



Approved

NSL

Order

Approved: 07/18/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



July 18, 2019

Ms. Kaitlyn A. Luck
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NON-STANDARD LOCATION

Administrative Order NSL-7908

**Devon Energy Production, L.P. [OGRID 6137]
Alley Cat 17 20 Federal Com Well No. 525H
API No. 30-025-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	302 FSL & 1236 FEL	P	8	23S	32E	Lea
First Take Point	100 FNL & 1280 FEL	A	17	23S	32E	Lea
Last Take Point	123 FSL & 1280 FEL	P	20	23S	32E	Lea
Terminus	20 FSL & 1280 FEL	P	20	23S	32E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 17 E2 E2 of Section 20	320	Sand Dunes; Bone Spring, South	53805

Reference is made to your application received on June 27, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 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 oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 40 feet to the western edge. Encroachments will impact the following tracts.

- Section 17, encroachment to the W2 E2
- Section 20, encroachment to the W2 E2

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 seek this location as your preferred well spacing for horizontal wells in the area thereby preventing waste of oil and gas reserves underlying the horizontal spacing unit located within the Bone Spring formation underlying the E2 E2 of Section 17 and Section 20.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office