State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Melanie Kenderdine Cabinent Secretary

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



Darin Savage darin@abadieschill.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8914

Devon Energy Production Company, L.P. [OGRID 6137] Chincoteague 8 32 Federal State Com Well No. 734H API No. 30-025-53048

Reference is made to your application received on March 14th, 2025.

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	2463 FNL & 555 FEL	Н	08	25S	32E	Lea
First Take Point	2228 FNL & 482 FEL	Н	08	25S	32E	Lea
Last Take Point	387 FNL & 433 FEL	A	32	24S	32E	Lea
Terminus	290 FNL & 431 FEL	A	32	24S	32E	Lea

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
NE/4 Section 08, T25S, R32E	800.83	Wildcat; Upper Wolfcamp	98270
E/2 Section 05, T25S, R32E			
E/2 Section 32, T24S, R32E			

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an oil well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

Administrative Order NSL – 8914 Devon Energy Production Company, L.P. Page 2 of 2

well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

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 Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 321 feet to the eastern edge of the horizontal spacing unit of section 05, T25S, R32E. Encroachment will impact the following tracts.

Section 04, encroachment to the W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

The Division understands you are seeking this unorthodox location due to the well drifted eastwards resulting in an encroachment during the drilling process. The unorthodox length pertains to the latter portion of the perforated zone, a total of a 496-foot length of encroachment. Approval will prevent waste while protecting the correlative rights within the Bone Spring formation underlying the NE/4 of section 8, T25S, R32E, E/2 of section 05, T25S, R32E and the E/2 of section 32, T24S, R32E.

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 19.15.15.13 (B) 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 the Division deems necessary.

GERASIMOS RAZATOS DIRECTOR (ACTING)

GR/lrl

Date: 4/30/2025

D NO. 442746	NSL -	8914
	1 10 1	

D NO. 442/40	NOL	- 0714		
RECEIVED: 03/14/25	REVIEWER:	TYPE:	APP NO:	pLEL2507939604

NEW MEXICO OIL CONSERVATION DIVISION

- Geological & Engineering Bureau -1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPL	LICATION CHECKLIST 'E APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
REGULATIONS WHICH REQUIRE PROCESSIN	
Applicant: <u>Devon Energy Production Company,</u> Well Name: <u>Chincoteague 8-32 Fed State Com</u> Pool: <u>WC-025 G-08 S253216D; Upper Wolfcamp</u>	
SUBMIT ACCURATE AND COMPLETE INFORMATION INDICATE	
1) TYPE OF APPLICATION: Check those which apply A. Location – Spacing Unit – Simultaneous Dec NSL SP (PROJECT AREA)	
B. Check one only for [1] or [11] [1] Commingling – Storage – Measurement DHC CTB PLC PC [11] Injection – Disposal – Pressure Increase WFX PMX SWD IPI	□ols □olm
2) NOTIFICATION REQUIRED TO: Check those which A. Offset operators or lease holders B. Royalty, overriding royalty owners, reven C. Application requires published notice D. Notification and/or concurrent approva E. Notification and/or concurrent approva F. Surface owner G. For all of the above, proof of notification H. No notice required	n apply. Notice Complete Application Content Complete Display BLM
3) CERTIFICATION: I hereby certify that the informat administrative approval is accurate and comple understand that no action will be taken on this a notifications are submitted to the Division.	ete to the best of my knowledge. I also
Note: Statement must be completed by an individ	idual with managerial and/or supervisory capacity.
	March 11, 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 Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its **Chincoteague 8-32 Fed State Com 734H Well** located in the NE/4 of Section 8 and the E/2 of Section 5, all in Township 25 South, Range 32 East, NMPM, and the E/2 of Section 32, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico.

TABLE OF CONTENTS

Administrative Checklist for NSL

Exhibit A: C-102 Form, 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)

Devon Energy Production Company, L.P.

ABADIE I SCHILL PC





March 14, 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 Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Chincoteague 8-32 Fed State Com 734H Well located in the NE/4 of Section 8 and E/2 of Section 5, in Township 25 South, Range 32 East, NMPM, and the E/2 of Section 32, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico.

Dear Acting Director Razatos:

Devon Energy Production Company, L.P., ("Devon"), OGRID No. 6137, is seeking administrative approval of an unorthodox well location ("NSL") for the Chincoteague 8-32 Fed State Com 734H Well (the "734H Well") (API 30-025-53028) located in the WC-025 G-08 S253216D; Upper Wolfcamp Pool (Pool Code 98270) underlying a standard 800.83-acre, more or less, horizontal spacing unit comprised of the NE/4 of Section 8 and E/2 of Section 5, in Township 25 South, Range 32 East, NMPM, and the E/2 of Section 32, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico. A C-102 for the Well is attached as Exhibit A. This is a horizontal well that has been drilled as follows:

- Surface Location (SL): 2463' from the North line and 555' from the East line (Unit H) of Section 8, Township 25 South, Range 32 East;
- Bottom Hole Location (BHL): 290' from the North line and 431' from the East line (Unit A) of Section 32, Township 24 South, Range 32 East;
- First Take Point (FTP): 2228' from the North line and 482' from the East line (Unit H) of Section 8, Township 25 South, Range 32 East;
- Last Take Point (LTP): 387' from the North line and 433' from the East line (Unit A) of Section 32, Township 24 South, Range 32 East.

abadieschill.com

Devon has included as Exhibit B, a letter explaining why this application is needed. This well will produce from the WC-025 G-08 S253216D; Upper Wolfcamp Pool (Pool Code 98270). Statewide rules require that the completed interval of an oil well be no closer than 330' to the outer boundary of a horizontal spacing unit.

The unorthodox location encroaches toward W/2 of Section 4, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico. During drilling, the wellbore drifted slightly into part of the setback along this stretch of the lateral as shown in the C-102.

Devon attests that, on or before submission of this application, it sent notice to the affected persons/parties in the adjoining horizontal spacing unit toward which covers the W/2 of Section 33, Township 24 South, Range 32 East, and the W/2 of Section 4, Township 25 South, Range 32 East, NMPM, all in Lea County, New Mexico. Devon has also provided notice to the Bureau of Land Management ("BLM") and the New Mexico State Land Office ("NMSLO") to the extent that federal and state leases are involved, pursuant to NMAC 19.15.2.7A(8)(d); said notice as described satisfies all provisions of NMAC 19.15.4.12A(2); copies of the application and required plat maps were furnished. Devon 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 the affected persons, is attached hereto as Exhibit D. Devon has informed us that there is no pooling case associated with this application.

Your consideration in this matter is appreciated.

Sincerely,

Darin C. Savage Attorney for Applicant

Revised July 9, 2024

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

6.1	☐ Initial Submittal
Submittal Type:	☐ Amended Report
J 1	□ As Drilled

Submit Electronically Via OCD Permitting

										□ As Drilled	
					WELL LOCA	ATIO	N INFORMATIC	ON			
API Nu	umber 30-0)25-53048	Pool Code	98270		Poo	l Name WC-0	25 G-08 S2532	216D; UPI	PER WOLFC	AMP
Proper	ty Code 3	26213	Property Na	Property Name CHINCOTEAGUE 8-32 FED STATE COM Well Number 734H						734H	
OGRII	No. 613	7	Operator Na	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. Ground Level Elevation 3435.5						3435.5	
Surface	e Owner: 🗆 S	tate Fee T	ribal □Federa	1			Mineral Owner:	□State □Fee □	Γribal □Fed	leral	
					Sur	rface	Location				
UL	Section	Township	Range	Lot	Ft. from N/S		Ft. from E/W	Latitude	Long	gitude	County
Н	8	25 S	32 E		2463 NORT	Н	555 EAST	32.1453748°	N 103	.6904023°W	LEA
	•	•			Botto	m Ho	le Location		•		•
UL	Section	Township	Range	Lot	Ft. from N/S		Ft. from E/W	Latitude	Long	gitude	County
A	32	24 S	32 E		290 NORTH	ŀ	431 EAST	32.1804049°	N 103	.6895418°W	LEA
	•	•	•		•				•		•
Dedica 800.8	ted Acres	Infill or Defin	ning Well	Defining	Well API		Overlapping Space	cing Unit (Y/N)	Consolidati	on Code	
Order 1	Numbers.			1			Well setbacks are	under Common C	Ownership: [□Yes □No	
					Kick	Off P	oint (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S		Ft. from E/W	Latitude	Long	gitude	County

	KICK OII FUILIT (KOF)								
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
Н	8	25 S	32 E		2597 NORTH	447 EAST	32.1450070°N	103.6900516°W	LEA
		l	1		First Take	Point (FTP)			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
Н	8	25 S	32 E		2228 NORTH	482 EAST	32.1460206°N	103.6901695°W	LEA
		•			Last Take	Point (LTP)			
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	32	24 S	32 E		387 NORTH	433 EAST	32.1801384°N	103.6895479°W	LEA

Unitized Area or Area of Uniform Interest Spacing Unit Type □Horizontal □Vertical Ground Floor Elevation:

OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best ofmy 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 run leased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order here to fore entered by the division.

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.

Signature Date

Printed Name

SURVEYOR CERTIFICATIONS

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 and Seal of Professional Surveyor

FILIMON F. JARAMILLO

CertificateNumber Dateof Survey

PLS 12797

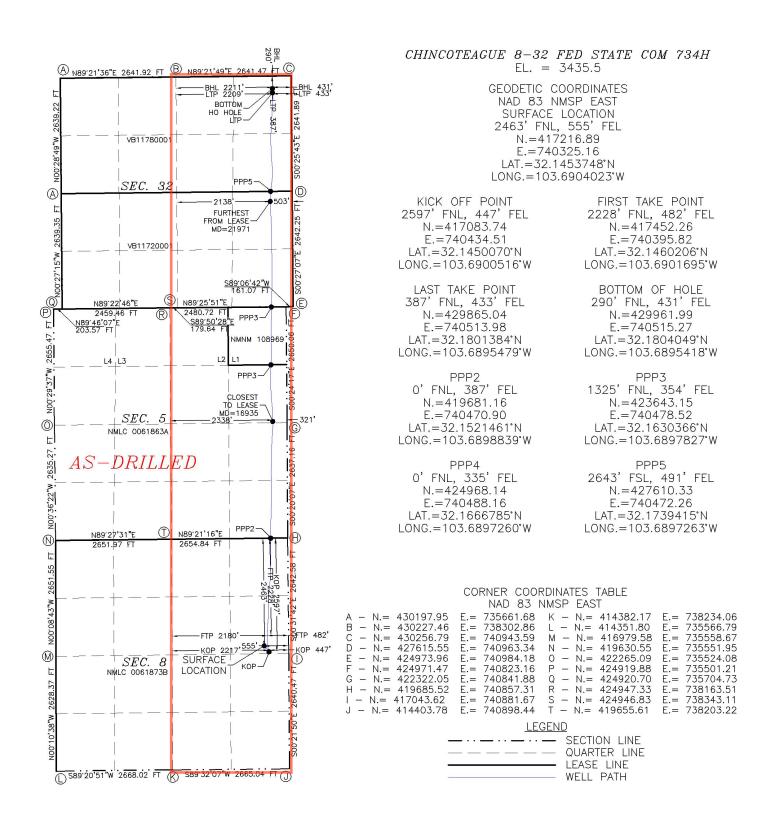
MARCH 3, 2025

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

Email Address

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.





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

February 1, 2024

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

RE: Application for Nonstandard Location

Engineering Statement

Devon Energy Production Company, L.P.

Chincoteague 8-32 Fed State Com 734H (the "Well")

E/2 of Section 32-24S-32E and E/2 of Section 5 & NW/4 Section 8-25S-32E

Lea County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. ("Devon") respectfully requests administrative approval of a non-standard location for the Wells referenced above. The Well is in the Upper Wolfcamp Pool (Pool Code 98270). Devon intended for all of the completed lateral to be a standard location, but during drilling operations, some of the take points of the Well encroached on the setback by a distance of 9' (or 321' from east boundary). In total, 496' of the 734 lateral crossed the hard line during drilling. Our drilling operations returned the lateral to its standard setback location and the remaining completed lateral maintained the proper setback for a standard location.

Sincerely,

John Dwyer

Reservoir Engineer

EXHIBIT

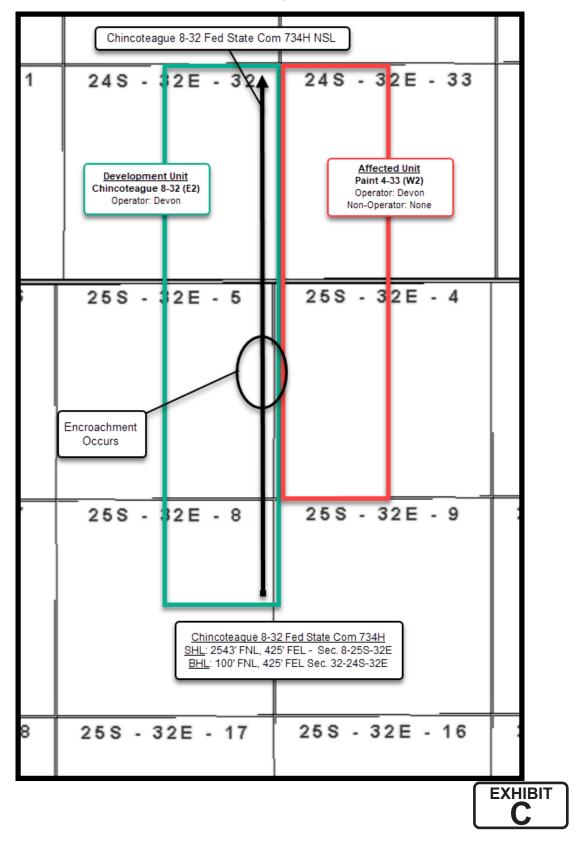
Offset Ownership Plat

Non-Standard Location Application

Chincoteague 8-32 Fed State Com 734H

E/2 Section 32 - 24S - 32E and E/2 Section 5, NE/4 Section 8 – 25S – 32E

Lea County, NM



Zip	88220-6292	87504
State	ΣΝ	ΣΖ
City	t Carlsbad	Sante Fe
Address1	: 620 E. Greene Street Carlsbad	P.O. Box 1148
Name1	e Bureau of Land Management	hincoteague New Mexico State Land Office P.O. Box 1148
Date Mailed ReferenceNumber	3/14/25 4188.83 - NSL - Chincoteague	3/14/25 4188.83 - NSL - Chincoteague
USPSArticleNumber	9314869904300132766908	9314869904300132766915



ABADIE I SCHILL PC



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

March 14, 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 Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Chincoteague 8-32 Fed State Com 624H Well located in the NE/4 of Section 8 and the E/2 of Section 5, all in Township 25 South, Range 32 East, NMPM, and the E/2 of Section 32, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico.
- 2) Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Chincoteague 8-32 Fed State Com 734H Well located in the NE/4 of Section 8 and the E/2 of Section 5, all in Township 25 South, Range 32 East, NMPM, and the E/2 of Section 32, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico.

To the Parties/Persons this may concern:

Enclosed in this notice are copies of the above-referenced application 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 an unorthodox location of the above-referenced well. Any objections that you have to the above-referenced application 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. This Application 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.

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

Ryan Cloer Landman Devon Energy Production Company, L.P. (405) 228-2448 Ryan.Cloer@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.

W	<u>aiver</u>	•

1.1	hereby waives objection to the above referenced dox Location for the Chincoteague 8-32 Fed State Com 624H Well
	on 8 and the E/2 of Section 5, all in Township 25 South, Range 32 Section 32, Township 24 South, Range 32 East, NMPM, Lea County,
Dated:	Signature:
	<u>Waiver</u>
located in the NE/4 of Section	hereby waives objection to the above referenced dox Location for the Chincoteague 8-32 Fed State Com 734H Well on 8 and the E/2 of Section 5, all in Township 25 South, Range 32 Section 32, Township 24 South, Range 32 East, NMPM, Lea County,
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 442746

CONDITIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	442746
	Action Type:
	[UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Cre By	eated	Condition	Condition Date
llo	owe	None	3/20/2025