

Revised March 23, 2017

ID NO. 270075

NSL - 8651

RECEIVED:	REVIEWER:	TYPE:	APP NO: pLEL2327156549
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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 422H **API:** 30-015-49851
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.

September 28, 2023

Date

Paula M. Vance

Print or Type Name

Signature

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 422H 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. 30-015-49851

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 422H** well (API No. 30-015-49851), 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 422H** well is as follows:

- Surface location: 430’ FNL and 1,867’ FWL (Unit C) of Section 26
- First take point: 100’ FNL and 900’ FWL (Unit D) of Section 26
- Last take point: 1,754’ FNL and 900’ FWL (Lot 9) of irregular Section 35
- Bottom location: 1,804’ FNL and 900’ FWL (Lot 9) 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	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Exhibit B is a Form C-102 showing the Steel Guitar 35-26 Fed Com 422H 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 422H 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”¹ 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

¹ 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

¹ API Number 30-015-49851	² Pool Code 98220	³ Pool Name Purple Sage; Wolfcamp (Gas)
⁴ Property Code	⁵ Property Name STEEL GUITAR 35-26 FED COM	⁶ Well Number 422H
⁷ OGRID No. 246289	⁸ Operator Name WPX ENERGY PERMIAN, LLC	⁹ Elevation 2889.2

¹⁰ 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	26	26 S	29 E		430	NORTH	1867	WEST	EDDY

¹¹ 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
9	35	26 S	29 E		1804	NORTH	900	WEST	EDDY

¹² Dedicated Acres 431.99	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.


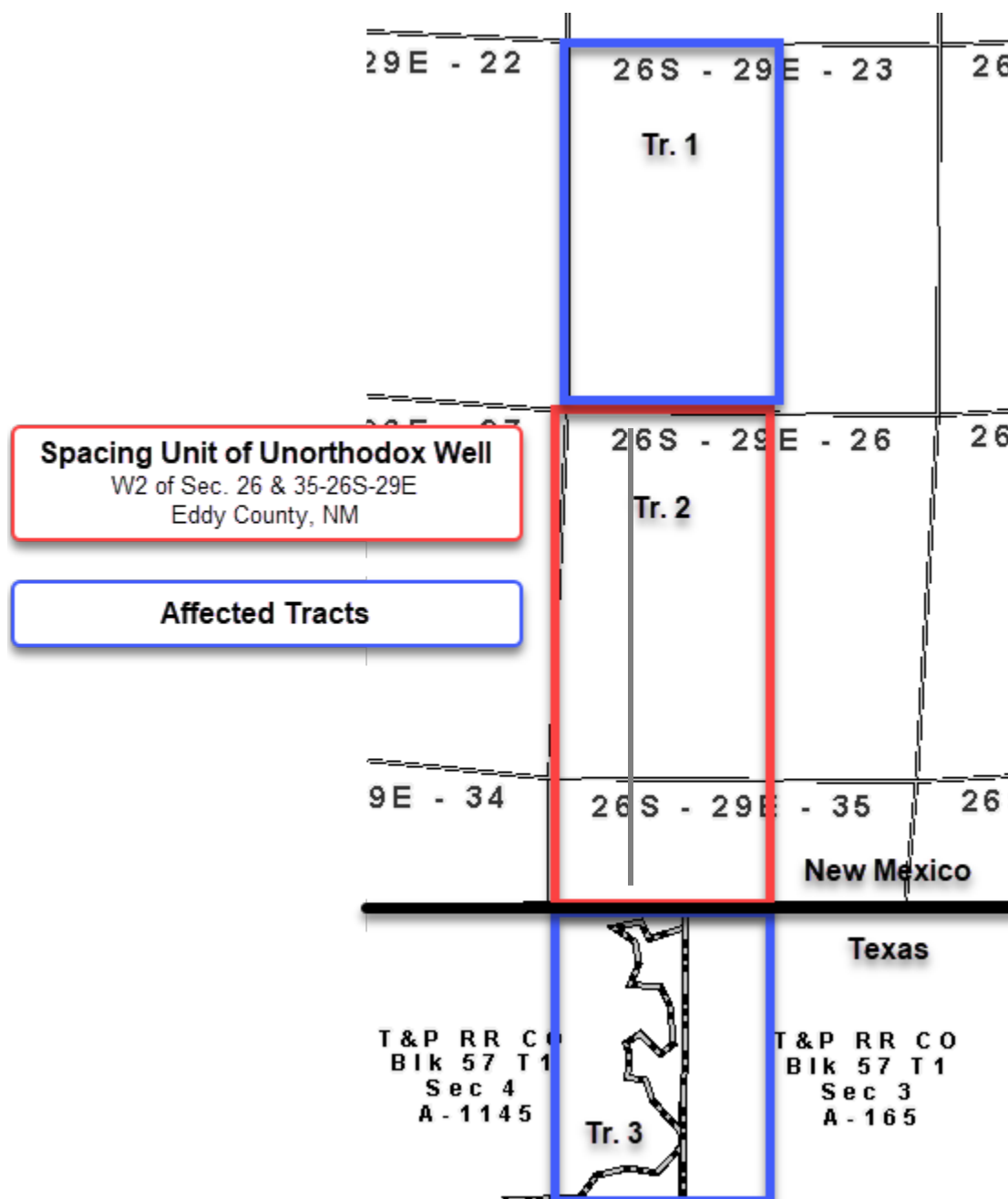
	<p>STEEL GUITAR 35-26 FED COM 422H EL. = 2889.2</p> <p>GEODETTIC COORDINATES NAD 83 NMSP EAST SURFACE LOCATION N. = 370722.05 E. = 657928.29 LAT. = 32.0186371°N LONG. = 103.9571446°W</p> <p>KICK OFF POINT CALLS _____ N. = _____ E. = _____ LAT. = _____ LONG. = _____</p> <p>FIRST TAKE POINT (PPP 1) 100' FNL, 900' FWL N. = 371060.02 E. = 656976.15 LAT. = 32.0195752°N LONG. = 103.9602129°W</p> <p>LAST TAKE POINT 1754' FNL, 900' FWL N. = 364075.42 E. = 656740.46 LAT. = 32.0003772°N LONG. = 103.9610510°W</p> <p>BOTTOM OF HOLE 1804' FNL, 900' FWL N. = 364025.43 E. = 656740.61 LAT. = 32.0002398°N LONG. = 103.9610511°W</p> <p>PPP 2 2667' FNL, 932' FWL N. = 368493.96 E. = 656889.56 LAT. = 32.0125221°N LONG. = 103.9605209°W</p> <p>PPP 3 0' FSL, 964' FWL N. = 365829.23 E. = 656799.65 LAT. = 32.0051977°N LONG. = 103.9608406°W</p> <p>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</p> <p>LEGEND --- SECTION LINE --- QUARTER LINE --- LEASE LINE --- WELL PATH</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>AUGUST 28, 2023</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: 12797</p>
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EXHIBIT
B

Steel Guitar 35-26 Fed Com 422H**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 30th, 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 6th day of July, 2022.

Signature: Cory Mitchell as

Name: Cory Mitchell Attorney-In-Fact

WPX Energy Permian, LLC

Agreed to and accepted this 7th 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 422H 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. 30-015-49851

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

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 422H 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 270075

CONDITIONS

Operator: WPX Energy Permian, LLC Devon Energy - Regulatory Oklahoma City, OK 73102	OGRID: 246289
	Action Number: 270075
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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