

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



May 8, 2017

OXY USA, Inc.
Attn: Mr. David Stewart

ADMINISTRATIVE NON-STANDARD PRORATION UNIT

Administrative Order NSP-2063

OXY USA, Inc.
OGRID 16696
Cedar Canyon 23 Federal Com. Well No. 33H
API No. 30-015-44074

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 Section 23, and SW/4 Section 24	320 160	Purple Sage; Wolfcamp (Gas)	98220

Township 24 South, Range 29 East, Eddy County, New Mexico.

Reference is made to your application received on April 14, 2017.

You have requested to drill this well at a non-standard gas spacing unit described above in the referenced pool or formation. This gas spacing unit is governed by the Special Rules for the Purple Sage; Wolfcamp (Gas) Pool, which provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary. The applicant is requesting that the SE/4 of Section 24 be excluded from the project area.

Your application has been duly filed under the provisions of Division Rules 19.15.15.11 B NMAC and 19.15.4.12.A (3) NMAC.

It is our understanding that you are seeking this non-standard project area to allow for efficient spacing of horizontal wells, and thereby preventing waste.

Pursuant to the authority conferred by Division Rule 19.15.15.13 B (4) NMAC, the above-described non-standard spacing unit is hereby approved.

The above approvals are 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.

DONE at Santa Fe, New Mexico, on May 8, 2017



DAVID R. CATANACH

Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad