



OXY USA Inc.  
P.O. Box 50250, Midland, TX 79710-0250

June 24, 1998

New Mexico Oil Conservation Division  
2040 S. Pacheco Street  
Santa Fe, NM 87505

Attention: Mr. Michael E. Stogner

Re: ***Application of OXY USA Inc. for Unorthodox Well Location***  
***Caboose State #1***  
***1980 FNL 1650 FWL Unit F Sec 27 T23S R26E***  
***Eddy County, New Mexico***

RECEIVED  
OCD - ARTESIA

Dear Mr. Stogner:

OXY USA Inc. respectfully requests administrative approval under Rule 104 (F) to drill and produce the referenced well at a non-standard gas well location for 320-acre spacing. OXY proposes to designate the north half of this section as a 320-acre spacing unit for production from South Carlsbad Morrow Gas Pool.

The need for the unorthodox location is due to the geology of the Morrow. Attached is a porosity map which reveals that the porosity in the Morrow improves moving in a westerly direction from a legal location in the SE/4 of the NW/4. Drilling the proposed Oxy Caboose State #1 well at this non-standard location affords a much greater chance of intersecting undrained Morrow porosity, hence the need for the NSL authority

Also attached are a lease plat, Form C-102 and a "service list" which identifies all affected parties as defined in Rule 104 (F) (3). A copy of this cover letter and lease plat have been sent certified mail, return receipt requested, to all parties on the service list. By copy of this letter they are hereby notified that if they have any objection it must be filed within twenty days from the date of this notice.

NMOCD approval of this request will aid in protecting OXY's correlative rights and prevent waste. If I can provide any additional information to aid in processing this request, please call me at (915) 685-5717. Thank you for consideration of our application.

Sincerely,

David Stewart  
Regulatory Analyst  
OXY USA Inc.

Attachments

CC: NMOCD - Artesia Office  
R. Foppiano - OXY USA Inc.

DATE IN	SUSPENSE	ENGINEER	LOGGED	TYPE
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ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

# ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

### Application Acronyms:

**[NSP-Non-Standard Proration Unit]**    **[NSL-Non-Standard Location]**  
**[DD-Directional Drilling]**    **[SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling]**    **[CTB-Lease Commingling]**    **[PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling]**    **[OLS - Off-Lease Storage]**    **[OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion]**    **[PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal]**    **[IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification]**    **[PPR-Positive Production Response]**

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL    ☐ NSP    ☐ DD    ☐ SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or ~~Surface Owners~~ Unleased Minerals Owners, and working interest owners as applicable. (S/2 Sec 27, Sec 28)

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, ~~or personnel under my supervision~~ have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

~~AND STATEMENT MUST BE COMPLETED BY AN INDIVIDUAL WITH SUPERVISOR AUTHORITY~~

David Stewart  
Print or Type Name

  
Signature

Regulatory Analyst  
Title

6/24/98  
Date

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1080 Rio Brazos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-	Pool Code 73960	Pool Name Carlsbad Morrow, South
Property Code	Property Name OXY CABOOSE STATE	Well Number 1
OGRID No. 16696	Operator Name OXY USA INC	Elevation 3301'

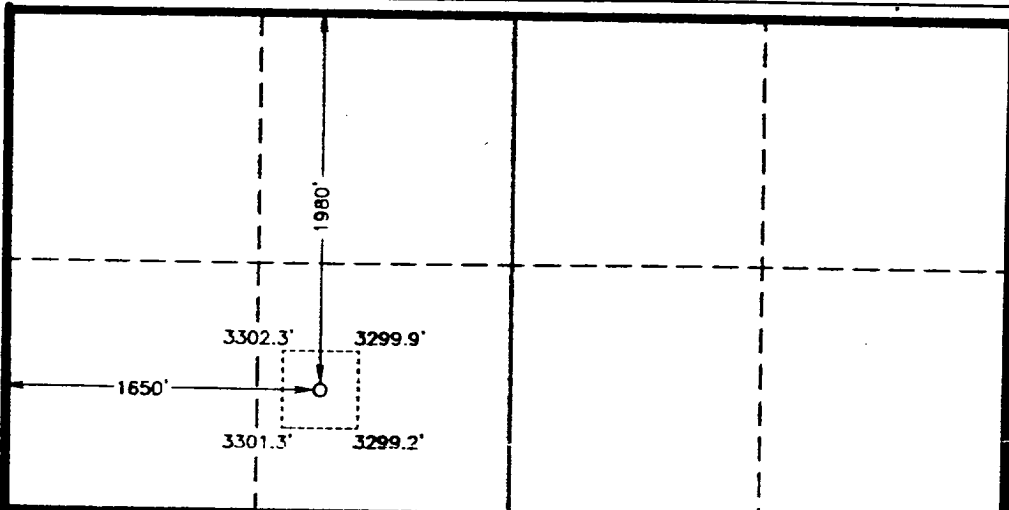
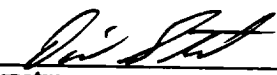
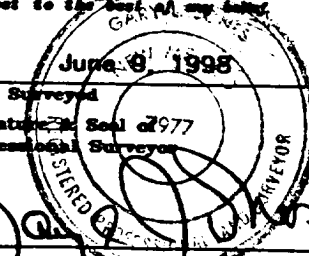
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	27	23 S	26 E		1980	NORTH	1650	WEST	EDDY

Bottom Hole Location If Different From Surface

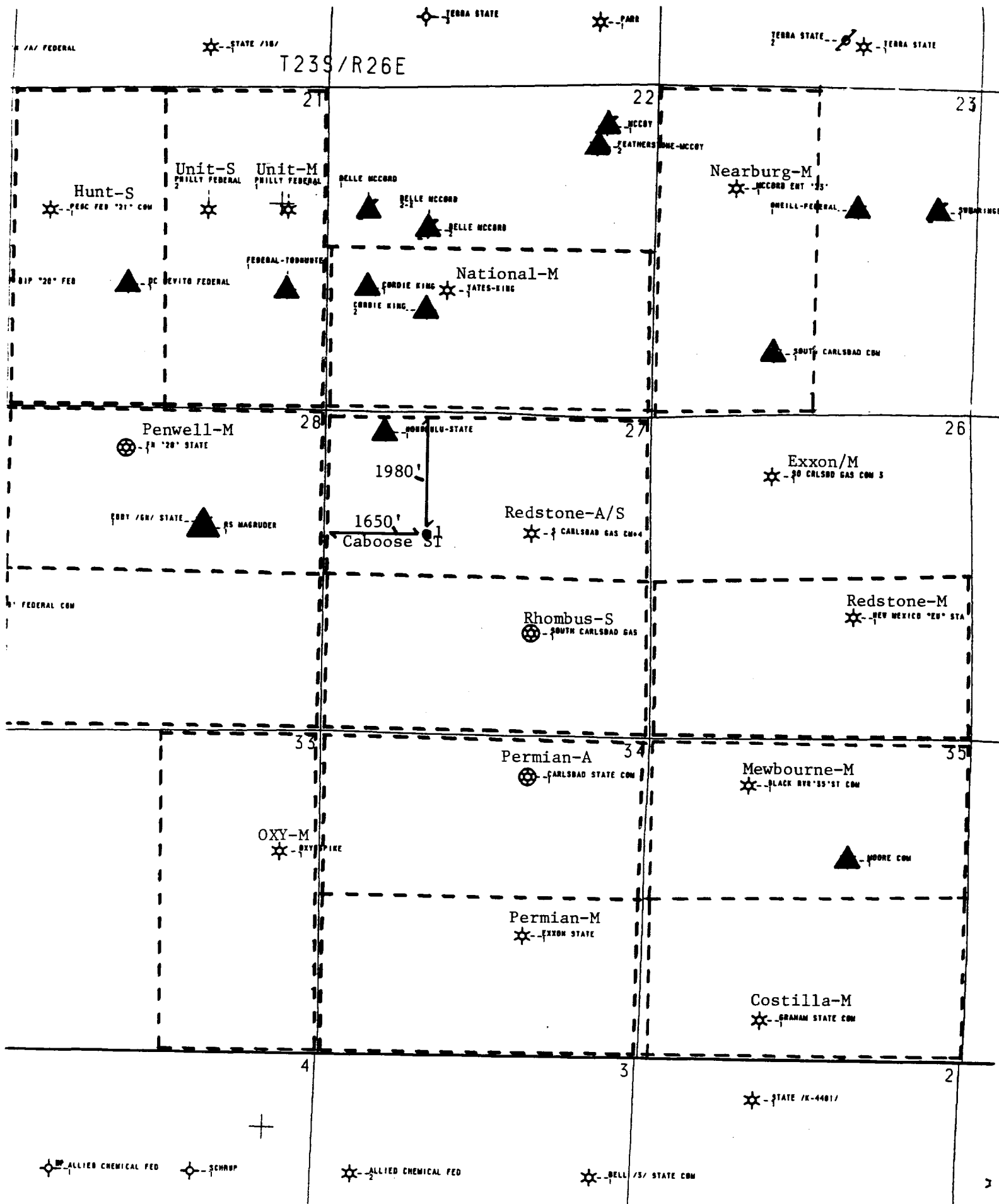
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No.						

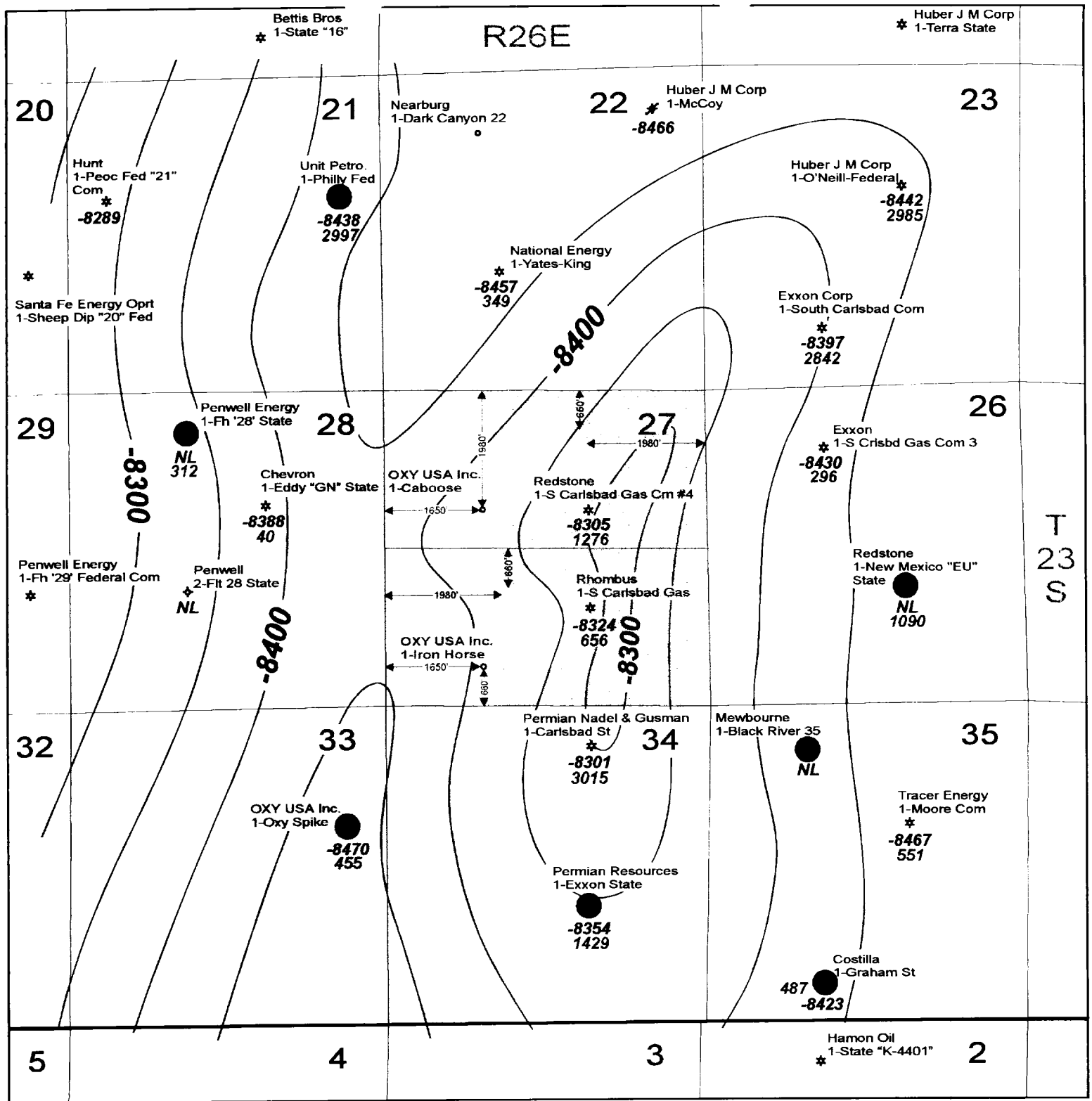
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature David Stewart Printed Name Regulatory Analyst Title 6/24/98 Date
	<b>SURVEYOR CERTIFICATION</b>  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.   Date Surveyed Signature of Gary L. Jones Professional Surveyor W.O. No. 8261 Certificate No. Gary L. Jones 7977 BASIN SURVEYS

OXY USA INC.  
OXY CABOOSE STATE #1  
OFFSET OPERATORS

SPACING UNIT  
P&A/DRY HOLE  
ATOKA (A)  
MORROW (M)  
STRAWN (S)





SB062-00.cdr

Estimated Productive Limit of  
Morrow (Spike) Sandstone

## SOUTH CARLSBAD (MORROW) FIELD Eddy County, New Mexico

\* 455 Morrow Producer (Cum prod in MMCF)

● Active Morrow Producer

Only wells that penetrated Morrow are shown

## LOWER MORROW STRUCTURE

Geol: R.I. Doty

Date: 6/98

2000 Ft

C.I. : 50 ft.

**SERVICE LIST**

**OXY USA INC.**

**OXY CABOOSE STATE #1**

**SEC 27 T23S R26E**

**EDDY COUNTY, NM**

S&P CO.

ATTN: JACK JETER

P.O. BOX 3735

SHREVEPORT, LA 71133-3735

MCNIC OIL & GAS PROPERTIES INC.

ATTN: JOHN PIRRAGLIA

1360 POST OAK BLVD, STE. 1500

HOUSTON, TX 77056

SANTA FE ENERGY RESOURCES, INC.

550 W. TEXAS, STE. 1330

MIDLAND, TX 79701

PENWELL ENERGY INC.

600 NORTH MARIENFELD, STE. 1100

MIDLAND, TX 79701

CODA ENERGY, INC.

ATTN: GARY BYRD

5735 PINELAND DR., STE. 300

DALLAS, TX 75231-9200

MALLON OIL CO.

999 18TH ST., STE. 1700

DENVER, CO 80202

TROPORO OIL & GAS CO.

600 N. MARIENFELD, STE. 1000

MIDLAND, TX 79701

J.M. HUBER CORP.

ATTN: ROBERT GLENN

1900 W. LOOP SOUTH, STE. 1600

HOUSTON, TX 77027

LORO CORP.

214 W. TEXAS, STE. 900

MIDLAND, TX 79702-0371

SCHLAGAL BROTHERS

202 N. EISENHOWER

MIDLAND, TX 79703

FINWING CORP.

P.O. BOX 10886

MIDLAND, TX 79702

RHOMBUS ENERGY CO.

200 N. LORAIN

MIDLAND, TX 79701

RICHARD H. & SIGRID M. COATS

306 W. WALL

MIDLAND, TX 79701

S.E.S. OIL & GAS INC.

214 W. TEXAS, STE. 900

MIDLAND, TX 79702-0371

REDSTONE OIL & GAS CO.

8235 DOUGLAS AVE., STE. 1050

DALLAS, TX 75225

MANTA OIL & GAS CORP.

P.O. BOX 10886

MIDLAND, TX 79702