State of New Mexico Energy, Minerals and Natural Resources Department

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Mr. Darin Savage darin@adadieschill.com

Administrative Order NSP - 2165

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Devon Energy Production Company, L.P. [OGRID 6137]

Tator Tot 2 35 Federal Com Well No. 622H [API No. 30-015-49052]

Tator Tot 2 35 Federal Com Well No. 624H [API No. 30-015-49050]

Tator Tot 2 35 Federal Com Well No. 713H [API No. 30-015-49067]

Located in Section 02, T24S, R29E and Section 35, T23S, R29E, Eddy County, New Mexico

Reference is made to your application received on July 25th, 2023.

You have requested approval of a non-standard horizontal spacing unit as follows:

Proposed Decreased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
E/2 of Section 02, T24S, R29E	599.20	Purple Sage; Wolfcamp	98220
SE/4, SW/4 NE/4, E/2 NE/4 of			
Section 35, T24S, R29E			

Excluded acreage:

<u>Description</u>	Acres
NW/4 NE/4 of Section 35	40

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal gas spacing unit comprising 599.20 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC. We understand that you are seeking this exception in order to allow you to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above.

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 which are being excluded.

NSP - 2165 Devon Energy Production Company, L.P. Page 2 of 2

You have requested this non-standard horizontal spacing unit of excluded acreage due to a pending lease reinstatement of Federal Oil and Gas Lease NMNM within the Wolfcamp formation. Thereby, preventing waste underlying the E/2 of Section 02, T24S, R29E and the SE/4, SW/4 NE/4, E/2 NE/4 of Section 35, T23S, R29E, all while protecting the correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: <a href="https://documents.com/oct/nearly-ne

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Date: 8/25/2023

DYLAX M. FUGE

DIRECTOR

DMF/lrl

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

CONDITIONS

Action 258589

CONDITIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	258589
	Action Type:
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created	Condition	Condition
Ву		Date
llowe	None	8/29/2023