

30-015-46539

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Cabinet Secretary

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Oil Conservation Division



October 31, 2019

NOV 13 2019

Ms. Jana Mendiola
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DISTRICT/ARTESIA/O.C.D.

NON-STANDARD LOCATION

Administrative Order NSL-7956

Oxy USA, Inc. [OGRID 16696]
Corral Canyon 36 25 Federal Com Well No. 044H
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	910 FNL & 150 FEL	A	1	25S	29E	Eddy
First Take Point	100 FSL & 940 FEL	P	36	24S	29E	Eddy
Last Take Point	100 FNL & 940 FEL	A	25	24S	29E	Eddy
Terminus	20 FNL & 940 FEL	A	25	24S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 of Section 36	640	Purple Sage; Wolfcamp (GAS)	98220
E2 of Section 25			

Reference is made to your application received on October 10, 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 100 feet to the southern and northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

- Section 1, 25S 29E, encroachment to the NE/4
- Section 24, 24S 29E, encroachment to the SE/4

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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.

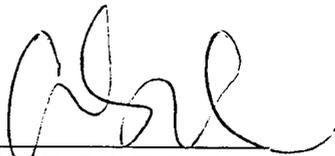
Division understands you seek this unorthodox location as an efficient spacing of your horizontal wells, thereby preventing waste within the Wolfcamp formation underlying the E2 of Section 36 and E2 of Section 25.

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
State Land Office – Oil, Gas, and Minerals Division



Application for Permit to Drill

U.S. Department of the Interior
Bureau of Land Management

APD Package Report

Date Printed: 11/11/2019 07:00 AM

APD ID: 10400043435	Well Status: AAPD
APD Received Date: 07/10/2019 08:49 AM	Well Name: CORRAL CANYON 36-25 FEI
Operator: OXY USA INCORPORATED	Well Number: 44H

APD Package Report Contents

- Form 3160-3

- Operator Certification Report

- Application Report
- Application Attachments
 - Well Plat: 2 file(s)

- Drilling Plan Report
- Drilling Plan Attachments
 - Blowout Prevention Choke Diagram Attachment: 1 file(s)
 - Blowout Prevention BOP Diagram Attachment: 3 file(s)
 - Casing Design Assumptions and Worksheet(s): 11 file(s)
 - Hydrogen sulfide drilling operations plan: 3 file(s)
 - Proposed horizontal/directional/multi-lateral plan submission: 4 file(s)
 - Other Facets: 3 file(s)
 - Other Variances: 1 file(s)

- SUPO Report
- SUPO Attachments
 - Existing Road Map: 1 file(s)
 - New Road Map: 1 file(s)
 - New road access plan attachment: 1 file(s)
 - Attach Well map: 1 file(s)
 - Production Facilities map: 1 file(s)
 - Water source and transportation map: 2 file(s)
 - Well Site Layout Diagram: 1 file(s)
 - Other SUPO Attachment: 7 file(s)

- PWD Report
- PWD Attachments
 - None