

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert Chang
Division Director
Oil Conservation Division



Mr. Darin Savage
darin@abadieschill.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 8992

**Devon Energy Production Company, L.P. [OGRID 6137]
War Club 2 3 Federal Com Well No. 823H
API No. 30-015-PENDING**

Reference is made to your application received on May 26th, 2025.

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 1523 FSL & 2378 FWL | K | 02 | 22S | 27E | Eddy |
| First Take Point | 1980 FSL & 2594 FWL | K | 02 | 22S | 27E | Eddy |
| Last Take Point | 1980 FSL & 100 FWL | L | 03 | 22S | 27E | Eddy |
| Terminus | 1980 FSL & 20 FWL | L | 03 | 22S | 27E | Eddy |

Proposed Horizontal Gas Units

| Description | Acres | Pool | Pool Code |
|-----------------------------------|--------------|----------------------------|------------------|
| SW/4 Section 02 S/2 Section 03 | 480 | Purple Sage; Wolfcamp, Gas | 98220 |

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 - 8992
Devon Energy Production Company, L. P.
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 eastern and western boundary of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 02, encroachment to the SE/4

Section 04, 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 minimize reserves left in the ground, thus allowing the increase of the horizontal lateral within the Wolfcamp formation underlying SW/4 of Section 02 and the S/2 of Section 03 and thereby preventing waste.

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.



Albert Chang
Division Director
AC/lrl

Date: 7/3/2025

ID NO. 467077

NSL - 8992

Revised March 23, 2017

| | | | |
|------------------------------|-----------|-------|---------|
| RECEIVED: 05/26/25 | REVIEWER: | TYPE: | APP NO: |
|------------------------------|-----------|-------|---------|

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: <u>Devon Energy Production Company, L.P.</u> | OGRID Number: <u>6137</u> |
| Well Name: <u>War Club 2-3 Fed Com 823H Well</u> | API: <u>PENDING</u> |
| Pool: <u>Purple Sage Wolfcamp (Gas) Pool</u> | Pool Code: <u>98220</u> |

**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

- ☐ 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.

May 23, 2025

Darin Savage

Print or Type Name

/s/ Darin Savage

Signature

Date

970-385-4401

Phone Number

darin@abadieschill.com

e-mail Address



For the Pursuit of Energy

ABADIE | SCHILL PC

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

May 23, 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 War Club 2-3 Fed Com 823H Well located in the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy 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 War Club 2-3 Fed Com 823H Well (the "823H Well") (API No. Pending) to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 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): 1523' from the South line and 2378' from the West line (Unit K) of Section 2, Township 22 South, Range 27 East;
- First Take Point (FTP): 1980' from the South line and 2594' from the West line (Unit K) of Section 2, Township 22 South, Range 27 East;
- Last Take Point (LTP): 1980' from the South line and 100' from the West line (Unit L) of Section 3, Township 22 South, Range 27 East;
- Bottom Hole Location (BHL): 1980' from the South line and 20' from the West line (Unit L) of Section 3, Township 22 South, Range 27 East.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

Devon 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 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 4 and the SE/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico.

Devon attests that, on or before submission of this application, it sent notice to the affected persons in (1) the adjoining horizontal spacing unit which covers the S/2 of Section 4 and the SE/4 of Section 5; and (2) the adjoining spacing unit which covers the SE/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico; said notice as described satisfies all provisions of 19.15.4.12A (2) NMAC; copies of the application and required plat maps were furnished. Devon has also sent notice to the Bureau of Land Management and the New Mexico State Land Office to the extent that federal and state leases are involved, pursuant to 19.15.2.7A(8)(d) NMAC. 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 listed affected persons and parties, is attached hereto as Exhibit D. The pooling case associated with this application is Case No. 25257.

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

SUBMITTED TO THE OIL CONSERVATION DIVISION:

Application of Devon Energy Production Company, L.P. for administrative approval of unorthodox well location for its **War Club 2-3 Fed Com 823H Well** located in the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 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)

Devon Energy Production Company, L.P.

| | | | |
|--|---|-------------------------------------|---|
| C-102 Submit Electronically Via OCD Permitting | State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION | Revised September 24, 2024 | |
| | | Submittal Type: | <input checked="" type="checkbox"/> Initial Submittal |
| | | | <input type="checkbox"/> Amended Report |
| | | <input type="checkbox"/> As Drilled | |

WELL LOCATION INFORMATION

| | | |
|--|--|--|
| API Number | Pool Code 98220 | Pool Name PURPLE SAGE;WOLFCAMP (GAS) |
| Property Code | Property Name WAR CLUB 2-3 FED COM | Well Number 823H |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | Ground Level Elevation 3113.0' |
| Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal | | Mineral Owner: <input checked="" type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal |

Surface Location

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------|--------------|-----------|------------|--------|
| K | 2 | 22-S | 27-E | | 1523' S | 2378' W | 32.418794 | 104.161291 | EDDY |

Bottom Hole Location

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------|--------------|-----------|------------|--------|
| L | 3 | 22-S | 27-E | | 1980' S | 20' W | 32.420193 | 104.185986 | EDDY |

| | | | | |
|------------------------|-----------------------------------|-------------------|--|-----------------------------------|
| Dedicated Acres 480 | Infill or Defining Well INFILL | Defining Well API | Overlapping Spacing Unit (Y/N) | Consolidation Code Pending NSL |
| 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 |
|----|---------|----------|-------|-----|--------------|--------------|----------|-----------|--------|
| K | 2 | 22-S | 27-E | | 1980' S | 2626' W | 32.4200 | 104.1605 | EDDY |

First Take Point (FTP)

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------|--------------|-----------|------------|--------|
| K | 2 | 22-S | 27-E | | 1980' S | 2594' W | 32.420049 | 104.160629 | EDDY |

Last Take Point (LTP)

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----|---------|----------|-------|-----|--------------|--------------|-----------|------------|--------|
| L | 3 | 22-S | 27-E | | 1980' S | 100' W | 32.420191 | 104.185727 | EDDY |

| | | |
|---|--|-------------------------|
| Spacing Unit Type Horizontal Vertical HORIZONTAL | | Ground Floor Elevation: |
|---|--|-------------------------|


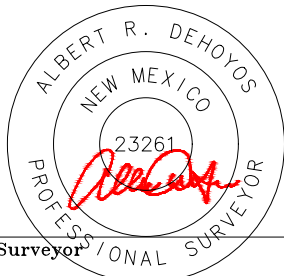
| | | | |
|--|--|--|--------------------------|
| OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased 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. 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. | | 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 supervision, and that the same is true and correct to the best of my belief. | |
| Signature  Date 12/17/24 | |  | |
| Printed Name Shandee Thomas | | Signature and Seal of Professional Surveyor | |
| Email Address Shandee.Thomas@dvn.com | | Certificate Number 23261 | Date of Survey 4/2024 |

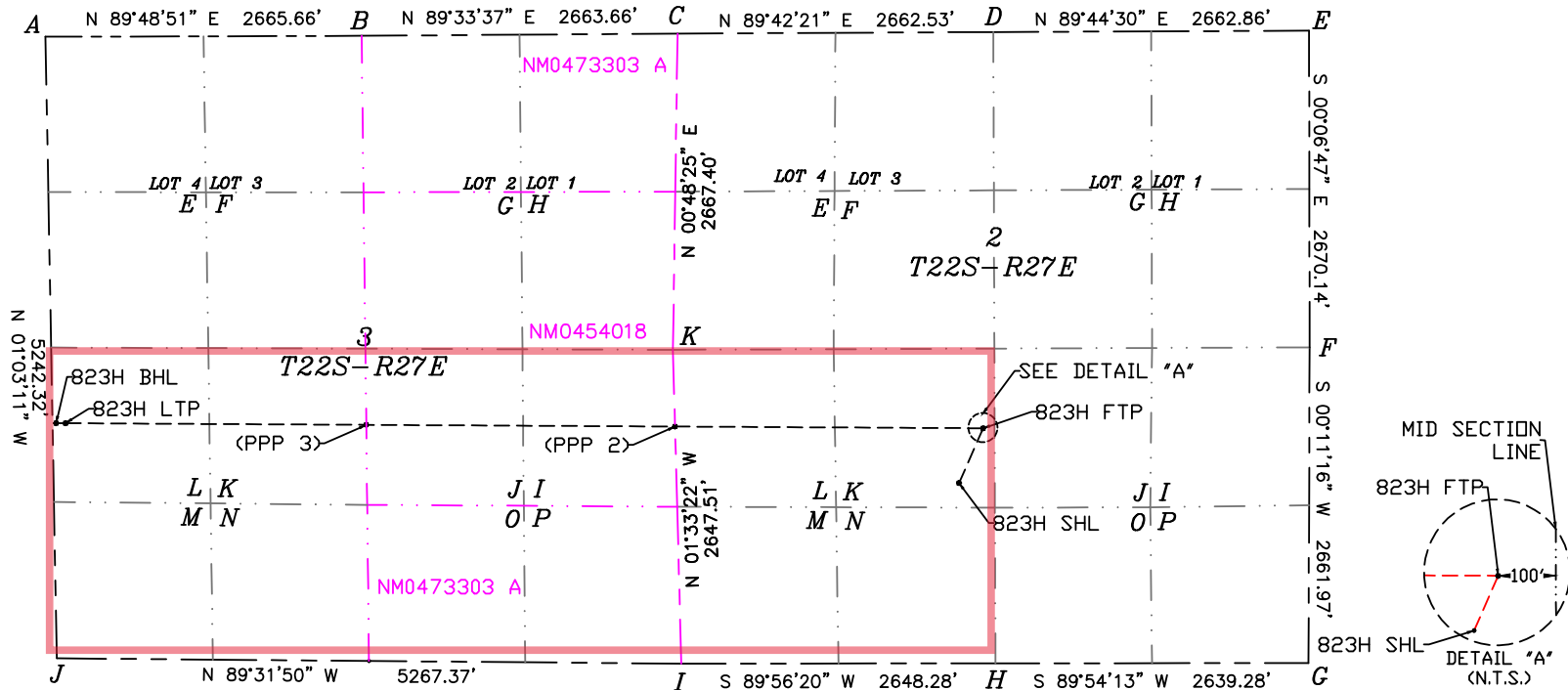
EXHIBIT
A

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.

| | | | |
|--|--|---|---|
| <p>A = N:519890.05 E:586723.95 B = N:519898.70 E:589389.60 C = N:519919.15 E:592053.18 D = N:519932.82 E:594715.67 E = N:519944.82 E:597378.51 F = N:517274.69 E:597383.78 G = N:514612.73 E:597375.06 H = N:514608.29 E:594735.78 I = N:514605.47 E:592087.50 J = N:514648.62 E:586820.31 K = N:517252.01 E:592015.61</p> | <p>SURFACE HOLE LOCATION GEODETIC COORDINATES NAD 83 NMSP EAST SURFACE LOCATION 1523' FSL 2378' FWL SEC. 2 EL: 3113.0' N:516130.87/E:594424.73 LAT:32.418793/LON:104.161291</p> <p>KICK OFF POINT CALLS: 1980' FSL 2626' FWL N: 516589 / E: 594700 LAT: 32.4200 / LON: 104.1605</p> | <p>FIRST TAKE POINT (PPP 1) 1980' FSL 2594' FWL SEC. 2 N:516588.18/E:594628.30 LAT:32.420049/LON:104.160629</p> <p>LAST TAKE POINT 1980' FSL 100' FWL SEC. 3 N:516628.17/E:586883.94 LAT:32.420191/LON:104.185727</p> <p>BOTTOM HOLE LOCATION 1980' FSL 20' FWL SEC. 3 N:516628.82/E:586803.91 LAT:32.420193/LON:104.185986</p> | <p>PPP2 1996' FSL 0' FWL SECTION 2 N:516601.58/E:592033.28 LAT:32.420097/LON:104.169039</p> <p>PPP3 1988' FSL 2602' FEL SECTION 3 N:516615.02/E:589429.66 LAT:32.420145/LON:104.17747</p> |
|--|--|---|---|





Devon Energy Production Company LP
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 228 4214 Phone
www.devonenergy.com

March 25, 2025

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

RE: Application for Non-Standard Location
Engineering Statement
Devon Energy Production Company, L.P.
War Club 2-3 Fed Com 623H, 624H, 823H, & 824H
S/2 of Section 3 and SW/4 of Section 2, T22S-R27E
Eddy County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, LP ("Devon") respectfully requests administrative approval of non-standard locations for the War Club 2-3 Fed Com 623H, War Club 2-3 Fed Com 624H, War Club 2-3 Fed Com 823H, and War Club 2-3 Fed Com 824H (the "Wells") referenced above. The Wells are in the Purple Sage; Wolfcamp Pool (Pool Code 98220) with first and last take points planned at roughly 100' FEL and FWL, respectively. It is Devon's responsibility as a prudent operator to minimize reserves left in the ground. Decreasing the first and last take points from 330' will allow for increase in potential completed horizontal lateral, thereby increasing the ultimate recovery of reserves and thereby preventing waste of natural resources.

Respectfully,

Devon Energy Production Company, L.P.

A handwritten signature in blue ink, appearing to read "K. Laite", written over a horizontal line.

Kyle Laite
Reservoir Engineer

War Club 3-4 Fed Com 623H, 624H, 823H, & 824H: NSL

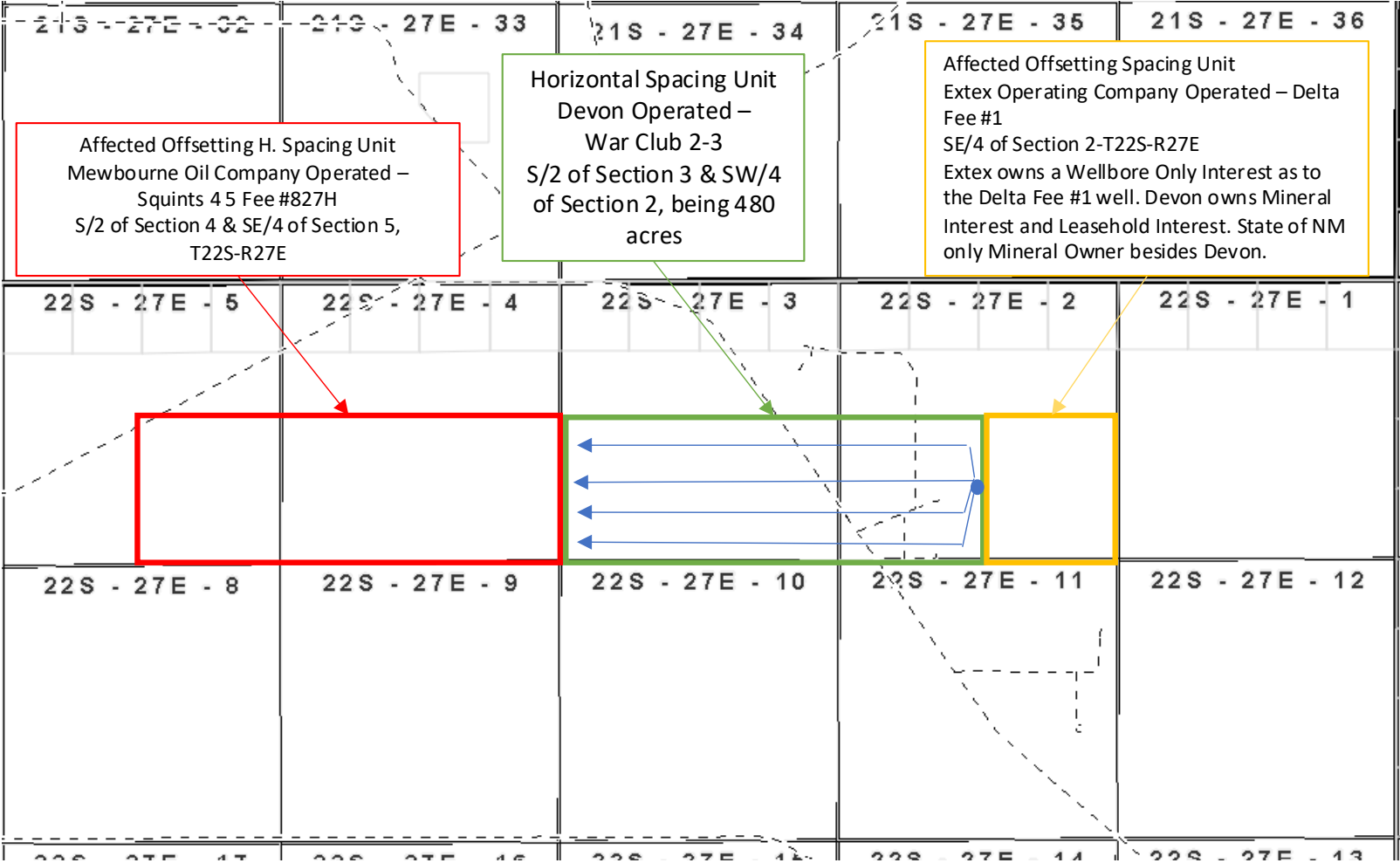


EXHIBIT
C

| USPSArticleNumber | DateMailed | ReferenceNumber | Name1 | Address1 | Address2 | City | State | Zip |
|------------------------|------------|-------------------------------------|---------------------------|----------------------|------------|----------|-------|------------|
| 9314869904300135514155 | 5/23/25 | 4188.84 - NSL - War Club WC S2 823H | Bureau of Land Management | 620 E. Greene Street | | Carlsbad | NM | 88220-6292 |
| 9314869904300135514162 | 5/23/25 | 4188.84 - NSL - War Club WC S2 823H | Mewbourne Oil Company | 500 W. Texas Ave. | Suite 1200 | Midland | TX | 79701 |
| 9314869904300135514179 | 5/23/25 | 4188.84 - NSL - War Club WC S2 823H | Extex Operating Company | 1616 S. Voss Road | Suite 400 | Houston | TX | 77057 |





For the Pursuit of Energy

ABADIE | SCHILL PC

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

May 23, 2025

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

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

Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its War Club 2-3 Fed Com 823H Well located in the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 East, NMPM, Eddy 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.

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

Jake Nourse
Staff Landman
Devon Energy Corporation
(405) 228-2856
Jake.Nourse@dvn.com

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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,

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

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 War Club 2-3 Fed Com 823H Well located in the S/2 of Section 3 and the SW/4 of Section 2, all in Township 22 South, Range 27 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/oed/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 467077

CONDITIONS

| | |
|---|--|
| Operator: DEVON ENERGY PRODUCTION COMPANY, LP 333 West Sheridan Ave. Oklahoma City, OK 73102 | OGRID: 6137 |
| | Action Number: 467077 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| | | |
|------------|--|----------------|
| Created By | Condition | Condition Date |
| llowe | This NSL order was approved with a pending API number well. The owner of the NSL shall update the OCD when an API number is assigned to the pending APD well by sending an e-mail to ocd.engineer@emnrd.nm.gov . TITLED: (Updating NSL-XXX with API number of the Well Name). | 7/10/2025 |