

DATE IN 8/8/16	SUSPENSE	ENGINEER LRL	LOGGED IN 8/15/16	TYPE NSL	FILE NO. PLEK1627854051
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL
CONSERVATION DIVISION



NSL-7471

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

DEVON ENERGY PROD. COMP. [# 6137]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] WELL: THISTLE UNIT 116 H

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
API: # 30-25-43317
POOL: TRIPLEX; B.S. [# 57700]

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☒ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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.

Jeff Ramsdell

Print or Type Name

Signature

Land Supervisor

Title

07/27/2016

Date

jeff.ramsdell@dmv.com
E-mail Address



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 235 3611 Phone
www.devonenergy.com

August 4, 2016

RECEIVED OGD

2016 AUG -8 P 1:41

VIA FED EX OVERNIGHT MAIL

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505
Attn: Mr. Leonard Lowe

Re: Application for a Non-Standard Location
Thistle Unit 116H
E/2 E/2 Section 22 and E/2 NE/4 Section 27-T23S-R33E
Lea County, New Mexico API # 30-025-43317

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") plans to drill the referenced horizontal well to an approximate total vertical depth of 9,738' and an approximate total measured depth of 17,250' in order to test the Bone Spring formation. As reflected on the attached C-102, the well has been permitted at a surface location of 305' FNL & 1,700' FEL Section 22-T23S-R33E with a permitted bottom hole location of 2,630' FNL & 1,270' FEL of Section 27-T23S-R33E. The projected upper perf is expected to be approximately 330' FNL & 1,213' FEL Section 22-T23S-R33E and the projected lower perf is expected to be approximately 2,630' FNL & 1,270' FEL Section 27-T23S-R33E. The reason behind permitting this well at an unorthodox location is to maximize recovery.

In accordance with Division rules, Devon respectfully requests that the Commission administratively approve the enclosed application for an unorthodox location with respect to that portion of the horizontal wellbore as described in the above paragraph.

Please note the well is located within the boundary of the Thistle Unit in which Devon is the operator. Enclosed for your convenience is a plat showing the Thistle Unit boundary. Devon is also operator of the wells in Section 15-T23S-R33E and owns 100% of the working interest in Section 15-T23S-R33E.

Enclosed are the following documents:

1. Form C-102
2. Land Plat
3. Administrative Application Checklist

If you have any questions concerning this application, please contact the undersigned at (405) 552-6160.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Carol Glass
Landman

Enclosure

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
511 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
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) 476-3469 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		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name THISTLE UNIT			⁶ Well Number 116H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3714.2

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
B	22	23 S	33 E		305	NORTH	1700	EAST	LEA

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
H	27	23 S	33 E		2630	NORTH	1270	EAST	LEA

¹² Dedicated Acres 240	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>¹⁶ 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 retained 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>¹⁷ 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>MAY 24, 2006</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 4699</p>

OCD

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	² Pool Code 59900	³ Pool Name TRIPLE X; BONE SPRING
⁴ Property Code	⁵ Property Name THISTLE UNIT	⁶ Well Number 116H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3714.2

¹⁰ Surface Location

UL or lot no. B	Section 22	Township 23 S	Range 33 E	Lot Idn	Feet from the 305	North/South line NORTH	Feet from the 1700	East/West line EAST	County LEA
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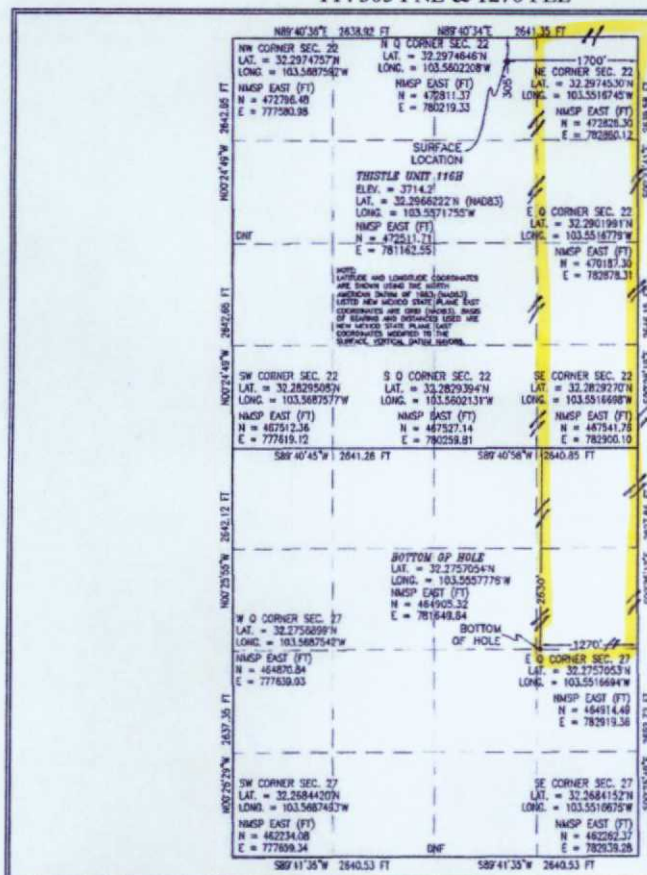
¹¹ Bottom Hole Location If Different From Surface

UL or lot no. H	Section 27	Township 23 S	Range 33 E	Lot Idn	Feet from the 2630	North/South line NORTH	Feet from the 1270	East/West line EAST	County LEA
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¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

PP: 305 FNL & 1270 FEL



¹⁷ OPERATOR CERTIFICATION

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.

Signature: *[Signature]* Date: 6/22/2016

David H. Cook

Printed Name

david.cook@dvn.com

E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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.

Signature: *[Signature]* Date of Survey: MAY 24, 2016

Signature and Seal of Professional Surveyor: *[Signature]*

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

SURVEY NO. 4699





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm

NMNM88526X

3180 (P0220)



JUN 16 2016

Your Reference:

Thistle Unit

Initial Bone Spring Participating Area

Lea County, New Mexico

Date: June 10, 2016

LAND DEPARTMENT

CERTIFIED—RETURN RECEIPT REQUESTED

7015 1660 0000 3006 2669

Devon Energy Corporation

Attn: Ms. Carol Glass

333 West Sheridan Avenue

Oklahoma City, Ok 73102-8260

Dear Ms. Carol Glass,

Your application dated May 16, 2016 with Exhibit "A" and "B" requesting approval for the Initial Bone Spring Participating Area within the Thistle Unit is hereby approved and is effective June 9, 2013, pursuant to Section 11 of the unit agreement. Our approval is subject to like approval by the State Commissioner of Public Lands.

The boundary included in the Initial Bone Spring Participating Area for the Thistle Unit contains 3,520.00 acres more or less and is described as follows:

Township 23 South, Range 30 East, NMPM

Add: Section 21: E/2

Section 22: All

Section 27: All

Section 28: All

Section 33: All

Section 34: All

Lea County New Mexico, comprising a total of 3,520 acres more or less.

The Initial Bone Spring Participating Area contains 3,520 acres and is based upon the completion of the following Unit Wells as discovery wells capable of producing unitized substances in paying quantities.

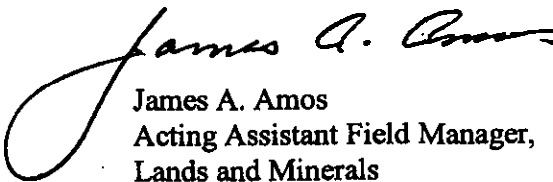
#43H, API - 30-025-40898 located 200' FSL, 500' FWL Section 33.
#59H, API - 30-025-41796 located 200' FNL, 1980' FEL Section 28.
#60H, API - 30-025-41797 located 200' FNL, 1050' FEL Section 28.
#64H, API - 30-025-41468 located 450' FSL, 2150' FEL Section 22.

This Bone Spring participating area has been assigned number NMNM88526C, for production and accounting reporting purposes. If you have any questions regarding this letter, please contact Mr. Edward G. Fernandez, Petroleum Engineer at the Division of Lands and Minerals at (575) 234-2220.

Copies of this approval letter are being distributed to the appropriate Federal agencies and one copy is returned herewith. Please advise all interested parties of the Initial Bone Spring Participating Area, NMNM88526C, Thistle Unit, and the effective date of June 9, 2013.

Since these wells are currently producing, any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1 (800) 525-9167 or (303) 231-3504.

Sincerely,



James A. Amos
Acting Assistant Field Manager,
Lands and Minerals

Enclosure

cc: ONRR, Denver (MS357B-1)
New Mexico Taxation & Revenue Dept.
Revenue Processing Division
New Mexico State Land Commission
NM9210
NMP0220, (CFO I&E)

LAND ACREAGES

Federal: 960
State: 2,560
Total: 3,520.0

20

1
USA NMNM
94186

6
ST NM
VO-2818

29

1 28
USA NMNM
94186

7
ST NM
VO-2794

11
ST NM
VO 4057

32

10
ST OF NM
VO-2797

8
ST OF NM
VO-2798

23S 33E
24S 33E

EXHIBIT "A" INITIAL BONE SPRING PARTICIPATING AREA THISTLE UNIT LEA COUNTY, NM

devon

This map is for illustrative purposes only and is neither a legally recorded map nor a survey and is not intended to be used as one. Devon makes no warranty, representation, or guarantee of any kind regarding this map.

NAD 1927 StatePlane New Mexico East FIPS 3001
Datum: North American 1927; Units: Foot US
Created by: shwed
Map is current as of 6/9/2016.



0 0.2 0.4 1 in. = 0.4 miles



Thistle Unit

Held by Production

1

Tract Numbers as Listed on Exhibit "B"

TRACT ACREAGE

TRACT 1: NMNM 94186 - 960
TRACT 6: VO 2818 - 640
TRACT 7: VO 2794 - 160
TRACT 8: VO 2798 - 640
TRACT 10: VO 2797 - 640
TRACT 11: VO 4057 - 480

3

EXHIBIT "B"---INITIAL BONE SPRING PARTICIPATING AREA
THISTLE UNIT
LEA COUNTY, NEW MEXICO

TRACT NO.	DESCRIPTION OF LANDS	NO. OF ACRES	SERIAL NUMBER	LESSEE OF RECORD	WORKING INTEREST OWNER	WORKING INTEREST PERCENTAGE	BASIC ROYALTY AND PERCENTAGE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY INTEREST
<u>FEDERAL LANDS</u>									
1	<u>T23S-R33E</u> SEC. 21: E/2	960.00	NM-94186, Out of LC- 068848; HBP	ConocoPhillips Company	Devon Energy Production Company, L.P.	0.8883720	FEDERAL 1/8TH	PP (Lucille Pipkin Trust; Angelo Holdings LLC; Mitchell Expl. Inc.)	0.030000
	ConocoPhillips Company				0.0711977	Devon Energy Production Company, LP		0.018348	
	Trainer Partners, LTD.				<u>0.0404303</u> 1.0000000				
	SEC. 28: ALL				Devon Energy Production Company, L.P.	0.8883720		PP (Lucille Pipkin Trust; Angelo Holdings LLC; Mitchell Expl. Inc.)	0.030000
	ConocoPhillips Company Trainer Partners, LTD.				0.0711977 <u>0.0404303</u> 1.0000000				
<u>STATE LANDS</u>									
6	<u>T23S-R33E</u> SEC. 22: ALL	640.00	V-2818; HBP	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P.	0.8883720	STATE 1/6TH	NONE	
	ConocoPhillips Company Trainer Partners, LTD.				0.0711977 <u>0.0404303</u> 1.0000000				
7	SEC. 27: NE/4	160.00	V-2794; HBP	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P.	0.8883720	STATE 1/6TH	NONE	
					ConocoPhillips Company Trainer Partners, LTD.	0.0711977 <u>0.0404303</u> 1.0000000			

EXHIBIT B

2

TRACT NO.	DESCRIPTION OF LANDS	NO. OF ACRES	SERIAL NUMBER	LESSEE OF RECORD	WORKING INTEREST OWNER	WORKING INTEREST PERCENTAGE	BASIC ROYALTY AND PERCENTAGE	OVERRIDING ROYALTY OWNER	OVERRIDING ROYALTY INTEREST
8	SEC. 34: ALL, From the Surface to the Base of the Delaware	640.00	V-2798; HBP	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P.	0.7383720	STATE 1/6TH	Performance Oil & Gas	0.033333
					ConocoPhillips Company Trainer Partners, LTD. EOG Resources, Inc.	0.0711977 0.0404303 <u>0.1500000</u> 1.0000000			
	SEC. 34: ALL, Limited to Rights below the Base of the Delaware				Devon Energy Production Company, L.P.	0.8883720			
					ConocoPhillips Company Trainer Partners, LTD.	0.0711977 <u>0.0404303</u> 1.0000000			
10	SEC. 33: NE/4, W/2 NW/4, SE/4 NW/4, S/2; From the Surface to the Base of the Delaware	640.00	V-2797; HBP	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P.	0.7383720	STATE 1/6TH	Performance Oil & Gas	0.033333
					ConocoPhillips Company Trainer Partners, LTD. EOG Resources, Inc.	0.0711977 0.0404303 <u>0.1500000</u> 1.0000000			
	SEC. 33: NE/4, W/2 NW/4, SE/4 NW/4, S/2; Below the Base of the Delaware				Devon Energy Production Company, L.P.	0.8883720			
					ConocoPhillips Company Trainer Partners, LTD.	0.0711977 <u>0.0404303</u> 1.0000000			
	SEC. 33: NE/4 NW/4				Devon Energy Production Company, L.P.	0.8883720			
					ConocoPhillips Company Trainer Partners, LTD.	0.0711977 <u>0.0404303</u> 1.0000000			
11	SEC. 27: NW/4 & S/2	480.00	V-4057; HBP	Devon Energy Production Company, L.P.	Devon Energy Production Company, L.P.	0.8883720	STATE 1/6TH	NONE	
					ConocoPhillips Company Trainer Partners, LTD.	0.0711977 <u>0.0404303</u> 1.0000000			
RECAPITULATION									
	FEDERAL LANDS	960.00	27.27%						
	STATE LANDS	2560.00	72.73%						
	TOTAL UNIT ACRES	3520.00	100.00%						



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, October 24, 2016 11:23 AM
To: 'jeff.ramsdell@dmn.com'; 'Glass, Carol'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'jstovall@blm.gov'; 'rjsanche@blm.gov'; Holm, Anchor E.; Martin, Ed
Subject: APPROVED NSL-7471_Thistle Unit No. 116H SEC 22 T23S R33E_&_NSL-7472_Thistle Unit No. 110H_SEC 22 T23S R33E

Importance: High

Mr. Jeff Ramsdell,

The following permits have been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>.

NSL-7471

Devon Energy Production Company L.P.
API #: 30-025-43317
WELL: Thistle Unit No. 116H, Lea County

NSL-7472

Devon Energy Production Company L.P.
API #: 30-025-43311
WELL: Thistle Unit No. 110H, Lea County

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>