

RECEIVED: 03/07/22	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2020239172
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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

Applicant: Devon Energy Production, L.P. **OGRID Number:** 6137
Well Name: Shetland 11-2 Fed State Com #732H Well/Order NSL-8059 **API:** 30-015-47159
Pool: Purple Sage; Wolfcamp (Gas) Pool **Pool Code:** 98220

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 holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	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.

Adam G. Rankin

Print or Type Name

Print or Type Name

Signature

3/7/2022

Date

505-988-4421

Phone Number

agrankin@hollandhart.com

e-mail Address



Adam G. Rankin
Phone (505) 988-4421
AGRankin@hollandhart.com

March 7, 2022

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Devon Energy Production, LP, to amend Administrative Order NSL-8059 for approval of an unorthodox as-drilled location for its Shetland 11-2 Fed State Com #732H well underlying Sections 2 and 11, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Devon Energy Production, LP (“Devon”) (OGRID No. 6137) seeks to amend Administrative Order NSL-8059, attached as **Exhibit A**, for approval of an unorthodox as-drilled location for its **Shetland 11-2 Fed State Com #732H well** (API No. 30-015-47159) to be completed within the Purple Sage Wolfcamp Pool (98220) underlying Sections 2 and 11, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

This well has been drilled as follows, with locations different than approved under Administrative Order NSL-8059:

- surface location: 350 feet from the south line and 2140 feet from the west line (Unit N) of Section 11 – instead of 350 feet from south line and 2140 from the west line (Unit N) of Section 11;
- bottom hole location: 35 feet from the north line and 2322 feet from the east line (Unit B) of Section 2 – instead of 20 feet from the north line and 2310 from the west line (Unit C) of Section 2;
- first take point: 666 feet from the south line and 2538 feet from the west line (Unit N) of Section 11 – instead of 100 feet from the south line and 2310 from the west line (Unit N) of Section 11; and

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

- last take point: 160 feet from the north line and 2330 feet from the west line (Unit B) of Section 2 – instead of 100 feet from the north line and 2310 from the west line (Unit C) of Section 2.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage-Wolfcamp Gas Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Shetland 11-2 Fed State Com #732H well** will be unorthodox because the last take point is closer than 330 feet to the northern boundary of the spacing unit. As stated in Devon's original application, approval of the unorthodox, completed interval will allow Devon to increase the lateral length by several hundred feet, thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

Exhibit B is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Shetland 11-2 Fed State Com #732H well** encroaches on the drilling and spacing unit to the north in Section 35, Township 25 South, Range 31 East.

Ownership is diverse between the subject spacing unit and the affected spacing units to the north. **Exhibit C** reflects that a copy of this application with all attachments has been sent by certified mail to each affected person advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a land plat for Sections 2 and 11 that shows the proposed **Shetland 11-2 Fed State Com #732H well** in relation to the adjoining spacing unit to the north in Section 35 where Devon provided notice.

Your attention to this matter is appreciated.

Sincerely,



Adam G. Rankin
ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.

Approved

NSL

Order

Approved: 08/07/20

EXHIBIT A

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



August 7, 2020

Ms. Kaitlyn A. Luck
Kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8059

**Devon Energy Production, L.P. [OGRID 6137]
Shetland 11 2 Federal State Com Well No. 732H
API No. 30-015-47159**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	350 FSL & 2140 FWL	N	11	26S	31E	Eddy
First Take Point	100 FSL & 2310 FWL	N	11	26S	31E	Eddy
Last Take Point	100 FNL & 2310 FWL	C	2	26S	31E	Eddy
Terminus	20 FNL & 2310 FWL	C	2	25S	31E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 11	640	Purple Sage; Wolfcamp (GAS)	98220
W/2 of Section 2			

Reference is made to your application received on July 17, 2020.

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 for the Purple Sage; Wolfcamp (Gas) Pool of 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 and southern edge. Encroachment will impact the following tract.

Section 14, encroachment to the NW/4
Section 35 25S 31E, encroachment to the SW/4

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.

Administrative Order NSL-8059
Devon Energy Production, L.P.
August 7, 2020
Page 2 of 2

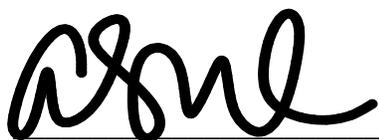
Division understands you are seeking this unorthodox location in order to maximize the lateral length of the well and to minimize reserves left in the ground, thus reducing waste while protecting correlative rights within the Wolfcamp formation underlying the W/2 of Section 11 and the W/2 of Section 2.

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.**

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Mineral Division
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, August 10, 2020 5:44 PM
To: Kaitlyn A. Luck
Cc: Bratcher, Mike, EMNRD; Podany, Raymond, EMNRD; 'lisa@rwbyram.com'; Simmons, Kurt, EMNRD; Terry Warnell; McClure, Dean, EMNRD; Garcia, John A, EMNRD; Scott Cox; 'jglover@blm.gov'; Holm, Anchor E.
Subject: APPROVED NSLs_DEVON ENERGY PROD., L.P._Shetland Fed State Wells No. (611H, 613H, 711H, 712H, 732H)_SEC 11 26S 31E
Importance: High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Orders have been issued and will soon be available on the Division’s web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	API #
8059	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 732H	30-015-47159
8058	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 712H	30-015-47157
8057	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 711H	30-015-47156
8056	-	Devon Energy Production L.P.	6137	Shetland 2 11 Federal State Com Well No. 613H	30-015-47172
8055	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 611H	30-015-47139

Leonard R. Lowe

Engineering Bureau
 OCD - EMNRD
 5200 Oakland Ave
 Albuquerque, N.M. 87113
 C: 505-930-6717
<http://www.emnrd.state.nm.us/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 30-015-47159		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name SHETLAND 11-2 FED STATE COM		⁶ Well Number 732H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3212.6

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
N	11	26 S	31 E		350	SOUTH	2140	WEST	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
B	2	26 S	31 E		35	NORTH	2333	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.

The diagram shows a well location in Section 2 and Section 11. Key features include:
 - **Section 2:** A well location is shown with a 2333' distance from the north line and a 35' distance from the east line. The bottom of the hole is marked with 'BOTTOM OF HOLE' and 'LTP'. A 'LAST TAKE POINT' is also indicated.
 - **Section 11:** A 'SURFACE LOCATION' is shown with a 2140' distance from the west line and a 350' distance from the south line. A 'KOP S/4 CORNER SEC. 11' is marked.
 - **Other markers:** 'AS-DRILLED' is written in red across Section 2. Various corner points (NW, NE, SE, SW) and NMS (North Magnetic South) points are labeled with their respective bearings and distances.

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 _____ Date _____

Printed Name _____

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.

MAY 3, 2021

Date of Survey _____

Signature and Seal of Professional Surveyor:

Certificate Number: 12797

EXHIBIT B



Firm Mailing Book For Accountable Mail

Name and Address of Sender
 Holland & Hart LLP (1)
 110 N Guadalupe St # 1
 Santa Fe NM 87501

Check type of mail or service
 Adult Signature Required
 Adult Signature Restricted Delivery
 Certified Mail
 Certified Mail Restricted Delivery
 Collect on Delivery (COD)
 Insured Mail
 Priority Mail

Priority Mail Express
 Registered Mail
 Return Receipt for Merchandise
 Signature Confirmation
 Signature Confirmation Restricted Delivery

Postage 1.90

Actual Value if Registered

Handling Charge

Due Sender if COD

Insured Value

Postmaster, Per (Name of receiving employee)

Affix Stamp Here
 (if issued as an international certificate of mailing or for additional copies of this receipt).
Postmark with Date of Receipt.

USPS Tracking/Article Number	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8316 8330 11	1.90	3.55								1.70			
2. 9214 8901 9403 8316 8330 28	1.90	3.55								1.70			
3. 9214 8901 9403 8316 8330 35	1.90	3.55								1.70			
4. 9214 8901 9403 8316 8330 42	1.90	3.55								1.70			
			Handling Charge - If Registered and over \$50,000 in value				Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling

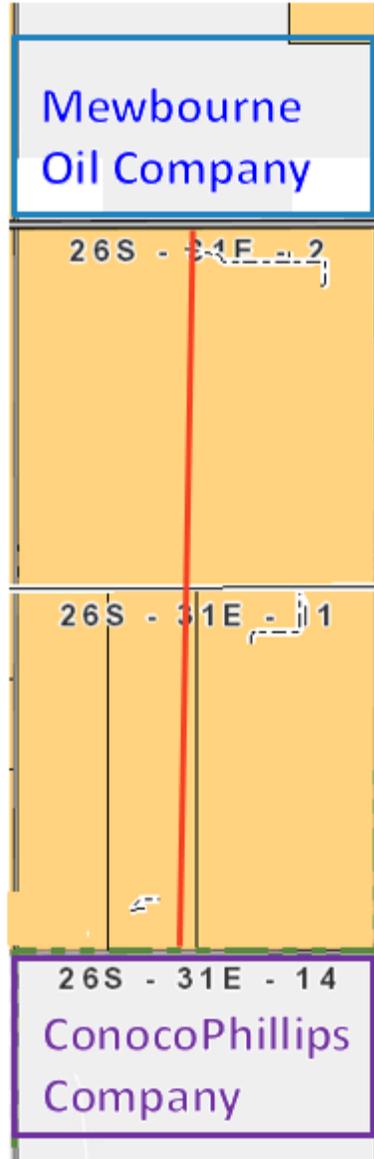
Total Number of Pieces Listed by Sender 4

Total Number of Pieces Received at Post Office

PS Form 3877, April 2015 (Page 1 of 1)

PSN 7530-02-000-9098

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ConocoPhillips Company
600 W. Illinois Ave
Midland, TX 79701

Mewbourne Oil Company
500 W Texas Avenue
Midland, TX 79701

17758499_v1

EXHIBIT D



Adam G. Rankin
Phone (505) 988-4421
AGRankin@hollandhart.com

March 7, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Devon Energy Production, LP, to amend Administrative Order NSL-8059 for approval of an unorthodox as-drilled location for its Shetland 11-2 Fed State Com #732H well underlying Sections 2 and 11, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Verl Brown
Devon Energy
(405) 228-8804
Verl.Brown@dvn.com

Sincerely,

Adam G. Rankin
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Devon - Shetland 732H
amend order NSL-8059

Shipment Date: 03/07/2022
Shipped From:
Name: HOLLAND & HART LLP (1)
Address: 110 N GUADALUPE ST # 1
City: SANTA FE
State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	4
Total	4

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0035 1965 86

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
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District III
 1000 Rio Brazos Rd., Aztec, NM 87410
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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 87680

CONDITIONS

Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102	OGRID: 6137
	Action Number: 87680
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	NSL-8059-A is approved.	4/29/2022