNRD; Garcia, John A, EMNRD; Scott Cox; 'jglover@blm.gov'
Subject: APPROVED NSLs_OXY USA INC._OXYBOW NO. 41H & 42H_SEC 20 24S 29E
Attachments: NSL-7976_OXY WELL NO 41H_Approved.pdf; NSL-7977_OXY WELL NO. 42H_Approved.pdf
Importance: High

Jana Mendiola,

The following NSL Administrative Orders have been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

A copy of each approved order is also attached.

NSL	AMD	Applicant	OGRID	WELL NAME
7977	-	OXY USA INC.	16696	AMENDED Oxybow CC 17 8 Federal Co
7976	-	OXY USA INC.	16696	AMENDED Oxybow CC 17 8 Federal Co

Leonard R. Lowe

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