Received by OCD: 9/28/2023 11:13-31 AM

ived by OCD: 9/28/2023 1	1:13:31 AM			Page 1
ID NO. 270076		NSL - 8652		Revised March 23, 2017
RECEIVED:	REVIEWER:	TYPE:	APP NO: DLEI	2327157038
		ABOVE THIS TABLE FOR OCD DIVISION USE	ONLY	OF NEW L
		ICO OIL CONSERVATIOI gical & Engineering Bure		State La
		Francis Drive, Santa Fe,		Provention man
		TRATIVE APPLICATION C		
THIS CHEC		R ALL ADMINISTRATIVE APPLICATIONS F I REQUIRE PROCESSING AT THE DIVISIO		Sion Rules and
pplicant: <u>WPX Energy P</u>	ermian, LLC			umber: <u>246289</u>
/ell Name: Steel Guitar			API: <u>30-015-4</u>	
DOI: Purple Sage; Wolfcamp	(gas)		Pool Cod	e: <u>98220</u>
[I] Commin DH			OLM	
	· ·]SWD []IPI []EOR		FOR OCD ONLY
	DUIRED TO: Chec erators or lease h	ck those which apply. Jolders		Notice Complete
B. 🔲 Royalty, c		owners, revenue owners		Application Content
E. 📕 Notificatio	on and/or concu	rrent approval by SLO rrent approval by BLM		Complete
F. ☐ Surface o G. For all of t H. ☐ No notice	he above, proof	of notification or publica	tion is attached,	and/or,
•	5 5	at the information submitte		

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

athin F

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 423H 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. 30-015-49852

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 423H** well (API No. 30-015-49852), 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 423H well is as follows:

- Surface location: 437' FNL and 1,927' FWL (Unit C) of Section 26
- First take point: 100' FNL and 2,040' FWL (Unit C) of Section 26
- Last take point: 1,744' FNL and 2,040' FWL (Lot 10) of irregular Section 35
- Bottom location: 1,794' FNL and 2,040' 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	Montana	Utah
Colorado	Nevada	Washingto
Idaho	New Mexico	Wyoming

Exhibit B is a Form C-102 showing the Steel Guitar 35-26 Fed Com 423H 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 423H 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:

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

Montana Nevada New Mexico

Utah Washington, D.C. Wyoming

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,

Pathur

Paula M. Vance ATTORNEY FOR WPX ENERGY PERMIAN, LLC

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

Montana Nevada New Mexico Utah

Wyoming

Washington, D.C.

.



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



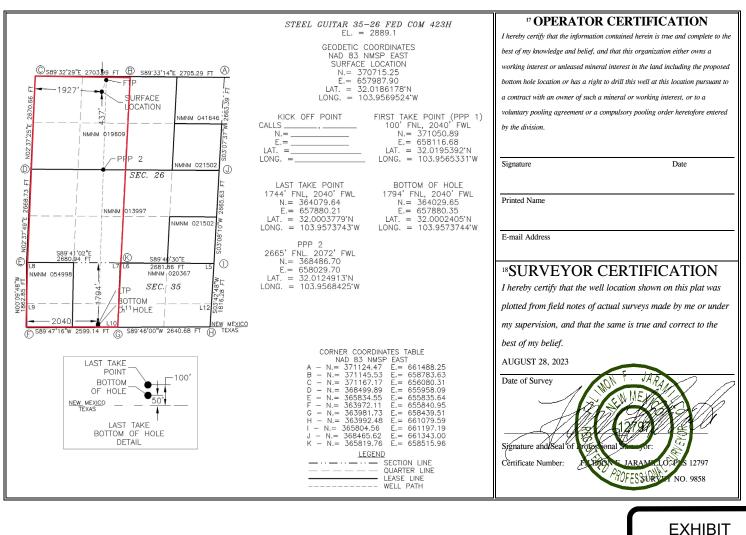
<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

В

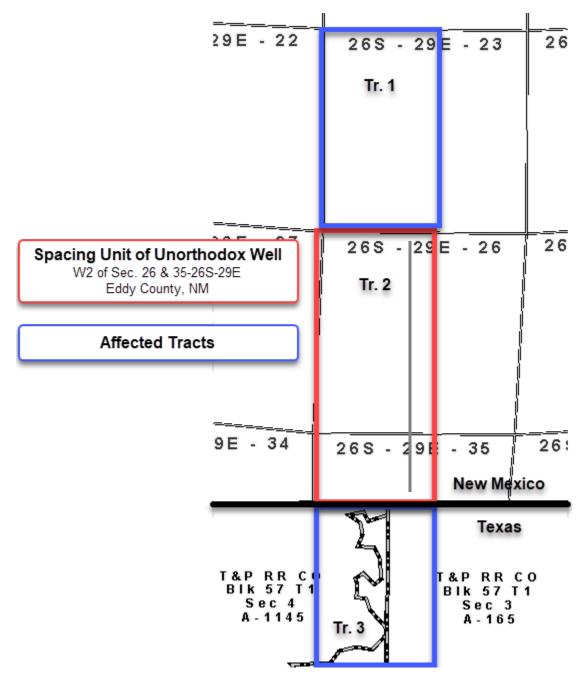
WELL LOCATION AND ACREAGE DEDICATION PLAT ¹ API Number Pool Code Pool Name Purple Sage; Wolfcamp (Gas) 30-015-49852 98220 ⁴ Property Code **Property Name** Well Number **STEEL GUITAR 35-26 FED COM** 423H ⁷OGRID No. ³ Operator Name Elevation 246289 WPX ENERGY PERMIAN, LLC 2889.1 Surface Location UL or lot no. Lot Idn Feet from the North/South line Feet from the East/West line Section Township Range County 29 E 437 NORTH 1927 WEST С 26 26 S 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 1794 10 35 26 S 29 E NORTH 2040 WEST EDDY ¹² Dedicated Acres ¹³ Joint or Infill 14 Consolidation Code ¹⁵ Order No. 431.99

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 423H

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)



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:

- 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

Andrew J. Wenzel Senior Landman

.

Pg. 2

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

Agreed to and accepted this _62 day of	, 2022.
Signature: Cury milcher BS	
Name: Corry Mitchell Attomey-In-Ect	
WPX Energy Permian, LLC	2022

Agreed to and accepted this _ uay J Signature: Name: Unchang Mills



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

<u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO: ALL AFFECTED PERSONS

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

Steel Guitar 35-26 Fed Com 423H 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. 30-015-49852

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 <u>Ryan.Cloer@dvn.com</u>

Sincerely,

Pathich

Paula M. Vance ATTORNEY FOR WPX ENERGY PERMIAN, LLC

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 Mo Colorado Ne Idabo Ne

Montana Nevada New Mexico

Utah Washington, D.C. Wyoming

Received by OCD: 9/28/2023 11:13:31 AM

Devon - Steel Guitar 423H 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

Operator:	OGRID:
WPX Energy Permian, LLC	246289
Devon Energy - Regulatory	Action Number:
Oklahoma City, OK 73102	270076
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)
	•

CONDITIONS

Created By		Condition Date
llowe	None	9/28/2023

Action 270076

.