

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 - 8861

**WPX Energy Permian, LLC [OGRID 246289]
Steel Guitar 35 26 Federal Com Well No. 424H
API No. 30-015-55927**

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

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	455 FNL & 1090 FEL	A	26	26S	29E	Eddy
First Take Point	100 FNL & 2070 FEL	B	26	26S	29E	Eddy
Last Take Point	1733 FNL & 2070 FEL	11	35	26S	29E	Eddy
Terminus	1783 FNL & 2070 FEL	11	35	26S	29E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
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 - 8861
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.



Gerasimos Razatos
Division Director (Acting)
GR/lrl

Date: 3/6/2025

ID NO. 425917

NSL - 8861

Revised March 23, 2017

RECEIVED: 01/28/25	REVIEWER:	TYPE:	APP NO: pLEL2502964361
---------------------------	-----------	-------	-------------------------------

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: WPX Energy Permian, LLC **OGRID Number: 246289**
Well Name: Steel Guitar 35-26 Fed Com 424H Well **API: 30-015-55927**
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.

January 28, 2025

Darin Savage

Date

Print or Type Name

970-385-4401

/s/ Darin Savage

Phone Number

darin@abadieschill.com

Signature

e-mail Address

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 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.

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



For the Pursuit of Energy

ABADIE | 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 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.

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 424H Well (the “424H Well”) (API No. 30-015-55927) 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 1090’ from the East line (Unit A) of Section 26, Township 26 South, Range 29 East;
- Bottom Hole Location (BHL): 1783’ from the North line and 2070’ from the East line (Lot 11) of Section 35, Township 26 South, Range 29 East;
- First Take Point (FTP): 100’ from the North line and 2070’ from the East line (Unit B) of Section 26, Township 26 South, Range 29 East;
- Last Take Point (LTP): 1733’ from the North line and 2070’ from the East line (Lot 11) of Section 35, Township 26 South, Range 29 East.

abadieschill.com

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,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage
Attorney for Applicant

STEEL GUITAR 35-26 FED COM #424H - 10/30/2024

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
	Submittal Type:	<input type="checkbox"/> Initial Submittal
		<input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code	Pool Name
Property Code	Property Name STEEL GUITAR 35-26 FED COM	
OGRID No. 246289	Operator Name WPX ENERGY PERMIAN, LLC	
Well Number 424H		Ground Level Elevation 2938.4'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		
Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	26	26-S	29-E		455' FNL	1090' FEL	32.018492 32°01'06.57"	-103.949261 -103°56'57.34"	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
LOT 11	35	26-S	29-E		1783' FNL	2070' FEL	32.000244 32°00'00.88"	-103.953895 -103°57'14.02"	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
B	26	26-S	29-E		100' FNL	2070' FEL	32.019498 32°01'10.19"	-103.952360 -103°57'08.49"	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
LOT 11	35	26-S	29-E		1733' FNL	2070' FEL	32.000382 32°00'01.37"	-103.953879 -103°57'13.97"	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>Email Address _____</p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>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</i></p> <div style="text-align: center;">  </div> <p><i>James C. Tompkins</i> Signature and Seal of Professional Surveyor JAMES C. TOMPKINS 27177</p> <p>Date 10/30/2024 Job. No.: WTC-56644 Draft: FH!</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;">Certificate Number 27117</td> <td style="width:50%;">Date of Survey OCTOBER 28, 2024</td> </tr> </table>	Certificate Number 27117	Date of Survey OCTOBER 28, 2024
Certificate Number 27117	Date of Survey OCTOBER 28, 2024		

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 division.

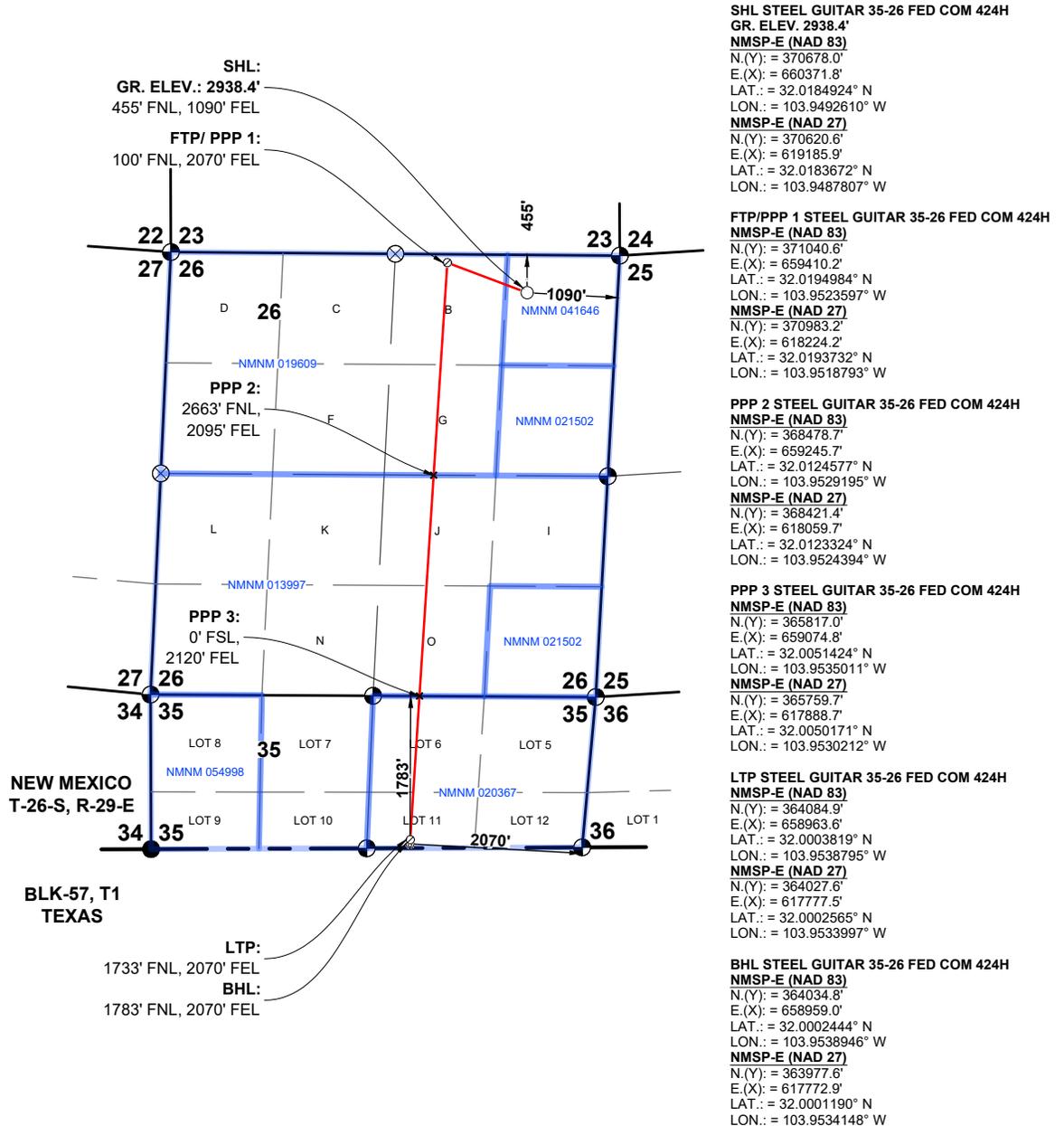


STEEL GUITAR 35-26 FED COM #424H - 10/30/2024

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.



SECTION: 26, T-26-S, R-29-E, N.M.P.M.
COUNTY: EDDY **STATE:** NEW MEXICO
DESCRIPTION: 455' FNL & 1090" FEL
OPERATOR: WPX ENERGY PERMIAN, LLC
WELL NAME: STEEL GUITAR 35-26 FED COM #424H
DUWI: WA018425587 **UFID:** AA000497611
WELL PAD: STEEL GUITAR 35-26 FED EAST PAD



W T C, INC.
 405 S.W. 1st Street
 Andrews, TX 79714
 (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

A handwritten signature in blue ink, appearing to read "Camden Selvidge". The signature is fluid and cursive.

Steel Guitar 26-35 Fed Com 424H- NSL Offset Tract Map

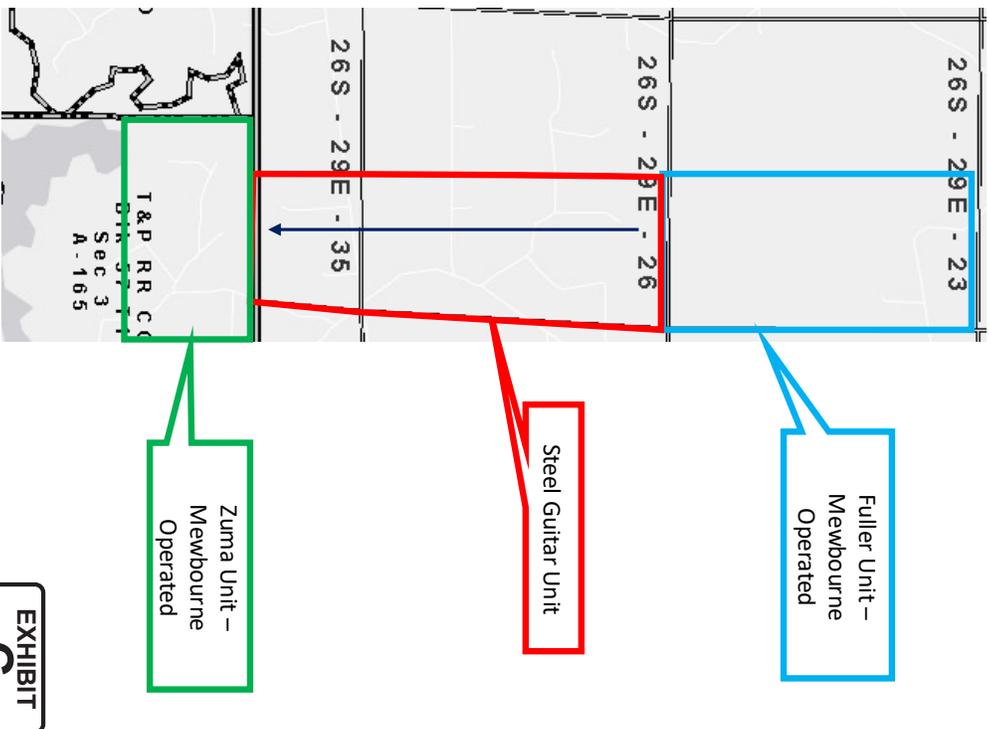


EXHIBIT
C

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





For the Pursuit of Energy

ABADIE | SCHILL PC

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

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**

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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@emnrn.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

_____ hereby waives objection to the above referenced 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

_____ hereby waives objection to the above referenced 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.

Dated: _____

Signature: _____

Waiver

_____ hereby waives objection to the above referenced 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

_____ hereby waives objection to the above referenced 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

_____ hereby waives objection to the above referenced 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

Action 425917

CONDITIONS

Operator: WPX Energy Permian, LLC Devon Energy - Regulatory Oklahoma City, OK 73102	OGRID: 246289
	Action Number: 425917
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

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