Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Mr. Darin C. Savage darin@abadieschill.com

NON-STANDARD LOCATION

Administrative Order NSL - 8492

Devon Energy Production Company, L.P. [OGRID 6137] Mr. Potato Head 11 14 Federal Com Well No. 834H API No. 30-015-PENDING

Proposed Location

| - | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|----------|------|------|-------|--------|
| Surface | 200 FNL & 2006 FWL | С | 11 | 24S | 29E | Eddy |
| First Take Point | 100 FNL & 2430 FWL | В | 11 | 24S | 29E | Eddy |
| Last Take Point | 100 FSL & 2430 FWL | 0 | 14 | 24S | 29E | Eddy |
| Terminus | 20 FSL & 2430 FWL | Ο | 14 | 24S | 29E | Eddy |

Proposed Horizontal Gas Units

| Description | Acres | Pool | Pool Code | |
|-------------|-------|-----------------------------|-----------|--|
| Section 11 | 1280 | Purple Sage; Wolfcamp (GAS) | 98220 | |
| Section 14 | | | | |

Reference is made to your application received on November 18th, 2022.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 100 feet to the northern edge and 100 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tract.

Section 2, encroachment to the W/2 Section 23, encroachment to the W/2

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 towards which the proposed location encroaches.



Adrienne E. Sandoval, Director Oil Conservation Division Administrative Order NSL - 8492 Devon Energy Production Company, L.P. Page 2 of 2

Division understands you are seeking this unorthodox location to increase the potential completed horizontal lateral of the well and to minimize reserves left in the ground. Thereby preventing waste within the Wolfcamp formation underlying section 11 and section 14.

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 Subsection B of 19.15.15.13 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.



Date: 12/18/2022

AES/lrl

Division Director