

RECEIVED: <b>06/17/22</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL2217232095</b>
---------------------------	----------------------	------------------	-------------------------------

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:** Hot Potato 26-23 Fed 232H **API:** 30-015-pending  
**Pool:** Laguna Salado; Bone Spring **Pool Code:** 96721

### 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.

Darin Savage

Print or Type Name

  
 Signature

June 17, 2022

Date

970-385-4401

Phone Number

darin@abadieschill.com

e-mail Address

**SUBMITTED TO THE OIL CONSERVATION DIVISION:**

Application of Devon Energy Production Company, L.P., for administrative approval of nonstandard well location (NSL) for its Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

**TABLE OF CONTENTS**

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**



For the Pursuit of Energy

ABADIE | SCHILL PC

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

June 17, 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 Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 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 Hot Potato 26-23 Fed 232H Well (the “Well”) to be completed within the Laguna Salado; Bone Spring Pool (Pool Code 96721) underlying the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal well that will be drilled as follows:

- First Take Point (FTP): 100’ from the South line and 1350’ from the West line of Section 26, Township 23 South, Range 29 East;
- Last Take Point (LTP): 100’ from the North line and 1350’ from the West line of Section 23, Township 23 South, Range 29 East.

Devon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Laguna Salado; Bone Spring Pool (Pool Code 96721). The setback requirements for this pool under statewide rules are 330’ from the unit boundary as measured along a perpendicular line to the lateral. The completed interval for the proposed well is closer than 330’ from the boundary of the spacing unit measured as such.

[abadieschill.com](http://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 W/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Devon attests that, on or before submission of this application, it provided notice to the affected persons in the W/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 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 C. Proof of mailing, along with a copy of the notice letter sent to listed affected persons and parties, is attached hereto as Exhibit D. This unit was established by New Mexico Oil Conservation Division ("OCD") Order No. R-21242 in OCD Case No. 21120. The W/2 W/2 unit towards which the well encroaches was established by OCD Order No. R-21243 in OCD Case No. 21121.

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



Devon Energy Production Company LP  
333 West Sheridan Avenue  
Oklahoma City, OK 73102

405 552 8002 Phone  
www.devonenergy.com

June 14, 2022

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

RE: Application for Non-Standard Location  
Engineering Statement  
Devon Energy Production Company, L.P.  
Hot Potato 26 23 Fed 232H  
E2W2 of Section 23 & 26, T23S-R29E  
Eddy County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, LP ("Devon") respectfully requests administrative approval of a non-standard location for the Hot Potato 26 23 Fed 232H (the "Well") referenced above. The Well is in the Laguna Salado; Bone Spring Pool (Pool Code 96721) with first and last take points at roughly 1350' FWL, in between existing Bone Spring horizontal spacing units. It is Devon's responsibility as a prudent operator to minimize reserves left in the ground. Decreasing the perpendicular setback from 330' will allow for tighter well spacing, thereby increasing the ultimate recovery of reserves and thereby preventing waste of natural resources.

Respectfully,

Devon Energy Production Company, L.P.

A handwritten signature in black ink, appearing to read "Lauren Skyes". The signature is fluid and cursive, with the first name "Lauren" being more prominent than the last name "Skyes".

Lauren Skyes  
Reservoir Engineer

**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 Road, 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 &amp; Natural Resources Department

**OIL CONSERVATION DIVISION**

1220 South St. Francis Dr.

Santa Fe, NM 87505

**Form C-102**

Revised August 1, 2011

Submit one copy to  
appropriate District Office☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code 96721	<sup>3</sup> Pool Name Laguna Salado; Bone Spring
<sup>4</sup> Property Code	<sup>5</sup> Property Name HOT POTATO 26-23 FED	<sup>6</sup> Well Number 232H
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>9</sup> Elevation 3081.3'

**<sup>10</sup>Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	23-S	29-E		450	SOUTH	808	WEST	EDDY

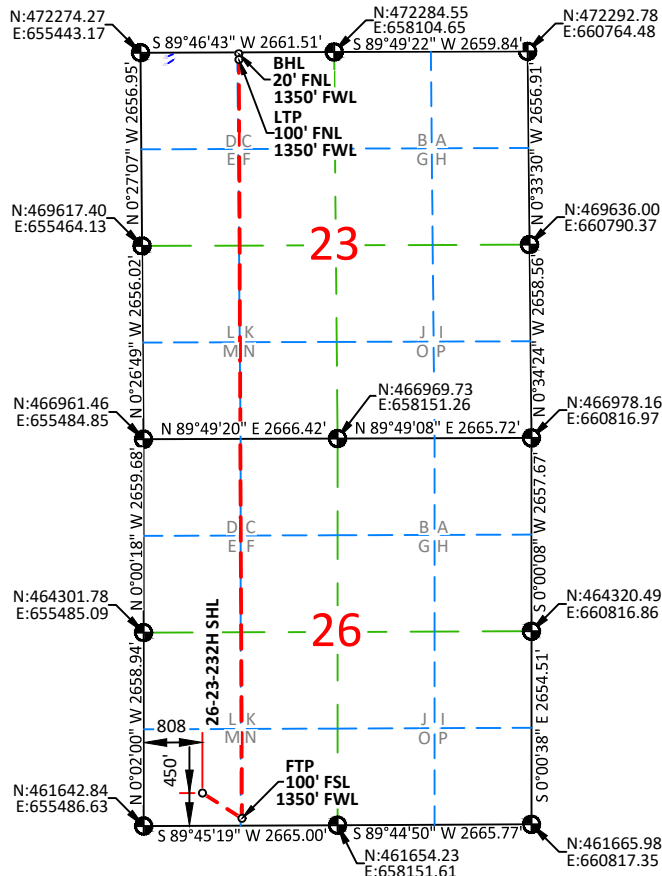
**<sup>11</sup>Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	23-S	29-E		20	NORTH	1350	WEST	EDDY

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

16

**USGLO BRASS CAP****HOT POTATO 26-23****FED 232H**ELEV: 3081.3'  
LAT: 32.2698298°  
LON: 103.9614003°  
N: 462096.29  
E: 656293.73**FIRST TAKE POINT**LAT: 32.268869°  
LON: 103.959648°  
N: 461748.61  
E: 656836.57**LAST TAKE POINT**LAT: 32.297542°  
LON: 103.959668°  
N: 472179.49  
E: 656793.96**BOTTOM HOLE LOCATION**LAT: 32.297762°  
LON: 103.959669°  
N: 472259.49  
E: 656793.32**<sup>17</sup>OPERATOR CERTIFICATION**

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

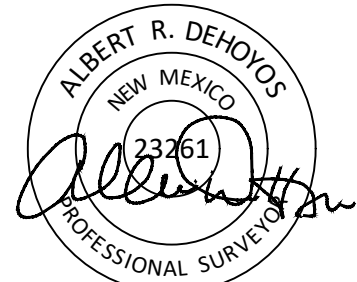
**<sup>18</sup>SURVEYOR CERTIFICATION**

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.

01/27/2022

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate No. 23261	Albert Dehoyos
Drawn by: JEB	Checked by: ARD Date: 01/27/2022

**NOTES:**

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.4, DETERMINED BY AN OPUS SOLUTION ON NOVEMBER 9TH, 2019.
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCES IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220989.
3. ELEVATIONS SHOWN ARE EXISTING GROUND ELEVATIONS UNLESS OTHERWISE NOTED.

Intent ☐ As Drilled ☐

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: HOT POTATO 26-23 FED	Well Number 232H

## 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 N	Section 26	Township 23-S	Range 29-E	Lot	Feet 100	From N/S SOUTH	Feet 1350	From E/W WEST	County EDDY
Latitude 32.268869°					Longitude -103.959648°			NAD 83	

## Last Take Point (LTP)

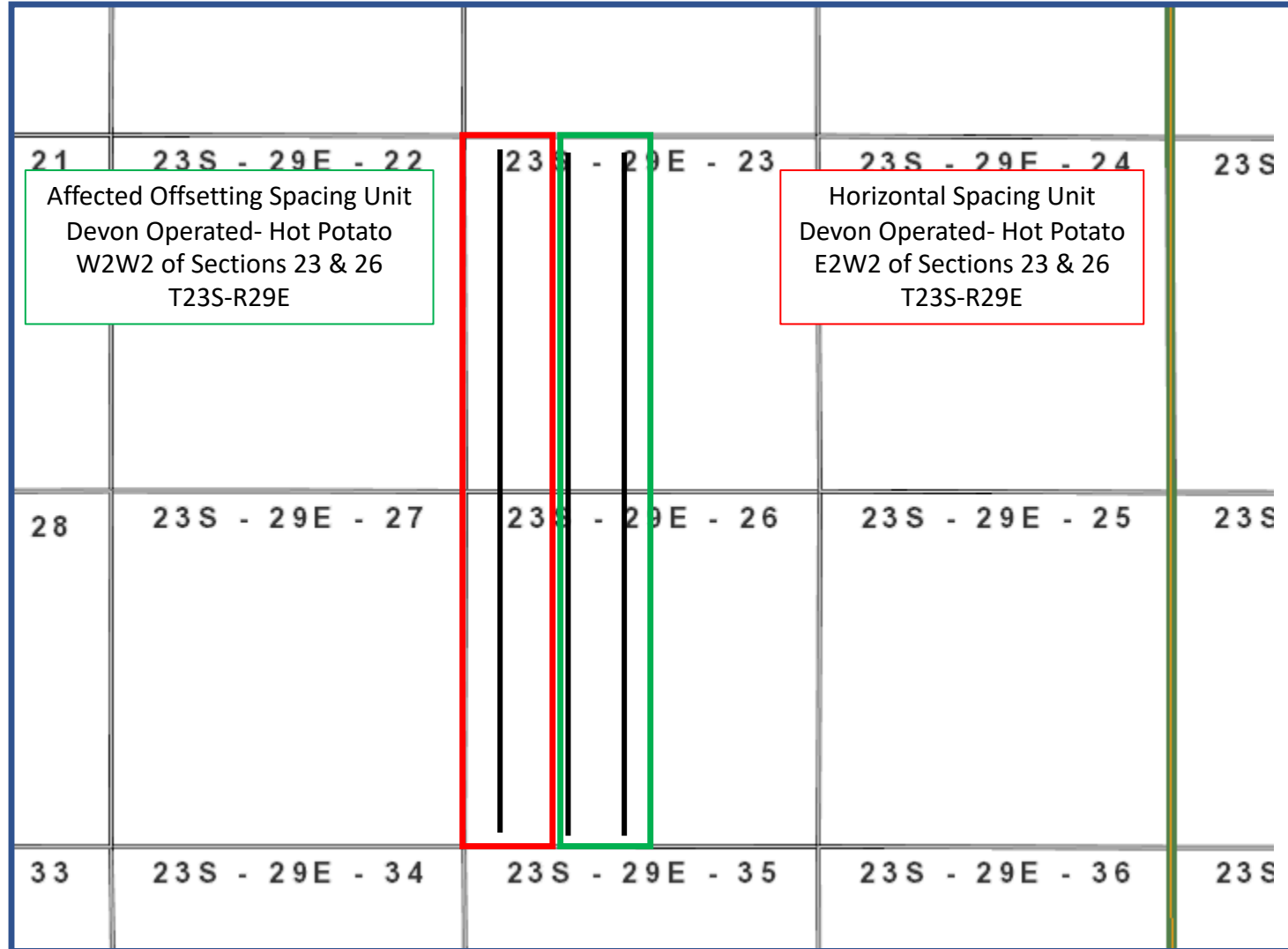
UL C	Section 23	Township 23-S	Range 29-E	Lot	Feet 100	From N/S NORTH	Feet 1350	From E/W WEST	County EDDY
Latitude 32.297542°					Longitude -103.959668°			NAD 83	

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

If infill is yes 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





Hot Potato 23-26 Fed 232H			
Non-Standard Location			
Affected Parties			
Owner	Address	Interest	Certified Mail #
Allar Development LLC	P.O. Box 1567 Graham, Texas 76450	WIO in the Devon Operated W/2 W/2 Unit	70220410000183772125
BEXP I OG, LLC	5914 W. Courtyard Dr., Suite 340 Austin, Texas 78730	WIO in the Devon Operated W/2 W/2 Unit	70220410000183772132
Highland (Texas) Energy Company	11886 Greenville Ave., Suite 106 Dallas, Texas 75243	WIO in the Devon Operated W/2 W/2 Unit	70220410000183772149
Bureau of Land Management			70220410000183772156



For the Pursuit of Energy

ABADIE | SCHILL PC

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

June 17, 2022

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

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

**Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**

To the Parties/Persons this may concern:

Enclosed in this notice is a copy of the above referenced application 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 well. Any objections that you have to this application 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 application filed for administrative approval by the Division. Email correspondence for this matter can be sent to the Division at [OCD.Engineer@state.nm.us](mailto:OCD.Engineer@state.nm.us).

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

Aaron Young  
Sr. Staff Landman  
Devon Energy Production Company, L.P.  
(405) 228-2850  
[Aaron.Young@dvn.com](mailto:Aaron.Young@dvn.com)

If you have no objections to this application, 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.

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage'. The signature is stylized with a large, looped 'D' and a trailing flourish.

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 Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

**From:** [Luke Kittinger](#)  
**To:** [Lowe, Leonard, EMNRD](#)  
**Cc:** [Darin Savage](#)  
**Subject:** [EXTERNAL] Hot Potato NSL Waivers of Objection  
**Date:** Thursday, June 30, 2022 10:09:01 AM  
**Attachments:** [BEXP I OG, LLC Waiver.pdf](#)  
[Highland Energy Company Waiver.pdf](#)  
[Allar Development, LLC Waiver.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning Leonard,

I have attached for your consideration three waivers of objection relating to the Hot Potato 26-23 Fed 232H Well NSL Application filed by Devon Energy Production Company, L.P. on June 17, 2022. These Waivers should cover all interested parties in this matter. Please let me know if you require any more information in your evaluation of Devon's application.

Best,  
Luke



Santa Fe | Durango

**LUKE KITTINGER**

*Abadie | Schill P.C.*

*555 Rivergate Lane, Ste. B4-180 Durango, CO 81301*

:: O | 970.385.4401 :: F | 970.385.4901 :: C | 918.633.8431

CONFIDENTIAL NOTICE: This electronic transmission and any documents or other writings sent with it constitute confidential information which is intended only for the named recipient and which may be legally privileged. If you have received this communication in error, do not read it. Please reply to the sender at Abadie & Schill, PC that you have received the message in error. Then delete it. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachment(s) by anyone other than the named recipient is strictly prohibited.

Waiver

Akar Development, LLC hereby waives objection to the above referenced Application for an Unorthodox Location for the Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: 6/21/22Signature:   
Stephen Graham  
President

Waiver

BEXP 106, LLC hereby waives objection to the above referenced Application for an Unorthodox Location for the Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: 6/23/2022

Signature: 

Waiver

HIGHLAND (TEXAS) ENERGY COMPANY hereby waives objection to the above referenced Application for an Unorthodox Location for the Hot Potato 26-23 Fed 232H Well located in the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: 6/22/2022

Signature:   
GARY RICHARDSON, UP OF LAND



**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 118454

**CONDITIONS**

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 118454
	Action Type: [UF-NSL] Non-Standard Location (NSL)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	NSL - 8396 is approved. The approved Order can be retrieved at the following OCD: website. <a href="https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx">https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx</a>	6/21/2022