

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary - Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Ms. Paula M. Vance
PMVance@hollandhart.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8792

**Devon Energy Production Company, L.P. [OGRID 6137]
Chincoteague 8 32 Federal State Com Well No. 713H
API No. 30-025-52974**

Reference is made to your application received on August 5th, 2024.

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 2464 FNL & 2410 FEL | G | 08 | 25S | 32E | Lea |
| First Take Point | 2544 FNL & 2450 FEL | G | 08 | 25S | 32E | Lea |
| Last Take Point | 100 FNL & 2450 FEL | B | 32 | 25S | 32E | Lea |
| Terminus | 20 FNL & 2450 FEL | B | 32 | 25S | 32E | Lea |

Proposed Horizontal Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-------------------------------|--------------|-------------------------|------------------|
| NE/4 of Section 08 | 800.83 | Wildcat; Upper Wolfcamp | 98270 |
| E/2 of Section 05 | | | |
| E/2 of Section 32, T24S, R32E | | | |

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line

Administrative Order NSL – 8792
Devon Energy Production Company, L.P.
Page 2 of 2

perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 190 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

- Section 08, encroachment to the NE/4
- Section 05, encroachment to the E/2
- Section 32, T24S, R32E encroachment to the E/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location in order to maximize recovery of reserves within the Upper Wolfcamp formation, thus preventing waste and protecting correlative rights underlying the NE/4 Section 08, E/2 Section 05 and the E/2 of Section 32, T24S, R32E.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 10/23/24

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 396706

CONDITIONS

| | |
|---|--|
| Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102 | OGRID: 6137 |
| | Action Number: 396706 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 10/29/2024 |