State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Matthias Sayer Deputy Cabinet Secretary

May 1, 2018

Melissa Miller Melissa.Miller@dvn.com

NON-STANDARD LOCATION

Administrative Order NSL-7701

Devon Energy Production Company, LP [OGRID 6137] Mean Green 23 35 Federal Com Well No. 1H API No. 30-025-44595

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County_
Surface	2449 FSL & 890 FEL	I	23	26S	34E	Lea
Penetration Point	2310 FSL & 1026 FEL	I	23	26S	34E	Lea
Final perforation	330 FSL & 1026 FEL	H/Lot 1	35	26S	34E	Lea
Terminus	200 FSL & 1026 FEL	H/Lot 1	35	26S	34E	Lea

Proposed Project Area

Description	Acres	Pool	Pool Code
E2 SE4 of Section 23,	315.2	Jabalina; Wolfcamp, Southwest	96776
E2 E2 of Section 26, and			
Lot 1 and NE 4 NE 4 (E2 N	VE4 equivaler	nt) of Section 35	

Reference is made to your application received on April 25, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 294 feet to the western edge along the entire project area, and 441 feet to the diagonal encroachment to the northwest. Encroachments will impact the following tracts.

Section 23, encroachment to the SW4 NE4, W2 SE4

Section 26, encroachment to the W2 E2

Section 35, encroachment to Lot 2 and NW4 NE4 (W2 NE4 equivalent)

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches. However, all affected parties have identical ownership; therefore, notification is not required.

Division understands you seek this location to maximize recovery of oil and gas reserves by using the preferred well spacing for horizontal wells.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

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.

HEATHER RILEY

Director

HR/mam

cc: Oil Conservation Division – Hobbs District Office

Bureau of Land Management - Carlsbad Field Office