| IID 110. 07020 | 1 | NOL - 02/3 | | Revised March 23, 2017 |
|---|--|---|--|--|
| 12/16/21 | REVIEWER: LRL | TYPE: NSL | | LEL2204931469 |
| 1 | 220 South St. Franc | & Engineering cis Drive, Santa | TION DIVISIO Bureau – I Fe, NM 8750 | 5 |
| | ADMINISTRATI T IS MANDATORY FOR ALL AD REGULATIONS WHICH REQUIR | | TIONS FOR EXCEPTION | ns to division rules and |
| Applicant: Devon Energy Pr Well Name: Mule 23-11 Fe | roduction Company, L.P. | | | GRID Number: 6137 : 30-015-Pending |
| Pool: Purple Sage; Wolfcamp | | | | ol Code: 98220 |
| SUBMIT ACCURATE AN 1) TYPE OF APPLICATIO | II | NDICATED BELOV | | SS THE TYPE OF APPLICATION |
| A. Location – Spa | cing Unit – Simultane NSP (PROJECT | eous Dedication | | □sd |
| □DHC [II] Injection – | ng – Storage – Meas CTB PLC Disposal – Pressure I | PC OI ncrease – Enha | nced Oil Reco | overy |
| ☐ WFX2) NOTIFICATION REQU | | | | FOR OCD ONLY |
| A. Offset opera B. Royalty, ove C. Application | ntors or lease holders erriding royalty owne requires published r | s ers, revenue owr notice | ners | Notice Complete Application Content |
| E. Notification F. Surface own | and/or concurrent and/or concurrent and/or concurrent and and are above, proof of no | approval by BLA | М | Complete ached, and/or, |
| H. No notice read No notice read No notice read No notice read No notifications are sub | reby certify that the oval is accurate and action will be taken | complete to the on this applicat | ne best of my k | • • |
| Note: State | ement must be completed b | y an individual with r | managerial and/or | supervisory capacity. |
| D : 0.0 | | | December 14, 2 Date | 2021 |
| Darin C. Savage | | | Daio | |
| Print or Type Name | | | 970-385-4401 | |
| | | | Phone Numb | per |
| /s/ Da | arin C. Savage | | darin@abadie | eschill.com |

Released to Imaging: 3/11/2022 2:29:33 PM

Signature

e-mail Address EXHIBIT

B

SUBMITTED TO THE OIL CONSERVATION DIVISION:

Application of Devon Energy Production Company, L.P., for administrative approval of nonstandard well location (NSL) for its Mule Wells located in the N/2 NW/4 of Section 23 and the W/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

TABLE OF CONTENTS

| Exhibit A: | Statement of attestation to the Division (19.15.15.13D) |
|------------|--|
| Exhibit B: | Administrative Checklist for NSL |
| Exhibit C: | A statement discussing the reasons for the unorthodox location (19.15.15.13C) |
| Exhibit D: | C-102 Forms, specifically identifying the NSL (19.15.15.13C) |
| Exhibit E: | Tract map outlining the unit location of the unorthodox well with affected area tracts identified (19.15.15.13C) |
| Exhibit F: | A list of affected persons, with addresses, entitled to notice of the application (19.15.15.13C) |
| | |

Devon Energy Production Company, LLC



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Kansas Utah
Nebraska Wyoming
Montana California
Oklahoma North Dakota

December 16, 2021

Adrienne Sandoval, Director Oil Conservation Division New Mexico Department of Energy Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Copy to: Leonard Lowe, Division Hearing Examiner

Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Mule 23-11 Fed Com 831H Well located in the N/2 NW/4 of Section 23 and the W/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

Dear Director Sandoval:

Devon Energy Production Company, L.P., ("Devon"), OGRID No. 6137, is seeking administrative approval of a unorthodox well location ("NSL") for its Mule 23-11 Fed Com 831H (API No. 30-015-Pending), gas well, covering 720-acres, to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the N/2 NW/4 of Section 23 and the W/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico. A C-102 for the Well is attached as Exhibit D. This is a horizontal well that will be drilled as follows:

Mule 23-11 Fed Com 831H Well:

- Surface Location (SL): 921' from the North line and 827' from the West line of Section 23, Township 25 South, Range 31 East;
- Bottom Hole Location (BHL): 20' from the North line and 440' from the West line of Section 11, Township 25 South, Range 31 East;
- First Take Point (FTP): 1,219' from the North line and 440' from the West line of Section 23, Township 25 South, Range 31 East;
- Last Take Point (LTP): 100' from the North line and 440' from the West line of Section 11, Township 25 South, Range 31 East.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

EXHIBIT **A** Devon has included as Exhibit C, a letter explaining why this application is needed. The well will produce from the Purple Sage Wolfcamp Pool (Pool Code 98220). There are special pool rules for this pool under Order No. R-14262, that establish 330' setback requirements. The completed interval for the proposed well is closer than 330' from the boundary of the spacing unit.

The unorthodox well location will encroach towards the S/2 NW/4 of Section 23 and the SW/4 of Section 2, Township 25 South, Range 31 East.

Devon attests that, on or before submission of this application, it provided notice to the affected persons in the adjoining S/2 NW/4 of Section 23 and the SW/4 of Section 2, Township 25 South, Range 31 East; said notice as described satisfies all provisions of NMAC 19.15.4.12A(2)(a) and NMAC 19.15.15.13D; copies of the application and required plat maps were furnished. Devon also provided notice to the Bureau of Land Management to the extent that they own interest with respect to areas adjoining the proposed unorthodox well location unit. Additionally, Devon obtained an NSL waiver agreement from Mewbourne Oil Company, whose operating interests are in the S/2 N/2 of Section 23. Devon provides herein a tract map outlining the unorthodox HSU with affected area tracts identified, attached as Exhibit E. Proof of mailing, along with a copy of the notice letter sent to listed affected persons and parties, is attached hereto as Exhibit F. The development plan for this unit is pursuant to a Joint Operating Agreement; therefore, there is no associated pooling case number.

It should be noted that on December 6, 2021, Devon submitted to the OCD an NSP application for its Mule 23-11 Fed Com 621H, 711H, 731H, 621H, 712H, and 732H Wells, proposing a 720-acre unit, to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the N/2 NW/4 of Section 23 and the W/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico. The subject well (831H) for this NSL application will be in the same proposed NSP unit.

Your consideration in this matter is appreciated.

Sincerely,

Darin C. Savage Attorney for Applicant



Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 73102-5015

December 13, 2021

Mr. Leonard Lowe New Mexico Oil Conservation Division 1220 South Francis Drive Santa Fe, New Mexico 87505

RE:

Application for Nonstandard Location Engineering Statement Devon Energy Production Company, L.P. Mule 23-11 Fed Com 831H and 821H (the "Mule Wells") W/2 of Section 11, 14, and N/2NW/4 of 23-25S-31E Eddy County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location ("NSL") for each of the Mule Wells referenced above. The Mule Wells are in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Devon's responsibility as a prudent operator to minimize reserves left in the ground. Decreasing the first and last take point from three hundred and thirty feet (330') to one hundred feet (100') will increase the wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

Paige Bowes

Reservoir Engineer

Paige Bawes

EXHIBIT

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 746-1283 Fax: (575) 748-9720

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

 \square AMENDED REPORT

| , | WELL LOCATION AND ACREAGE DEDICATION PLAT | |
|---|---|-------------|
| API Number | Pool Code Pool Name | |
| | | |
| Property Code | Property Name | Well Number |
| | MULE 23-11 FED COM | 831H |
| OGRID No. | Operator Name | Elevation |
| 6137 | DEVON ENERGY PRODUCTION COMPANY, L.P. | 3367.0' |

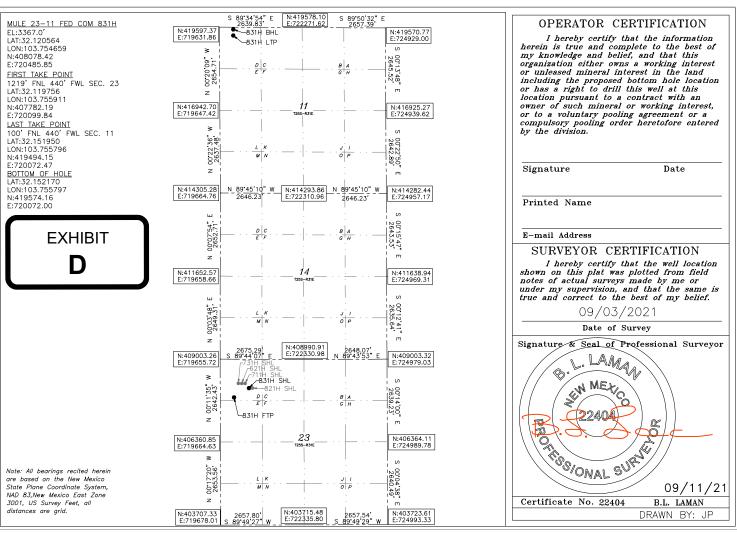
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D | 23 | 25-S | 31-E | | 921 | NORTH | 827 | 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 |
|--|---------|----------|-------|----------|---------------|------------------|---------------|----------------|--------|
| D | 11 | 25-S | 31-E | | 20 | NORTH | 440 | WEST | EDDY |
| Dedicated Acres Joint or Infill Consolidation Code | | | | Code Ord | ler 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



| Inten | ıt | As Dril | led | | | | | | | | | | | |
|---|--------------------------|---------------|---------------|---------|-----------------------|----------|-----------------------|----------|----------|-----------|------------------|-------------|---------------------|--|
| API # | ‡ | | | | | | | | | | | | | |
| Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP. | | | | | | | perty Nam LE 23-11 | | COM | 1 | | | Well Number 831H | |
| Kick (| Off Point | (KOP) | | | | | | | | | | | | |
| UL | Section | Township | Range | Lot | Feet | | From N/S | Fee | t | From | n E/W | County | | |
| Latit | ude | | | | Longitu | ude | | | | | | NAD | | |
| UL | Take Poir | Township | Range | Lot | Feet | | From N/S | Fee | | From | n E/W | County | , | |
| D Latit | | 25-S | 31-E | | 1219 Longitu | ude | NORTI | 7 440 |) | VVE | ST | EDDY NAD | | |
| 32. | 119756 | 3 | | | 103. | 7559 | 911 | | | | | 83 | | |
| | Take Poin | t (LTP) | | | | T | | | | | | | | |
| D _D | Section 11 | Township 25-S | Range 31-E | Lot | Feet 100 | NO | m N/S Fe PRTH 44 | | From WES | s/w ST | Count | ĎΥ | | |
| Latit | ^{ude} 15195(|) | | | Longitu 103. | | 796 | | | | NAD 83 | | | |
| | | e defining v | vell for th | e Horiz | zontal S _l | pacing | g Unit? | | | | | | | |
| ls thi: | s well an | infill well? | | | | | | | | | | | | |
| | ll is yes p ing Unit. | lease prov | ide API if | availab | ole, Ope | rator | Name and | l well r | number | for [| Definii | ng well fo | r Horizontal | |
| API # | ŧ | | | | | | | | | | | | | |
| Оре | erator Nai | me: | | | | Prop | perty Nam | e: | | | | | Well Number | |
| | | | | | | 1 | | | | | | | K7 06/29/201 | |

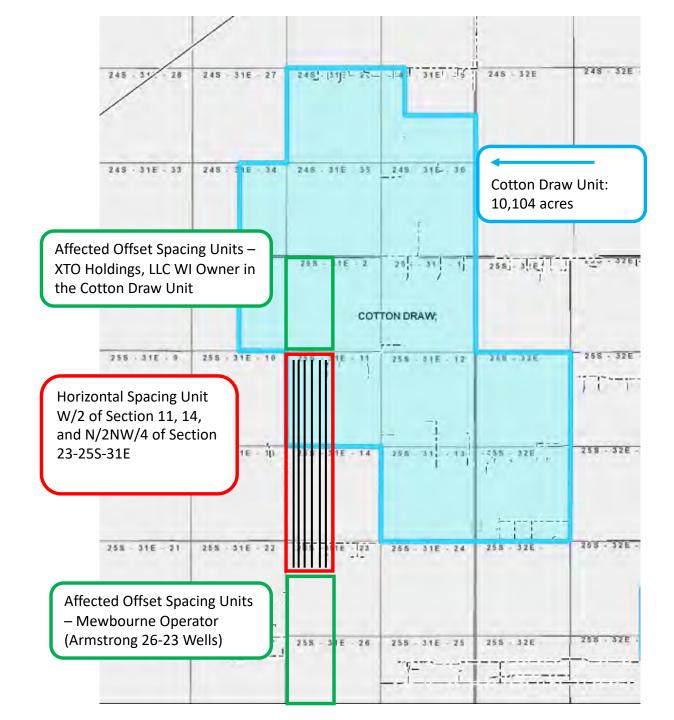


EXHIBIT **E**

Overlapping Spacing Sections 23-25S-31E, Eddy County, NM Devon Energy Production Company, L.P.

| Company Name | Туре | Address | Certified Mail | Date Mailed | STATUS | Date Received | Green Card Received | STR | Tract | Pool Code | Devon Energy Well |
|---------------------------|----------|------------------------------------|----------------------|-------------|--------|---------------|---------------------|-------------------------------|-------------------------------|-----------|--|
| | | 22777 Springwoods Village | | | | | | All of Section 2-25S-31E | A, B, C, D, E, F, G, H, I, J, | | Mule 23-11 Fed Com 621H, 711H, 731H, 612H, 712H, |
| XTO Energy, Inc. | WI | Parkway, Spring, TX, 77389 | 70210950000069888326 | 12/16/21 | | | | | K, L, M,N, O, & P | | 732H, 623H, 713H, 733H, 624H, 714H, & 734H |
| | | 500 W. Texas, Ste 1020, Midland, | | | | | | S/2 N/2 of Section 23-25S-31E | E, F, G, & H | | Mule 23-11 Fed Com 621H, 711H, 731H, 612H, 712H, |
| Mewbourne | Operator | TX, 79701 | 70210950000069888319 | 12/16/21 | | | | | | | 732H, 623H, 713H, 733H, 624H, 714H, & 734H |
| | | 620 E. Greene Street, Carlsbad, NM | | | | | | All of Sections 23,14, and 11 | A, B, C, D, E, F, G, H, I, J, | | Mule 23-11 Fed Com 621H, 711H, 731H, 612H, 712H, |
| Bureau of Land Management | Royalty | 88220-6292 | 70210950000069888302 | 12/16/21 | | | | in 25S-31E | K, L, M,N, O, & P | | 732H, 623H, 713H, 733H, 624H, 714H, & 734H |

EXHIBIT

F



ABADIE I SCHILL PC

Colorado New Mexico
Louisiana Texas
Kansas Utah
Nebraska Wyoming
Montana California
Oklahoma North Dakota

For the Pursuit of Energy

December 16, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

NOTICE TO AFFECTED PERSONS/PARTIES RE: APPLICATIONS FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATIONS

- 1) Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Mule 23-11 Fed Com 821H Well located in the N/2 NW/4 of Section 23 and W/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.
- 2) Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Mule 23-11 Fed Com 831H Well located in the N/2 NW/4 of Section 23 and W/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

To the Parties/Persons this may concern:

Enclosed in this notice are copies of the above referenced applications filed with the New Mexico Oil Conservation Division on the date referenced above. You are being notified in your capacity as a person or party in an adjoining section or unit pursuant to our request for approval of an unorthodox well location of the above-referenced wells. Any objections that you have to one or more of these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the applications filed for administrative approval by the Division. Email correspondence for this matter can be sent to the Division at OCD.Engineer@state.nm.us.

If you have any questions concerning this application, please contact:

Verl Brown Supervising Landman Devon Energy Production Company, L.P. (405) 228-8804 Verl.Brown@dvn.com

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

If you have no objections to these applications, please sign the waiver as indicated below and return the original to the address listed on this letterhead. Your assistance and cooperation in this matter are appreciated.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

| ** 7 | | |
|------|-----|--------------|
| 11/ | 217 | Or |
| V V | aiv | \mathbf{c} |
| | | |

| 1.1 | hereby waives objection to the above referox Location for the Mule 23-11 Fed Com 821H Well located d W/2 of Sections 14 and 11, Township 25 South, Range 31 Mexico. | in the |
|--------|---|--------|
| Dated: | Signature: | |
| 1.1 | hereby waives objection to the above referox Location for the Mule 23-11 Fed Com 831H Well located d W/2 of Sections 14 and 11, Township 25 South, Range 31 Mexico. | in the |
| Dated: | Signature: | |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

CONDITIONS

Action 67628

CONDITIONS

| Operator: | OGRID: |
|-------------------------------------|--------------------------------------|
| DEVON ENERGY PRODUCTION COMPANY, LP | 6137 |
| 333 West Sheridan Ave. | Action Number: |
| Oklahoma City, OK 73102 | 67628 |
| | Action Type: |
| | [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|---------------|-----------|----------------|
| llowe | None | 12/20/2021 |