

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 22, 2015

Devon Energy Production Company, L.P.
Attn: Mr. Zach Graham

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7254
Administrative Application Reference No. pMAM1508957044

Devon Energy Production Company, L.P.
OGRID 6137
Merlyn 27-22 Federal Well No. 1 H
API No. 30-015-42385

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1165` FNL & 2385` FWL	C	34	21S	31E	Eddy
Penetration Point	376` FSL & 2523` FWL	N	27	21S	31E	Eddy
Standard Penetration Point	1321` FNL & 2310` FWL	F	22	21S	31E	Eddy
Final perforation	528` FNL & 2062` FWL	C	22	21S	31E	Eddy
Terminus	330` FNL & 1980` FWL	C	22	21S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 22	160	Lost Tank; Delaware	40299
E/2 W/2 of Section 27	160		

Reference is made to your application received on March 31, 2015.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. This

location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location because the well had inadvertently exceeded the maximum legal setback.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on April 22, 2015



DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad