

RECEIVED 5-1-2017	REVIEWER LRL	TYPE NSL	APP NO PKSC1712240484
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**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

NSL- 7547

Applicant: Devon Energy Production Company, L.P.**OGRID Number:** 6137**Well Name:** Agate PWU 21-22 9H**API:** 30-015-44116**Pool:** Parkway; Bone Spring, West**Pool Code:** 98199

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for (A)

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for (I) or (II)

(I) Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

(II) Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR**2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete
☐ Application
 Content
 Complete

3) 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

James Bruce P O Box 1056 Santa Fe, New Mexico 87504 Print or Type Name

James Bruce

Signature

Date

4/24/17
505-982-2043

Phone Number

jamesbruce@aol.com

e-mail Address

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

April 24, 2017

Michael McMillan
Oil Conservation Division
1220 South St Francis Drive
Santa Fe, New Mexico 87505

Re. Application for Administrative Approval of an Unorthodox Oil Well Location
Agate PWU 21-22 9H Well
Sections 21 & 22-T19S-R29E
Eddy County, New Mexico

Dear Mr McMillan

Pursuant to Division Rule NMAC 19 15 15 13, Devon Energy Production Company, L P applies for approval of an unorthodox oil well location for the above well, located in the West Parkway Bone Spring Pool. The proposed well is a horizontal well that will be drilled as follows

<u>Well Name</u>	Agate PWU 21-22-9H Well
<u>Surface Hole Location</u>	585' FNL & 235' FEL Section 20-T19S-R29E (Lot A)
<u>First Perforation</u>	350' FNL & 330' FWL Section 21-T19S-R29E (Lot D)
<u>Final Perforation</u>	330' FNL & 330' FEL Section 22-T19S-R29E (Lot A)
<u>Bottom Hole Location</u>	330' FNL & 330' FEL Section 22-T19S-R29E (Lot A)
<u>Well Unit (Project Area)</u>	The N/2 of Section 21-T19S-R29E and the N/2 of Section 22-T19S-R29E

The wellbore is projected to be outside the producing area a maximum of 40' to the North for a total distance of 1500' - 2000' in order to mitigate further an anti-collision issue with the Parkway West Unit Well No 7, a vertical well located in the NE/4NW/4 Section 22-T19S-R29E

Attached as Exhibit A is a Form C-102 describing the well, project area, producing area, and offset operators. Attached as Exhibit B is the notice letter mailed to the offsets.

Devon Energy respectfully requests that the New Mexico Oil Conservation Division administratively approve this application for an unorthodox location with respect to that portion of the horizontal wellbore as described in the above paragraph

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is written in a cursive, flowing style with a large initial "J".

James Bruce

Attorney for Devon Energy Production Company, L P

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 98199	³ Pool Name PARKWAY; BONE SPRING WEST
⁴ Property Code	⁵ Property Name AGATE PWU 21-22	⁶ Well Number 9H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3334.2

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
A	20	19 S	29 E		585	NORTH	235	EAST	EDDY

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
A	22	19 S	29 E		330	NORTH	330	EAST	EDDY

¹² Dedicated Acres	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>Offset Operators: Section 16: Cimarex, Mewbourne</p>	<p>Offset Operator: Section 15: Cimarex</p>	<p>¹⁷ 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 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.</p> <p>03/27/2017</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
		<p>¹⁸ 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</p>

EXHIBIT **A**

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruce@aol.com

April 24, 2017

Certified Mail – Return Receipt Requested

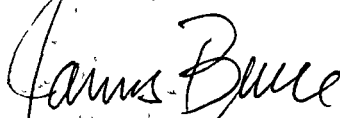
Mewbourne Oil Company
Suite 1020
500 West Texas
Midland, Texas 79701

Cimarex Energy Co
Suite 600
600 North Marienfeld
Midland, Texas 79701

Ladies and gentlemen

Devon Energy Production Company, L P has filed an application with the New Mexico Oil Conservation Division requesting administrative approval of an unorthodox oil well location in the Bone Spring formation in the N/2 of Section 15 and the N/2 of Section 16, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the affected offsetting acreage. If you object to the application, you must notify the Division in writing no later than 20 days from the date of receipt of this letter (the Division's address is 1220 South St Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L P



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, June 6, 2017 2 23 PM
To: 'jamesbruc@aol.com'
Cc: Jones, William V, EMNRD, McMillan, Michael, EMNRD
Subject: RE: NSL Application - Exhibit B

Importance: High

Mr. Jim Bruce,

A signed waiver is needed from both offset operators

"Leonard The application is correct, but the notice letter is wrong The application itself was attached to the notice letter
Tell me what you want me to do

Jim Bruce"

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
Cell 505-930-6717
Fax 505-476-3462
E-mail leonard.lowe@state.nm.us
Website <http://www.emnrd.state.nm.us/oed/>

From: Lowe, Leonard, EMNRD
Sent: Friday, June 2, 2017 10:08 AM
To: 'jamesbruc@aol.com' <jamesbruc@aol.com>
Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>, McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: RE: NSL Application - Exhibit B
Importance: High

Mr. Jim Bruce,

I just missed your call, I got your voicemail

Options

- 1 To re-notice the offset operators with the correct information The 20 day public notice will restart
- 2 To get a signed waiver from the offset operators of the encroached tract and turned into the OCD Santa Fe office, at that time your application will move forward

Lowe, Leonard, EMNRD

From: jamesbruc@aol.com
Sent: Monday, June 5, 2017 10:50 AM
To: Lowe, Leonard, EMNRD
Subject: Fwd: Devon unorthodox location/19S-29E

Leonard See below regarding Devon's Agate PWU well Mewbourne does not object to the unorthodox location

Jim

-----Original Message-----

From: Corey Mitchell <cmitchell@Mewbourne.com>
To: jamesbruc <jamesbruc@aol.com>
Sent: Mon, Jun 5, 2017 10:15 am
Subject: RE: Devon unorthodox location/19S-29E

Jim,

Upon further communication with you, Mewbourne Oil Company ("Mewbourne") received notice and is aware Devon Energy Production Company, L.P.'s ("Devon") application for an Unorthodox Oil Well Location for its Agate PWU 21-22 9H is for Sections 21 and 22, T19S, R29E, Eddy County, New Mexico. Mewbourne was noticed as an offset owner is Section 16, T19S, R29E, Eddy County, New Mexico and said notice material inadvertently listed Sections 15 and 16 instead of Sections 21 and 22. **Given this information, Mewbourne has NO objection to Devon's application.**

Let me know if you need anything else. Thanks, Jim. Have a great day.

Corey Mitchell
Land Department
Mewbourne Oil Company
500 West Texas, Suite 1020
Midland, TX 79701
Bus: (432) 682-3715
Fax: (432) 685-4170

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent: Monday, June 05, 2017 10:47 AM
To: Corey Mitchell
Subject: Devon unorthodox location/19S-29E

Corey In April I filed the attached unorthodox location application for Devon, which is for a well in the N/2 Sec 21 and N/2 Sec 22 (in the Parkway West Unit). I mailed notice by the attached letter. I have the green cards if you want them. Instead of naming Secs. 21 & 22, I listed Secs. 15 & 16, which is where Cimarex and Mewbourne operate. The OCD noticed this and wanted me to contact both companies to waive any objection.

Therefore, if possible, can you send me an e-mail stating that Cimarex received the application and was aware that the application pertained to the N/2 Sec 21 and N/2 Sec 22 despite the incorrect language in the notice letter?

I vaguely recall someone from your office about this, and I wrote down his name and promptly lost it. I swear I don't have dementia. Yet.

Lowe, Leonard, EMNRD

6/29/17 terminate! unless

From: jamesbruc@aol.com
Sent: Friday, June 2, 2017 10:26 AM
To: Lowe, Leonard, EMNRD
Subject: Re: NSL Application - Exhibit B

information is given
↓

Thanks, Leonard I will do one or the other, and report next week

Jim

-----Original Message-----

From: Lowe, Leonard, EMNRD, EMNRD <Leonard.Lowe@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Cc: Jones, William V, EMNRD, EMNRD <WilliamV.Jones@state.nm.us>, McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>
Sent: Fri, Jun 2, 2017 10:08 am
Subject: RE: NSL Application - Exhibit B

Mr. Jim Bruce,

I just missed your call, I got your voicemail.

Options

- 1 To re-notice the offset operators with the correct information The 20 day public notice will restart
- 2 To get a signed waiver from the offset operators of the encroached tract and turned into the OCD Santa Fe office, at that time your application will move forward

At this time your application is suspended Your application will be cancelled within 20 business days until further information is provided in resolving this issue

Thank you,

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

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

From: jamesbruc@aol.com [<mailto:jamesbruc@aol.com>]

Sent: Friday, June 2, 2017 8:47 AM

To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>

Subject: Re: NSL Application - Exhibit B

Leonard The application is correct, but the notice letter is wrong. The application itself was attached to the notice letter. Tell me what you want me to do.

Jim Bruce

-----Original Message-----

From: Lowe, Leonard, EMNRD, EMNRD <Leonard.Lowe@state.nm.us>

To: jamesbruc <jamesbruc@aol.com>

Cc: Jones, William, V, EMNRD, EMNRD <WilliamV.Jones@state.nm.us>, McMillan, Michael, EMNRD, EMNRD <Michael.McMillan@state.nm.us>

Sent: Thu, Jun 1, 2017 4:01 pm

Subject: NSL Application - Exhibit B

Mr. Jim Bruce,

Your notice Exhibit B for the NSL request for the Well. Agate PWU 21-22 No. 9H is confusing.

You're requesting NSL location in Sections 21 & 22.

Your Exhibit B letter to affected parties references that you are drilling in a different Section than what you are stating in the NSL request.

Please contact me.

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

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Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, June 1, 2017 3 45 PM
To: 'jamesbruc@aol.com'
Cc: Jones, William V, EMNRD, McMillan, Michael, EMNRD
Subject: NSL Application - Exhibit B
Attachments: Exhibit B_NSL_Devon No 9H.pdf

Importance: High

Mr. Jim Bruce,

Your notice Exhibit B for the NSL request for the Well. Agate PWU 21-22 No 9H is confusing

You're requesting NSL location in Sections 21 & 22

Your Exhibit B letter to affected parties references that you are drilling in a different Section then what you are stating in the NSL request

Please contact me

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

Cell 505-930-6717

Fax 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

Lowe, Leonard, EMNRD

From: jamesbruc@aol.com
Sent: Tuesday, May 30, 2017 10:21 AM
To: Lowe, Leonard, EMNRD
Subject: Re: NSL Application, Agate PWU 21 - 22 Well No. 9H
Attachments: ocd-order R-14188-pr-pwu.pdf

Leonard See the attached order -- the West Parkway-Bone Spring Pool was created a couple years ago and instituted 320 acre spacing for horizontal wells, but kept 330 foot setbacks. Sorry, I should have explained that in the application.

Jim

-----Original Message-----

From: Lowe, Leonard, EMNRD, EMNRD <Leonard.Lowe@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Sent: Tue, May 30, 2017 10:05 am
Subject: RE: NSL Application, Agate PWU 21 - 22 Well No. 9H

Mr. Jim Bruce,

Your application is seeking an Oil Pool. Your acreage (A = 320 Acres) is not matching the oil pool specifics. Your application is not clear of your NSL request.

Is your request for a special pool rule? If so, what is the special pool rule?

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

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

From: jamesbruc@aol.com [mailto:jamesbruc@aol.com]
Sent: Tuesday, May 30, 2017 7:21 AM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Subject: Re: NSL Application, Agate PWU 21 - 22 Well No. 9H

Leonard This is a Bone Spring oil pool. The setbacks are 330

Jim

-----Original Message-----

From: Lowe, Leonard, EMNRD, EMNRD <Leonard.Lowe@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>

Cc: Jones, William V, EMNRD, EMNRD <WilliamV.Jones@state.nm.us>
Sent: Fri, May 26, 2017 3:55 pm
Subject: NSL Application, Agate PWU 21 - 22 Well No 9H

Mr. Jim Bruce,

In review of your NSL application for the above stated subject well for

POOL Parkway, Bone Spring, **WEST**

Your project area is encroaching upon Section 20, to the west and Section 22, to the east. Did you notify all affected parties there as well? You are 330 feet to each. Required 660 feet.

Please update.

Have a good holiday weekend.

llowe

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

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>

Lowe, Leonard, EMNRD

From: jamesbruc@aol.com
Sent: Wednesday, May 24, 2017 1:37 PM
To: McMillan, Michael, EMNRD, Lowe, Leonard, EMNRD
Subject: Devon Energy/Application for Administrative Approval of an Unorthodox Oil Well Location
Attachments: Scan 206.pdf

Gentlemen, Regarding the above application, for the Agate PWU 21-22 9H Well (Sections 21 & 22-T19S-R29E), attached are the Certified green cards to the offsets, showing that they each received the application on May 1

Jim

fr. J. Bruce

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <u>Donna Russell</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>5-1-17</u></p>
<p>1. Article Addressed to</p> <p>Cimarex Energy Co Suite 600 600 North Maricfield Midland, Texas 79701</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below _____</p>
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 2691 6351 8766 20</p> <p>7016 2070 0000 2473 2423</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <u>Donna Russell</u> Domestic Return Receipt</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <u>Alexandra Kirtsey</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>5/1/17</u></p>
<p>1. Article Addressed to</p> <p>Mewbourne Oil Company Suite 1020 500 West Texas Midland, Texas 79701</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below _____</p>
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 2691 6351 8766 13</p> <p>7016 2070 0000 2473 2430</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 <u>D. Adapp</u> Domestic Return Receipt</p>	