State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Dylan M. Fuge Deputy Secretary **Dylan M. Fuge**, Division Director (Acting) Oil Conservation Division



Mr. Darin Savage darin@abidieschill.com

Administrative Order NSP – 2191

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

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

Grumpy Cat 15 27 Federal Com Well No. 521H [API No. 30-025-48530] Grumpy Cat 15 27 Federal Com Well No. 522H [API No. 30-025-48538] Grumpy Cat 15 27 Federal Com Well No. 531H [API No. 30-025-48531] Grumpy Cat 15 27 Federal Com Well No. 532H [API No. 30-025-48532] W/2 Section 15, W/2 Section 22, and W/2 Section 27, T238 R32E, Lea County

Reference is made to your application received on February 23rd, 2024.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Increased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
W/2 Section 15	960	Diamondtail; Bone Spring	17644
W/2 Section 22			
W/2 Section 27			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a nonstandard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1) NMAC.

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Lea County, New Mexico.

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 to be included.

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You have requested this non-standard horizontal spacing unit in order to avoid economic waste by eliminating the unnecessary duplication of production facilities, to increase revenue of production and to protect correlative rights within Bone Spring formation. Thereby, preventing waste underlying the W/2 of Section 15, the W/2 of Section 22 and the W/2 of Section 27 within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the abovedescribed **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 email address: <u>ocd.engineer@emnrd.nm.gov</u> of notice for additional wells.

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.

DYLAN M. FUGE DIRECTOR (ACTING) Date: 3/27/24

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

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	330674
	Action Type:
	[IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By		Condition Date
llowe	None	4/5/2024

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Action 330674