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|---------------------------|----------------------|------------------|-------------------------------|
| RECEIVED: 05/13/22 | REVIEWER: LRL | TYPE: NSL | APP NO: pLEL2214032050 |
|---------------------------|----------------------|------------------|-------------------------------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Devon Energy Production Company, L.P. **OGRID Number:** 6137
Well Name: Mule 23-11 Fed Com 822H **API:** 30-015-pending
Pool: Purple Sage; Wolfcamp **Pool Code:** 98220

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC

☐ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

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

☐ WFX

☐ PMX

☐ SWD

☐ IPI

☐ EOR

☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

A. ☒ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☒ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☒ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete

☐ Application
Content
Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

May 13, 2022

Date

Darin Savage

Print or Type Name

970-385-4401

Phone Number

Signature

darin@abadieschill.com

e-mail Address

EXHIBIT

A



For the Pursuit of Energy

ABADIE | SCHILL PC

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

May 13, 2022

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 822H 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 an unorthodox well location (“NSL”) for the Mule 23-11 Fed Com 822H Well (the “Well”) 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 C. This is a horizontal well that will be drilled as follows:

- First Take Point (FTP): 1,213’ from the North line and 1670’ from the West line of Section 23, Township 25 South, Range 31 East;
- Last Take Point (LTP): 100’ from the North line and 1670’ from the West line of Section 11, Township 25 South, Range 31 East.

Devon has included as Exhibit B a letter explaining why this application is needed. This 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.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

The unorthodox location will encroach towards the (1) SW/4 of Section 2, Township 25 South, Range 31 East; and (2) the S/2 NW/4 of Section 23, 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 (1) SW/4 of Section 2, Township 25 South, Range 31 East; and (2) the S/2 NW/4 of Section 23, Township 25 South, Range 31 East.; 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 offsetting areas. Devon provides herein a sectional map of this area, attached as Exhibit D. Proof of mailing, along with a copy of the notice letter sent to listed affected persons and parties, is attached hereto as Exhibit E. The development plan for this unit is pursuant to a Joint Operating Agreement; therefore, there is no associated pooling case number.

Your consideration in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage
Attorney for Applicant

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 23-11 Fed Com 822H 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.

TABLE OF CONTENTS

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

Devon Energy Production Company, LLC



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

May 5, 2022

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 822H and 832H
(the "Mule Wells")
All of Section 11, 14, and N/2N/2 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,

A handwritten signature in blue ink that reads "Paige Bowes". The signature is written in a cursive, flowing style.

Paige Bowes
Reservoir Engineer

EXHIBIT
B

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------|---------------------------------------------------------------|----------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name MULE 23-11 FED COM | Well Number 822H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Elevation 3360.6' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 23 | 25-S | 31-E | | 1109 | NORTH | 2220 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 11 | 25-S | 31-E | | 20 | NORTH | 1670 | WEST | EDDY |

| Dedicated Acres | Joint or Infill | 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

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>MULE 23-11 FED COM 822H EL: 3360.6' LAT: 32.120009 LON: 103.750161 N: 407883.98 E: 721879.51</p> <p>FIRST TAKE POINT 1213' FNL 1670' FWL SEC. 23 LAT: 32.119739 LON: 103.751938 N: 407782.58 E: 721329.85</p> <p>LAST TAKE POINT 100' FNL 1670' FWL SEC. 11 LAT: 32.151907 LON: 103.751822 N: 419485.17 E: 721302.54</p> <p>BOTTOM OF HOLE LAT: 32.152127 LON: 103.751822 N: 419565.18 E: 721302.07</p> | | <p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>04/07/2022 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;"> </div> <div style="border: 2px solid black; padding: 5px; text-align: center; margin: 10px auto; width: 150px;"> EXHIBIT C </div> <p>04/22/22</p> <p>Certificate No. 22404 B.L. LAMAN DRAWN BY: JP</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Note: All bearings recited herein are based on the New Mexico State Plane Coordinate System, NAD 83, New Mexico East Zone 3001, US Survey Feet, all distances are grid.

Intent ☐ As Drilled ☐

| | | |
|-----------------------------------------------------------|--------------------------------------|---------------------|
| API # | | |
| Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP. | Property Name: MULE 23-11 FED COM | Well Number 822H |

Kick Off Point (KOP)

| | | | | | | | | | |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
| Latitude | | | | | Longitude | | | | NAD |

First Take Point (FTP)

| | | | | | | | | | |
|-----------------------|---------|----------|-------|-----|-------------------------|----------|------|----------|-----------|
| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
| C | 23 | 25-S | 31-E | | 1213 | NORTH | 1670 | WEST | EDDY |
| Latitude 32.119739 | | | | | Longitude 103.751938 | | | | NAD 83 |

Last Take Point (LTP)

| | | | | | | | | | |
|-----------------------|---------|----------|-------|-----|-------------------------|----------|------|----------|-----------|
| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
| C | 11 | 25-S | 31-E | | 100 | NORTH | 1670 | WEST | EDDY |
| Latitude 32.151907 | | | | | Longitude 103.751822 | | | | NAD 83 |

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

| | | |
|----------------|----------------|-------------|
| API # | | |
| Operator Name: | Property Name: | Well Number |

KZ 06/29/2018

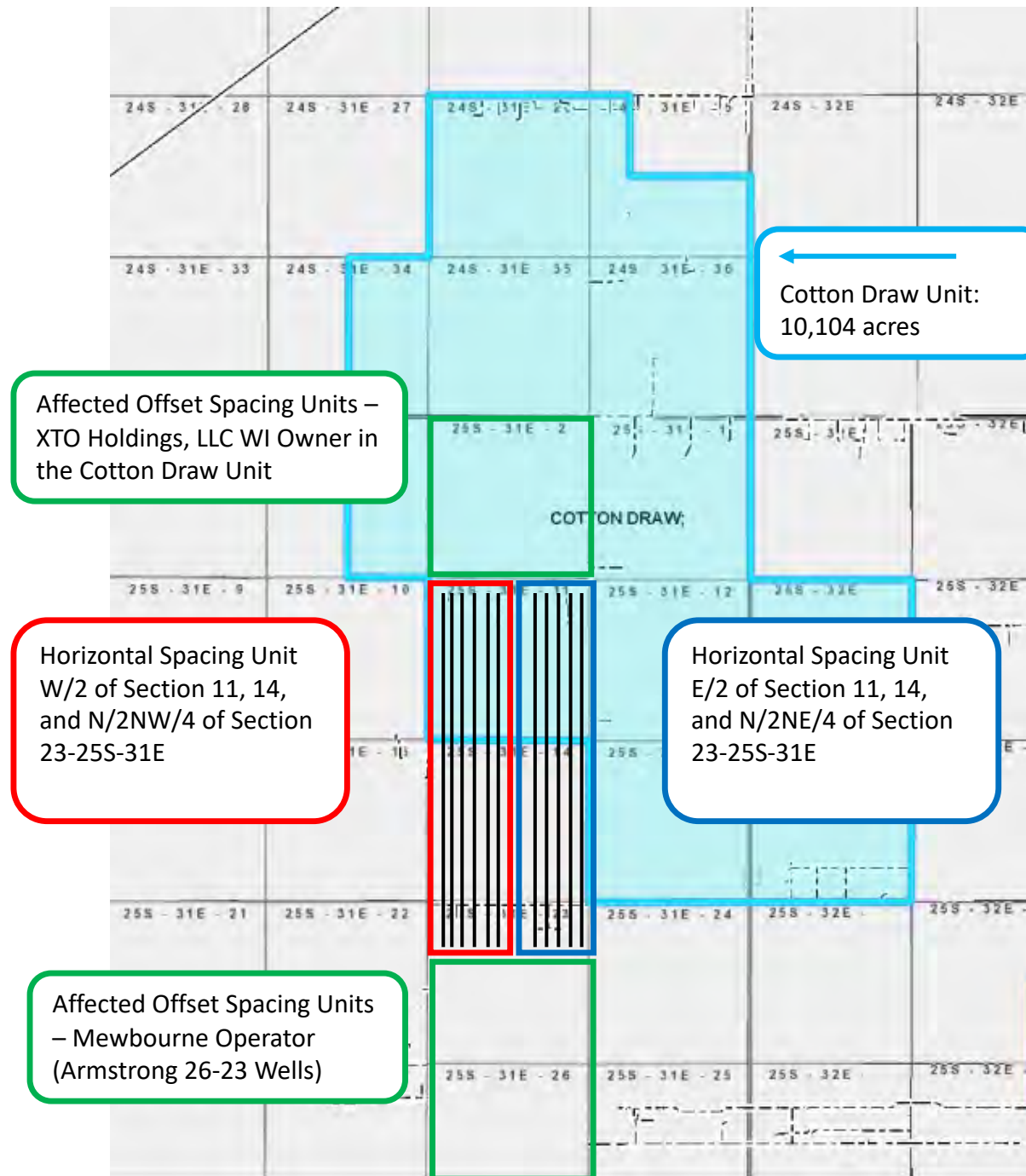


EXHIBIT
D

Mailing List of Affected Persons/Parties

| Company Name | Type | Address | Date Mailed | Tracking Number | STR |
|---------------------------|----------|------------------------------------------------------|-------------|----------------------|------------------------------------------|
| XTO Energy, Inc. | WI | 22777 Springwoods Village Parkway, Spring, TX, 77389 | 05/13/22 | 70220410000152267525 | All of Section 2-25S-31E |
| Mewbourne | Operator | 500 W. Texas, Ste 1020, Midland, TX, 79701 | 05/13/22 | 70220410000152267515 | S/2 N/2 of Section 23-25S-31E |
| Bureau of Land Management | Royalty | 620 E. Greene Street, Carlsbad, NM 88220-6292 | 05/13/22 | 70220410000152267522 | All of Sections 23,14, and 11 in 25S-31E |

**EXHIBIT
E**



For the Pursuit of Energy

ABADIE | SCHILL PC

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

May 13, 2022

**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 822H 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 832H 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.**
- 3) Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Mule 23-11 Fed Com 823H Well located in the N/2 NE/4 of Section 23 and E/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.**
- 4) Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Mule 23-11 Fed Com 833H Well located in the N/2 NE/4 of Section 23 and E/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 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

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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

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,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', with a stylized, looping flourish at the end.

Darin C. Savage

Attorney for Devon Energy
Production Company, L.P.

Waiver

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Mule 23-11 Fed Com 822H 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.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Mule 23-11 Fed Com 832H 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.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Mule 23-11 Fed Com 823H Well located in the N/2 NE/4 of Section 23 and E/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Mule 23-11 Fed Com 833H Well located in the N/2 NE/4 of Section 23 and E/2 of Sections 14 and 11, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

District IV

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 106722

CONDITIONS

| | |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102 | OGRID: 6137 |
| | Action Number: 106722 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| | | |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Created By | Condition | Condition Date |
| llowe | NSL-8363 is approved. The order can be reviewed at the OCD Imaging web site: https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx | 5/18/2022 |