

Revised March 23, 2017

ID NO. 270069

NSL - 8650

RECEIVED:	REVIEWER:	TYPE:	APP NO: <b>pLEL2327154996</b>
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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:** WPX Energy Permian, LLC **OGRID Number:** 246289  
**Well Name:** Steel Guitar 35-26 Fed Com 412H **API:** 30-015-49850  
**Pool:** Purple Sage; Wolfcamp (gas) **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.**

Paula M. Vance

Print or Type Name

Signature

September 28, 2023

Date

505-954-7286

Phone Number

PMVance@hollandhart.com

e-mail Address



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
 PMVance@hollandhart.com

September 28, 2023

**VIA ONLINE FILING**

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

**Re: WPX Energy Permian, LLC**  
**Request for Administrative Approval of Unorthodox Well Location**

Steel Guitar 35-26 Fed Com 412H well  
 W/2 of Section 26 & W/2 of irregular Section 35, T26S-R29E, Eddy County, New Mexico  
 Purple Sage; Wolfcamp (gas) Pool [98220]  
 API No. 30-015-49850

Dear Mr. Fuge:

WPX Energy Permian, LLC (“WPX”) (OGRID No. 246289), pursuant to Division Rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC and applicable rules governing acreage and well location requirements for the Purple Sage; Wolfcamp (gas) Pool [98220], seeks administrative approval of an unorthodox well location for its **Steel Guitar 35-26 Fed Com 412H** well (API No. 30-015-49850), in a 431.99-acre, more or less, spacing unit underlying the W/2 of Section 26 and the W/2 of irregular Section 35, T26S-R29E, Eddy County, New Mexico.

The proposed location for the **Steel Guitar 35-26 Fed Com 412H** well is as follows:

- Surface location: 434’ FNL and 1,897’ FWL (Unit C) of Section 26
- First take point: 100’ FNL and 1,470’ FWL (Unit C) of Section 26
- Last take point: 1,749’ FNL and 1,470’ FWL (Lot 10) of irregular Section 35
- Bottom location: 1,799’ FNL and 1,470’ FWL (Lot 10) of irregular Section 35

Since this acreage is governed by the Division’s Special Pool Rules, the completed first and last take points will be unorthodox because each is closer than the allowable offsets to the north and south boundary of the spacing unit; thus, encroaching on the W/2 of Section 23, T26S-R29E and the acreage across the Texas border. As explained in the engineering statement included as **Exhibit A**, approval of the unorthodox, completed first and last take points is necessary to allow WPX to maximize recovery and prevent waste.

T 505.988.4421 F 505.983.6043  
 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849  
 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208  
 www.hollandhart.com

Alaska  
 Colorado  
 Idaho

Montana  
 Nevada  
 New Mexico

Utah  
 Washington, D.C.  
 Wyoming

**Exhibit B** is a Form C-102 showing the Steel Guitar 35-26 Fed Com 412H well encroaches on the spacing unit/tracts to the north in the W/2 of Section 23, T26S-R29E, and the acreage to the south, across the Texas border.

**Exhibit C** is a plat for Section 23, 26, and 35, T26S-R29E, and Blk 57 T1, T&P RR Co. Svy, Loving Co., Texas, that shows the proposed Steel Guitar 35-26 Fed Com 412H well in relation to the adjoining spacing unit/tracts to the north and south. Exhibit C also includes an ownership list for the affected spacing unit/tracts to the north (Tract 1), showing that it is operated by Mewbourne Oil Company, as well as the spacing unit/tracts to the south (Tract 3), across the Texas border, showing that it is operated by BPX Operating Company and Mewbourne Oil Company. In addition, the exhibit identifies that Tract 1 includes a Federal lease. Accordingly, the “affected persons”<sup>1</sup> are Mewbourne Oil Company, BPX Operating Company, and the Bureau of Land Management. Lastly, this exhibit includes a signed cooperation agreement between WPX and Mewbourne Oil Company, mutually agreeing to waive protest so long as the first or last take point of any well is no closer than 100 feet from the lands described therein.

**Exhibit D** is a spreadsheet listing all affected persons and includes tracking information demonstrating that each of the affected persons was sent a copy of this application with all attachments by certified mail advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application. The following are the affected persons:

Type	Affected Party	Location
Operator/ Working Interest	Mewbourne Oil Company	W/2 Sec. 23, T26S-R29E, & Sec. 3 & 4, Blk 57 T1, T&P RR Co. Svy, Loving Co., Texas
Operator/ Working Interest	BPX Operating Company	Sec. 3 & 4, Blk 57 T1, T&P RR Co. Svy, Loving Co., Texas
Federal Mineral Interest	Bureau of Land Management	W/2 Sec. 23, T26S-R29E

<sup>1</sup> See NMAC §§ 19.15.2.7.A(8) [defining “affected persons” as, “in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner”] and 19.15.4.12.A(2)(a).

Your attention to this matter is appreciated.

Sincerely,



Paula M. Vance  
**ATTORNEY FOR**  
**WPX ENERGY PERMIAN, LLC**



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

405 552 8002 Phone  
www.devonenergy.com

September 21, 2023

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

RE: Application for Non-Standard Well Location  
Engineering Statement  
WPX Energy Permian, LLC  
Steel Guitar 35-26 Fed Com 411H, 412H, 422H, and 423H (the "Wells")  
W/2 of Section 26, T26S-R29E  
W/2 of Irregular Section 35, T26S-R29E  
Eddy County, New Mexico

Dear Mr. Lowe:

WPX Energy Permian, LLC ("WPX") respectfully requests administrative approval of a non-standard location for the Steel Guitar 35-26 Fed Com wells referenced above. The Wells are in the Purple Sage; Wolfcamp Pool (Pool Code 98220) with first and last take points planned at roughly the following locations:

Well	FTP	LTP
Steel Guitar 35-26 Fed Com 411H	100' FNL	100' FSL
Steel Guitar 35-26 Fed Com 412H	100' FNL	100' FSL
Steel Guitar 35-26 Fed Com 422H	100' FNL	100' FSL
Steel Guitar 35-26 Fed Com 423H	100' FNL	100' FSL

It is WPX's responsibility as a prudent operator to minimize reserves left in the ground. Decreasing the first and last tank points from 330 feet is necessary to increase the ultimate recovery of reserves and thereby prevent waste of natural resources.

Respectfully,

**WPX Energy Permian, LLC**

Nikki Ferradas  
Reservoir Engineer

EXHIBIT  
**A**

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 & 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 <b>30-015-49850</b>	<sup>2</sup> Pool Code <b>98220</b>	<sup>3</sup> Pool Name <b>Purple Sage; Wolfcamp (Gas)</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>STEEL GUITAR 35-26 FED COM</b>	<sup>6</sup> Well Number <b>412H</b>
<sup>7</sup> OGRID No. <b>246289</b>	<sup>8</sup> Operator Name <b>WPX ENERGY PERMIAN, LLC</b>	<sup>9</sup> Elevation <b>2889.2</b>

<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
<b>C</b>	<b>26</b>	<b>26 S</b>	<b>29 E</b>		<b>434</b>	<b>NORTH</b>	<b>1897</b>	<b>WEST</b>	<b>EDDY</b>

<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
<b>10</b>	<b>35</b>	<b>26 S</b>	<b>29 E</b>		<b>1799</b>	<b>NORTH</b>	<b>1470</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>431.99</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

STEEL GUITAR 35-26 FED COM 412H  
EL. = 2889.2

GEODETTIC COORDINATES  
NAD 83 NMSP EAST  
SURFACE LOCATION  
N. = 370718.60  
E. = 657958.06  
LAT. = 32.0186273°N  
LONG. = 103.9570486°W

KICK OFF POINT FIRST TAKE POINT (PPP 1)  
CALLS \_\_\_\_\_ 100' FNL, 1470' FWL  
N. = \_\_\_\_\_ N. = 371055.45  
E. = \_\_\_\_\_ E. = 657546.41  
LAT. = \_\_\_\_\_ LAT. = 32.0195572°N  
LONG. = \_\_\_\_\_ LONG. = 103.9583730°W

LAST TAKE POINT BOTTOM OF HOLE  
1749' FNL, 1470' FWL 1799' FNL, 1470' FWL  
N. = 364077.53 N. = 364027.54  
E. = 657310.33 E. = 657310.47  
LAT. = 32.0003776°N LAT. = 32.0002402°N  
LONG. = 103.9592127°W LONG. = 103.9592128°W

PPP 2  
2666' FNL, 1502' FWL  
N. = 368490.33  
E. = 657459.63  
LAT. = 32.0125067°N  
LONG. = 103.9586817°W

CORNER COORDINATES TABLE  
NAD 83 NMSP EAST

A - N. = 371124.47	E. = 661488.25
B - N. = 371145.53	E. = 658783.63
C - N. = 371167.17	E. = 656080.31
D - N. = 368499.89	E. = 655958.09
E - N. = 365834.55	E. = 655835.64
F - N. = 363972.11	E. = 655840.95
G - N. = 363981.73	E. = 658439.51
H - N. = 363992.48	E. = 661079.59
I - N. = 365804.56	E. = 661197.19
J - N. = 368465.62	E. = 661343.00
K - N. = 365819.76	E. = 658515.96

## LEGEND

--- SECTION LINE  
--- QUARTER LINE  
--- LEASE LINE  
--- WELL PATH

<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.

AUGUST 28, 2023

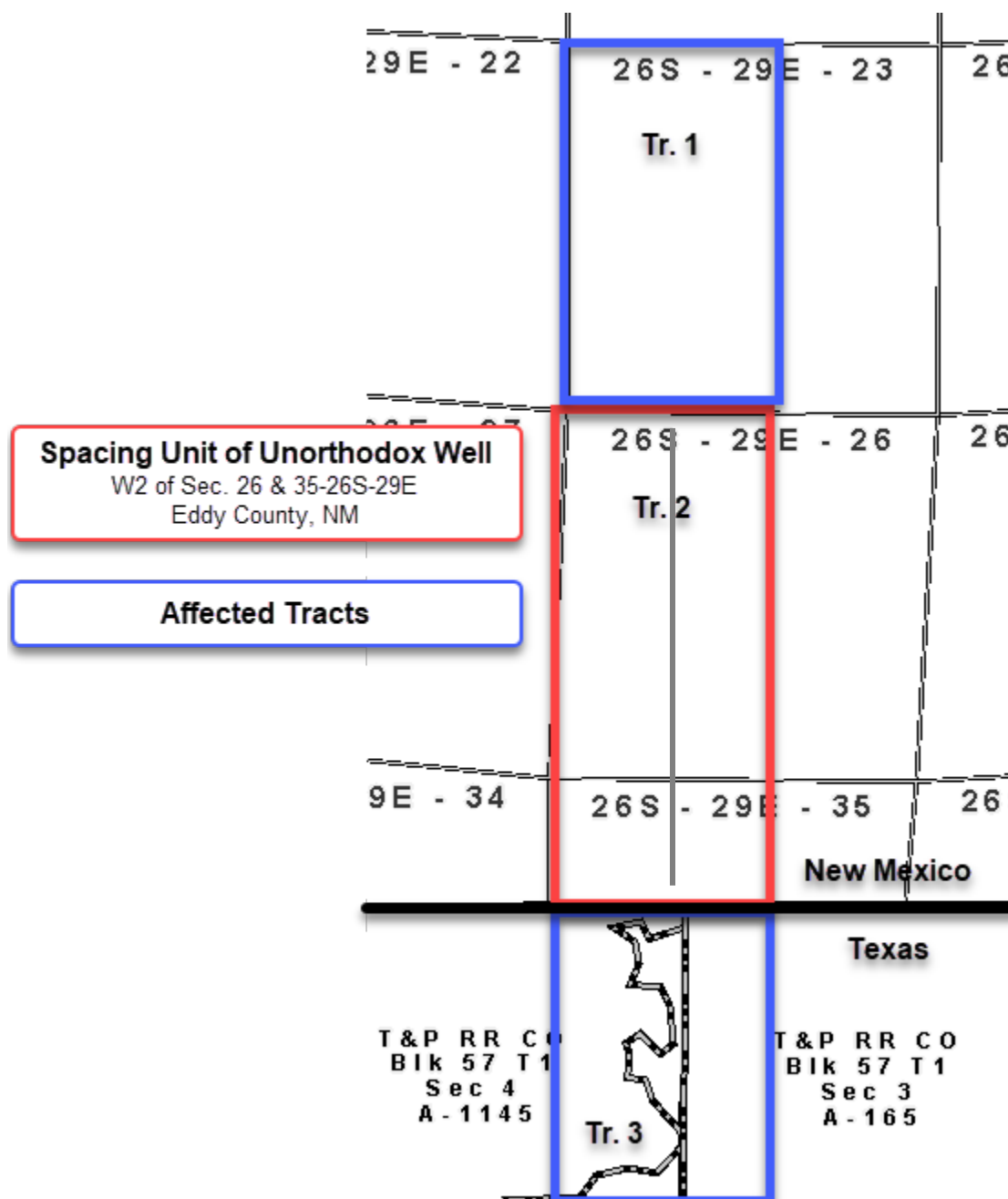
Date of Survey \_\_\_\_\_

Signature and Seal of Professional Surveyor: \_\_\_\_\_

Certificate Number: F. JARAMILLO, PLS 12797

SURVEY NO. 9856

EXHIBIT  
B

**Steel Guitar 35-26 Fed Com 412H****Non-Standard Location Affected Parties Plat**

**TRACT 1:** Sec. 23, T26S-R29E, Eddy Co., New Mexico; (Federal Lease NMNM-011038)  
Operator: Mewbourne Oil Company

**TRACT 2:** Sec. 26 & 35, T26S-R29E, Eddy Co., New Mexico  
Operator: WPX Energy Permian, LLC

**TRACT 3:** Sec. 3 & 4, Blk 57 T1, T&P RR Co. Svy, Loving Co., Texas  
Operator: BPX Operating Company (Section 4)  
Operator: Mewbourne Oil Company (Section 3)

EXHIBIT  
C



Devon Energy Corporation  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102-8260

405 235 3611 Phone  
www.devonenergy.com

June 30<sup>th</sup>, 2022

Mewbourne Oil Company  
Attn: Cy Shook  
500 West Texas, Suite 1020  
Midland, Texas 79701

Re: NSL Location - Steel Guitar 35-26 Fed Com #451H  
Sections 26 & 35, T26S-R29E  
S2 of Sections 31 & 32, T22S-R27E  
Eddy County, NM

Mr. Shook,

WPX Energy Permian, LLC, a wholly owned subsidiary of Devon Energy Company ("Devon"), has applied for an unorthodox well location for the Steel Guitar 35-26 Fed Com #451H (the "Well") located in Sections 26 & 35, T26S-R29E, Eddy County, New Mexico.

In exchange for Mewbourne Oil Company's ("Mewbourne") cooperation on this matter, Devon proposes the following agreement:

1. Mewbourne hereby agrees not to protest or cause to be protested the unorthodox location for the Well, or any other well that Devon may permit in the Purple Sage; Wolfcamp (Gas) Pool (98220) in the future, so long as the well has a first take point or last take point no closer than 100' from the following section lines:
  - i. The north line of Section 26, T26S-R29E, Eddy County, NM
  - ii. The west line of the South Half of Section 32, T22S-R27E, Eddy County, NM
2. Devon hereby agrees not to protest or cause to be protested the unorthodox location for any well that Mewbourne may permit in the Purple Sage; Wolfcamp (Gas) Pool (98220) in the future, so long as the well has a first take point or last take point no closer than 100' from the following section lines:
  - i. The south line of Section 23, T26S-R29E, Eddy County, NM
  - ii. The east line of the South Half of Section 31, T22S-R27E, Eddy County, NM
3. This agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, devisees, legal representatives, successors, and assigns.

If you are in agreement with these terms, please indicate your acceptance and agreement by executing in the space below. Should you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Wenzel", with a horizontal line extending to the right.

Andrew J. Wenzel  
Senior Landman



Pg. 2

Re: NSL Location - Steel Guitar 35-26 Fed Com #451H

**Mewbourne Oil Company**  
Agreed to and accepted this 6<sup>th</sup> day of July, 2022.

Signature: Cory Mitchell as  
Name: Cory Mitchell Attorney-In-Fact

**WPX Energy Permian, LLC**  
Agreed to and accepted this 7<sup>th</sup> day of July, 2022.

Signature: [Signature]  
Name: Wendy Miles



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

**Application Non-Standard Location  
Address List  
WPX Energy Permian, LLC  
Steel Guitar 411H, 412H, 422H, 423H**

**T26S-R30E  
Section 23 - S2  
Eddy County, NM**

Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Attn: Cy Shook

**E2 Section 4, Block 57, Township 1  
Loving County, TX**

Mewbourne Oil Company  
500 West Texas, Suite 1020  
Midland, TX 79701  
Attn: Cy Shook

BPX Properties (NA) LP  
1700 Platte Street, Suite 150  
Denver, CO 80202  
Attn: Kevin Woods

Additional Addresses:  
Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

EXHIBIT  
D



**Paula M. Vance**  
**Associate**  
**Phone (505) 954-7286**  
PMVance@hollandhart.com

September 27, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: ALL AFFECTED PERSONS**

**Re: WPX Energy Permian, LLC**  
**Request for Administrative Approval of Unorthodox Well Location**

Steel Guitar 35-26 Fed Com 412H well  
W/2 of Section 26 & W/2 of irregular Section 35, T26S-R29E, Eddy County, New Mexico  
Purple Sage; Wolfcamp (gas) Pool [98220]  
API No. 30-015-49850

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date this application is received by the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Ryan Cloer  
Devon Energy Production Company, L.P.  
(405) 228-2448  
[Ryan.Cloer@dvn.com](mailto:Ryan.Cloer@dvn.com)

Sincerely,

A handwritten signature in blue ink, appearing to read "Paula M. Vance".

Paula M. Vance  
**ATTORNEY FOR**  
**WPX ENERGY PERMIAN, LLC**

Devon - Steel Guitar 412H NSL  
Postal Delivery Report

Tracking Number	Recipient	Status
921489019403833173158	Mewbourne Oil Company Attn: Cy Shook 500 West Texas Suite 1020 Midland TX 79701	Submitted
921489019403833173159	BPX Properties (NA) LP Attn: Kevin Woods 1700 Platte Street Suite 150 Denver CO 80202	Submitted
921489019403833173160	Bureau of Land Management 620 E Greene Street Carlsbad NM 88220-6292	Submitted

**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 270069

CONDITIONS

Operator: WPX Energy Permian, LLC Devon Energy - Regulatory Oklahoma City, OK 73102	OGRID: 246289
	Action Number: 270069
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	9/28/2023