State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham Governor

Melanie A. Kenderdine Deputy Secretary – Designate

Ben Shelton Deputy Secretary (Acting) **Gerasimos "Gerry" Razatos** Division Director (Acting) Oil Conservation Division



Darin Savage darin@abadieschill.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8860

WPX Energy Permian, LLC [OGRID 246289] Steel Guitar 35 26 Federal Com Well No. 415H API No. 30-015-55926

Reference is made to your application received on January 28th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	455 FNL & 1000 FEL	А	26	26S	29E	Eddy
First Take Point	100 FNL & 510 FEL	А	26	26S	29E	Eddy
Last Take Point	1718 FNL & 510 FEL	12	35	26S	29E	Eddy
Terminus	1768 FNL & 510 FEL	12	35	26S	29E	Eddy

Proposed Horizontal Gas Units

Description	Acres	Pool	Pool Code
E/2 of Section 26	430.41	Purple Sage; Wolfcamp, Gas	98220
E/2 of Section 35			

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 governs wells to be located at least 330 feet from the unit outer boundary of a spacing unit and no closer than 10 feet to any quarter – quarter section line. The completed intervals of horizontal wells are to be located no closer than 330 feet to the exterior boundary of a standard 320 - acre **gas** spacing unit.

Administrative Order NSL - 8860 WPX Energy Permian, LLC Page 2 of 2

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 First and Last Take Points referenced above within the described Horizontal Spacing Unit.

The well's completed interval is as close as 100 feet to the northern boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 23, encroachment to the SE/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.

The Division understands you are seeking this unorthodox location to allow optimal well spacing within the Wolfcamp formation underlying the E/2 of Section 26 and the E/2 of Section 35, thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

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: 3/6/2025

Gerasimos Razatos Division Director (Acting) GR/lrl

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ID NO. 425914	NS	L - 8860		Revised March 23, 2017
RECEIVED: 01/28/25	REVIEWER:	TYPE:	1	L2502963494
THIS CHECKLIST	ABOV NEW MEXICO OIL - Geological & E 220 South St. Francis E ADMINISTRATIVE TIS MANDATORY FOR ALL ADMINIS REGULATIONS WHICH REQUIRE PRO	Angineering Bur Drive, Santa Fe, APPLICATION (N DIVISION eau – NM 87505 CHECKLIST FOR EXCEPTIONS TO DI	VISION RULES AND
Applicant: <u>WPX Energy</u> Well Name: <u>Steel Guita</u> Pool: <u>Purple Sage Wolf</u> SUBMIT ACCURATE AN	<u>r 35-26 Fed Com 4151 camp (Gas) Pool</u> ID COMPLETE INFORMA		API: <u>30-(</u> Pool Co	Number: <u>246289</u> 015-55926 de: <u>98220</u> TYPE OF APPLICATION
A. Location – Space ■NSL B. Check one only [1] Comminglin □DHC [II] Injection – □WFX 2) NOTIFICATION REQU A. Offset opera B. Royalty, ove C. Application D. Notification F. Surface own	IRED TO: Check those v and/or concurrent app and/or concurrent app above, proof of notific	s Dedication s Dedication NSP(PROR PC OLS ease – Enhance IPI EOR which apply. revenue owners ce proval by SLO proval by BLM	□OLM d Oil Recovery □ PPR	FOR OCD ONLY Notice Complete Application Content Complete
administrative appro understand that no (notifications are sub)	eby certify that the info oval is accurate and co action will be taken on mitted to the Division. ment must be completed by ar	mplete to the b this application	est of my knowle until the require	edge. I also d information and Fory capacity .
Darin Savage		D	ate	
Print or Type Name			970-385-4401	

/s/ Darin Savage

Signature

e-mail Address

Phone Number

darin@abadieschill.com

SUBMITTED TO THE OIL CONSERVATION DIVISION:

Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its **Steel Guitar 35-26 Fed Com 415H Well** located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

TABLE OF CONTENTS

Administrative Checklist for NSL

Exhibit A:	C-102 Forms, specifically identifying the NSL (19.15.15.13C)
Exhibit B:	A statement discussing the reasons for the unorthodox location
	(19.15.15.13C)
Exhibit C:	Tract map outlining the unit location of the unorthodox well with affected
	area tracts identified (19.15.15.13C)
Exhibit D:	A list of affected persons and parties, with addresses, entitled to notice of the application, along with a copy of the notice letter sent to affected persons and parties (19.15.15.13C)

WPX Energy Permian, LLC



ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

January 28, 2025

Gerasimos Razatos, Director (Acting) Oil Conservation Division New Mexico Department of Energy Minerals and Natural Resources 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Copy to: Leonard Lowe, Division Technical Examiner

Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 415H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dear Acting Director Razatos:

WPX Energy Permian, LLC ("WPX"), OGRID No. 246289, is seeking administrative approval of an unorthodox well location ("NSL") for the Steel Guitar 35-26 Fed Com 415H Well (the "415H Well") (API No. 30-015-55926) to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying a standard 430.41-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 26 and 35, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal well that will be drilled as follows:

- Surface Location (SL): 455' from the North line and 1000' from the East line (Unit A) of Section 26, Township 26 South, Range 29 East;
- Bottom Hole Location (BHL): 1768' from the North line and 510' from the East line (Lot 12) of Section 35, Township 26 South, Range 29 East;
- First Take Point (FTP): 100' from the North line and 510' from the East line (Unit A) of Section 26, Township 26 South, Range 29 East;
- Last Take Point (LTP): 1718' from the North line and 510' from the East line (Lot 12) of Section 35, Township 26 South, Range 29 East.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 WPX has included as Exhibit B, a letter explaining why this application is needed. This well will produce from the Purple Sage Wolfcamp Pool (Pool Code 98220). The special Division rules for the Purple Sage; Wolfcamp Pool establish 330' foot setback requirements which are laid out in Order No. R-14262. The first and last take points for the proposed well are closer than 330' from the boundary of the spacing unit.

The unorthodox location will encroach towards the SE/4 of Section 23 and the Southern state line of New Mexico, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

WPX attests that, on or before submission of this application, it sent notice to the affected persons in the adjoining horizontal spacing unit which covers the SE/4 of Section 14 and the E/2 of Section 23, all in Township 26 South, Range 29 East; said notice as described satisfies all provisions of 19.15.4.12A(2) NMAC; copies of the application and required plat maps were furnished. WPX has also provided notice to the Bureau of Land Management to the extent that federal leases are involved, pursuant to 19.15.2.7A(8)(d) NMAC. WPX provides herein a sectional map of this area, attached as Exhibit C. Proof of mailing, along with a copy of the notice letter sent to listed affected persons and parties, is attached hereto as Exhibit D. The pooling case associated with this application is Case No. 25058, Order No. R-23662.

Your consideration in this matter is appreciated.

Sincerely,

Darin C. Savage Attorney for Applicant

Α

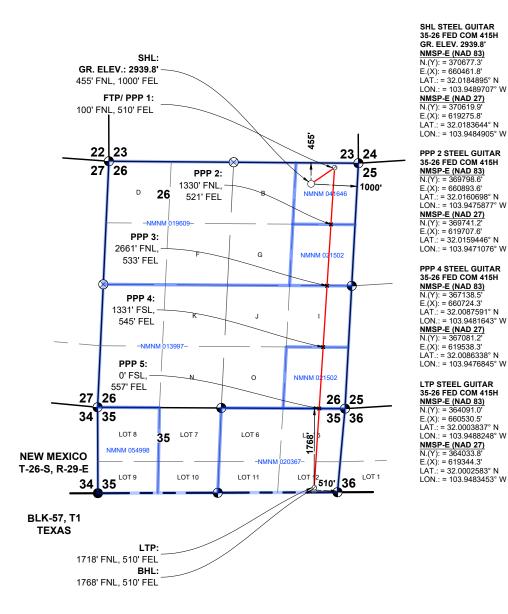
C-102	2		Ene	rgy, Min	State of Ne erals & Natur	w Mexico al Resources Depar	rtment		F	Revised July 9, 20
	ectronically	,		0.		TION DIVISION			Initial S	ubmittal
Via OCD	Permitting							Submittal		ed Report
								Type:	As Drill	•
					WELL LOCA	FION INFORMATIO	N			
API Num	ber		Pool Code		F	ool Name				
Property (Code		Property N		STEEL GUIT	TAR 35-26 FED C	ОМ		Well Number	15H
OGRID N	_{ه.} 2462	89	Operator N	ame	WPX ENER	RGY PERMIAN, LI	С		Ground Level E	Elevation 939.8'
Surface O	_	State Fee	Tribal	Federal		Mineral Owner:		ee 🗌 Tr	ibal 🗌 Federal	,00.0
					Surf	ace Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitu 32.018		Longitude -103.948971	County
А	26	26-S	29-E		455' FNL	1000' FEL	32°01'0		103°56'56.29"	EDDY
					Bottom	Hole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitu		Longitude	County
.OT 12	35	26-S	29-E		1768' FNL	510' FEL	32.000 32°00'0		-103.948840 103°56'55.82"	EDDY
Dedicated	Acres	Infill or Definir	ıg Well	Defining V	Vell API	Overlapping Spacing	Unit (Y/N)	Consolidati	on Code	
Order Nu	nbers.					Well setbacks are und	ler Common Ow	nership:	Yes [No
					Kick ()) Off Point (KOP)				_
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitu	ıde	Longitude	County
					First Ta	ake Point (FTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitu		Longitude	County
А	26	26-S	29-E		100' FNL	510' FEL	32.019 32°01'1		-103.947321 103°56'50.36"	EDDY
						ake Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latiti 32.000		Longitude -103.948825	County
OT 12	35	26-S	29-E		1718' FNL	510' FEL	32°00'0		103°56'55.77"	EDDY
Unitized A	Area or Area	a of Uniform Inter	est	Spacing U	nit Type 🔲 H	orizontal 🗌 Vertical	Grour	nd Floor Eleva	ation:	
I hereby ce my knowled organizatio including t location pu interest, or	ertify that the dge and beli o n either ow he proposed ursuant to a d	FICATIONS information contait of and, if the well is ns a working intere bottom hole locatio contract with an ow ry pooling agreeme	a vertical or d est or unleased on or has a righ ner of a workin	irectional wel mineral inter at to drill this w ing interest or i	I, that this est in the land well at this ınleased mineral	SURVEYOR CERTIFIC I hereby certify that the we surveys made by me or und my belief	ell location shown		same is true and co.	TOMPT
consent of in each tra	at least one ct (in the tar	tal well, I further ce lessee or owner of a get pool or formatic or obtained a comp	working inter on) in which an	est or unleased by part of the v	d mineral interest vell's completed	Signature and Seal of Pro		yor	PROFILESSION, Draft: FH!	
						JAMES C. TOMPKINS Date 10/30/2024	27117 Job. No.: W	TC-56644	Draft: FH!	
Printed Na	ame					Certificate Number	Date of Sur	-		24
Email Ade	trees					27117		OCTO	OBER 28, 20	24
Jindii Ad	41035									EXHIB

Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the di

STEEL GUITAR 35-26 FED COM #415H - 10/30/2024 ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



FTP/PPP 1 STEEL GUITAR 35-26 FED COM 415H N.(Y): = 371028.3 E.(X): = 660971.8' LAT.: = 32.0194494° N LON.: = 103.9473211° W NMSP-E (NAD 27) N.(Y): = 370970.9' E.(X): = 619785.9' LAT.: = 32.0193242° N LON.: = 103.9468409° W

PPP 3 STEEL GUITAR 35-26 FED COM 415H MSP-E (NAD 83) N.(Y): = 368468.9' E.(X): = 660809.0' LAT.: = 32.0124154° N LON.: = 103.9478759° W NMSP-E (NAD 27) N.(Y): = 368411.6 E.(X): = 619623.0 LAT: = 32.0122902° N LON.: = 103.9473960° W **PPP 5 STEEL GUITAR**

35-26 FED COM 415H NMSP-E (NAD 83) N.(Y): = 365808 $E_{.}(X)$: = 660639.7 LAT.: = 32.0051029° N LON.: = 103.9484527° W NMSP-E (NAD 27) N.(Y): = 365750.9 E.(X): = 619453.6' LAT.: = 32.0049775° N LON .: = 103.9479730° W

BHL STEEL GUITAR 35-26 FED COM 415H NMSP-E (NAD 83) N.(Y): = 364041.0 E.(X): = 660525.9 LAT.: = 32.0002462° N LON.: = 103.9488399° w NMSP-E (NAD 27) N.(Y): = 363983.8' E.(X): = 619339.8' LAT.: = 32.0001208° N LON.: = 103.9483604° W

SECTION: 26, T-26-S, R-29-E, N.M.P.M. COUNTY: EDDY STATE: NEW MEXICO DESCRIPTION: 455' FNL & 1000" FEL **OPERATOR: WPX ENERGY PERMIAN, LLC** WELL NAME: STEEL GUITAR 35-26 FED COM #415H DUWI: WA018425582 UFID: AA000497611 WELL PAD: STEEL GUITAR 35-26 FED EAST PAD

WTC, INC.

(432) 523-2181



WPX ENERGY PERMIAN, LLC

JOB NO.: WTC56644



Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 73102-5015

January 21, 2025

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

RE: Application for Nonstandard Location Engineering Statement WPX Energy Permian, LLC Steel Guitar 26-35 Fed Com well 414H, 415H, 424H, 425H, 443H & 444H E/2 of Sections 26 and 35, Township 26 South, Range 29 East Eddy County, New Mexico

Dear Mr. Lowe:

WPX Energy Permian, LLC, a wholly owned subsidiary of Devon Energy Corporation, respectfully requests administrative approval of a nonstandard location for the Steel Guitar 26-35 Fed Com Wells referenced above. These wells are in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is WPX's responsibility as a prudent operator to minimize reserves left in the ground. Decreasing the first and last take point from three hundred and thirty feet (330') to one hundred feet (100') will increase the wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

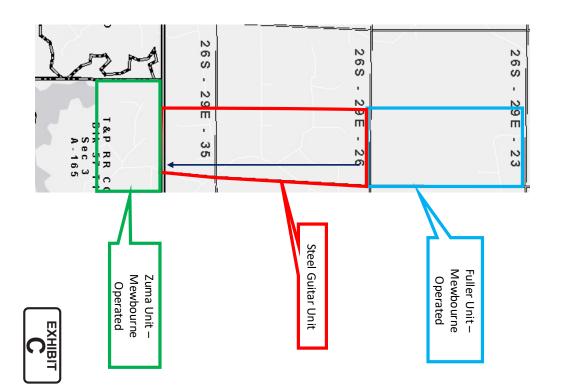
Camden Selvidge Reservoir Engineer

Inh fing



Devon - Public





9314869904300130951597	9314869904300130951580	USPSArticleNumber
1/28/25 4188.75 - NSL Steel Guitar Mewbourne Oil Company	1/28/25 4188.75 - NSL Steel Guitar Bureau of Land Management	Date Mailed ReferenceNumber
Mewbourne Oil Company	Bureau of Land Management	Name1
Attn: Cy Shook 500 W		Name2
500 West Texas	620 E. Greene Street	Address1
Suite 1020 Midland		Address2
Midland	Carlsbad	City
X	NM	State Zip
79701	88220-6292	Zip

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EXHIBI



ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

For the Pursuit of Energy

January 28, 2025

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

NOTICE TO AFFECTED PERSONS/PARTIES RE: APPLICATIONS FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX WELL LOCATION

- 1) Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 414H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.
- 2) Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 415H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.
- 3) Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 424H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.
- 4) Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 425H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.
- 5) Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 443H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.
- 6) Re: Application of WPX Energy Permian, LLC, for administrative approval of unorthodox well location for its Steel Guitar 35-26 Fed Com 444H Well located in the

E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

To the Parties/Persons this may concern:

Enclosed in this notice are copies of the above-referenced applications filed with the New Mexico Conservation Division on the date referenced above.

You are being notified in your capacity as a person or party in an adjoining tract or unit pursuant to our request for approval of unorthodox locations of the above-referenced wells. Any objections that you have to one or more of the above-referenced applications must be filed in writing (by email or letter) with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the application filed for administrative approval by the Division. These Applications would have been filed with, and received by, the Division either on the date of this letter as referenced above, or no later than two (2) days after the date referenced above. Email correspondence for this matter can be sent to the Division at OCD.Engineer@emnrd.nm.gov.

If you have any questions concerning this application, please contact:

Tim Prout Sr. Staff Landman Devon Energy Production Company, L.P. (405) 552-6113 Tim.Prout@dvn.com

If you have no objections to these applications, please sign the waiver as indicated below and return the original to the address listed on this letterhead. Your assistance and cooperation in this matter are appreciated.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Waiver

Application for an Unorthodox Location for the Steel Guitar 35-26 Fed Com 414H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: _____

Signature:

Waiver

Application for an Unorthodox Location for the Steel Guitar 35-26 Fed Com 415H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Signature:

<u>Waiver</u>

Application for an Unorthodox Location for the Steel Guitar 35-26 Fed Com 424H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated:	

Signature:				
Waiver				

Application for an Unorthodox Location for the Steel Guitar 35-26 Fed Com 425H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated:

Signature:

Waiver

hereby waives objection to the above referenced Application for an Unorthodox Location for the Steel Guitar 35-26 Fed Com 443H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated:

Signature:

Waiver

Application for an Unorthodox Location for the Steel Guitar 35-26 Fed Com 444H Well located in the E/2 of Sections 26 and 35, all in Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: _____ Signature: _____

Sante Fe Main Office Phone: (505) 476-3441

General Information Phone: (505) 629-6116

Online Phone Directory https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

Operator: (OGRID:
WPX Energy Permian, LLC	246289
Devon Energy - Regulatory	Action Number:
Oklahoma City, OK 73102	425914
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	1/29/2025

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