

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

Tony Delfin  
Acting Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



December 1, 2016

Oxy USA Inc.  
Attn: Mr. David Stewart

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7487

Oxy USA Inc.  
OGRID 16696  
Cedar Canyon 21 Federal Com. No. 22H  
API No. 30-015-pending

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1764` FNL & 141` FWL	E	21	24S	29E	Eddy
Penetration Point	1386` FNL & 340` FWL	E	21	24S	29E	Eddy
Final perforation	1387` FNL & 340` FEL	H	21	24S	29E	Eddy
Terminus	1387` FNL & 180` FEL	H	21	24S	29E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 N/2 of Section 21	160	Corral Draw; Bone Spring	96238

Reference is made to your application received on November 8, 2016.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that you are seeking this NSL in order to allow for efficient spacing of horizontal wells and thereby preventing waste.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



**DAVID R. CATANACH**  
Director

DRC/lrl

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