

# NSL Initial Application

Received: 03/23/20

RECEIVED: 03/23/20	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2008441102
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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:** Devon Energy Production Company, L.P. **OGRID Number:** 6137  
**Well Name:** Hot Potato Fed 621H Well **API:** Pending  
**Pool:** Purple Sage; Wolfcamp **Pool Code:** 98220

**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

**FOR OCD ONLY**

Notice Complete

Application Content Complete

- 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

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.**

March 23, 2020

Darin C. Savage

Date

Print or Type Name

970-764-8191

Phone Number

/s/ Darin C. Savage

darin@abadieschill.com

Signature

e-mail Address



For the Pursuit of Energy

ABADIE | SCHILL PC

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

March 23, 2020

Adrienne Sandoval, Director  
 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 Hearing Examiner

**Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Hot Potato 26-23 Fed 621H Well located in the W/2 of Sections 23 and 26, Township 23 South, Range 29 East NMPM, Eddy County, New Mexico.**

Dear Director Sandoval:

Devon Energy Production Company, L.P., (“Devon”), OGRID No. 6137, is seeking administrative approval of an unorthodox well location (“NSL”) for the Hot Potato 26-23 Fed 621 Well (the “Well”) to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the W/2 of Sections 23 and 26, Township 23 South, Range 29 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:

- First Take Point: 100’ from the South line and 1254’ from the West line of Section 26, Township 23 South, Range 29 East;
- Last Take Point: 100’ from the North line and 1254’ from the West line of Section 23, Township 23 South, Range 29 East.

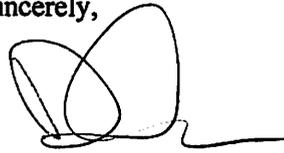
Devon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Purple Sage Wolfcamp Pool (Pool Code 98220). There are special pool rules for this pool under Order No. R-14262, that establish 330’ foot setback requirements. The completed interval for the proposed well is closer than 330’ from the boundary of the spacing unit.

The unorthodox location will encroach towards the (1) SW/4 of Section 14, Township 23 South, Range 29 East; and (2) the NW/4 of Section 35, Township 23 South, Range 29 East.

Devon attests that, on or before submission of this application, it provided notice to the affected persons in the (1) SW/4 of Section 14, Township 23 South, Range 29 East; and (2) the NW/4 of Section 35, Township 23 South, Range 29 East; copies of the application and required plat maps were furnished. Devon also provided notice to the Bureau of Land Management to the extent that they own interest with respect to offsetting areas. 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. This NSL Application is submitted to satisfy the provisions for the unorthodox well locations as requested by Applicant in Compulsory Pooling Case No. 21123.

Your consideration in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a trailing line, positioned above a horizontal line.

Darin C. Savage  
Attorney for Applicant

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Form C-102**  
Revised August 1, 2011

Submit one copy to  
appropriate District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
<sup>4</sup> Property Code	<sup>5</sup> Property Name HOT POTATO 26-23 FED	
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>6</sup> Well Number 621H
		<sup>9</sup> Elevation 3078.1'

<sup>10</sup> Surface Location

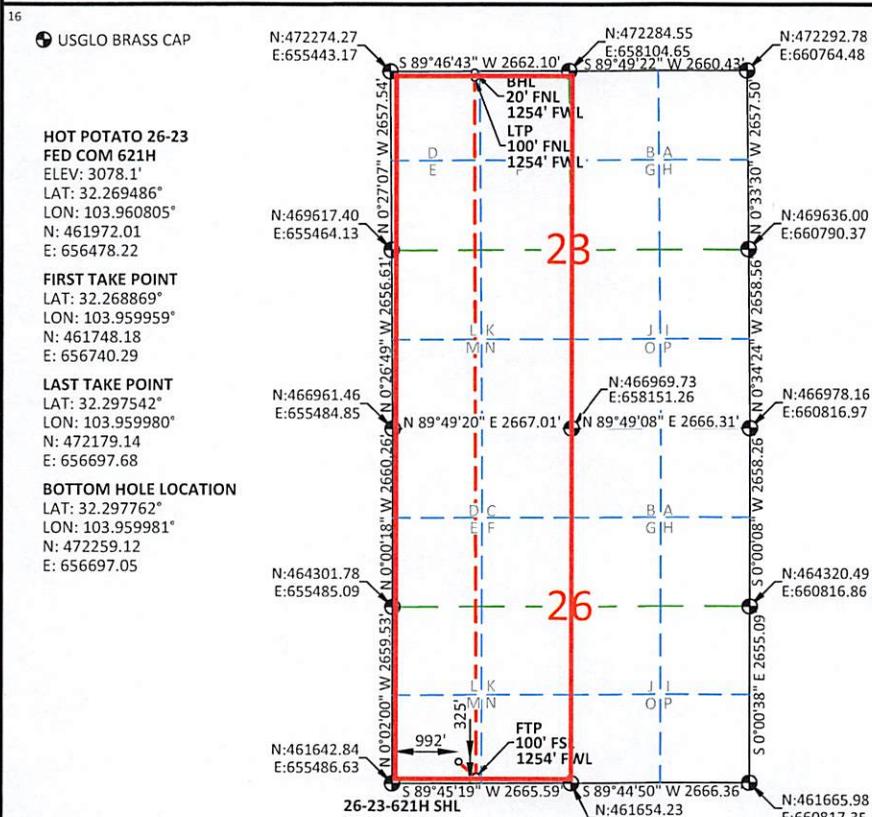
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	26	23-S	29-E		325	SOUTH	992	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	23-S	29-E		20	NORTH	1254	WEST	EDDY

<sup>12</sup> Dedicated Acres 640	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



**NOTES:**

- BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.4, DETERMINED BY AN OPUS SOLUTION ON NOVEMBER 9TH, 2019.
- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.00020989
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

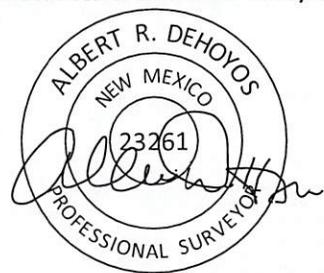
Printed Name \_\_\_\_\_

E-mail Address \_\_\_\_\_

<sup>18</sup> SURVEYOR CERTIFICATION

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.

10/02/2019  
Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate No. 23261     Albert Dehoyos  
Drawn by: KGH     Checked by: ARD     Date: 10/01/2019





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

January 5, 2020

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

RE: Application for Nonstandard Locations  
Engineering Statement  
Devon Energy Production Company, L.P.  
Hot Potato 26-23 Fed 621H, 622H, 711H,  
and 712H wells  
Sections 23 & 26-23S-29E  
Eddy County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location for each of the Hot Potato Wells referenced above by decreasing the first and last take points from 330 feet to 100 feet from the horizontal plane outer boundary. The wells are located in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Devon's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first and last take point will increase the wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

Sincerely,

A handwritten signature in black ink that reads "Lauren Sykes". The signature is written in a cursive, flowing style.

Lauren Sykes  
Reservoir Engineer



Devon Energy Production Company, L.P.

Unorthodox Location Notice Plat

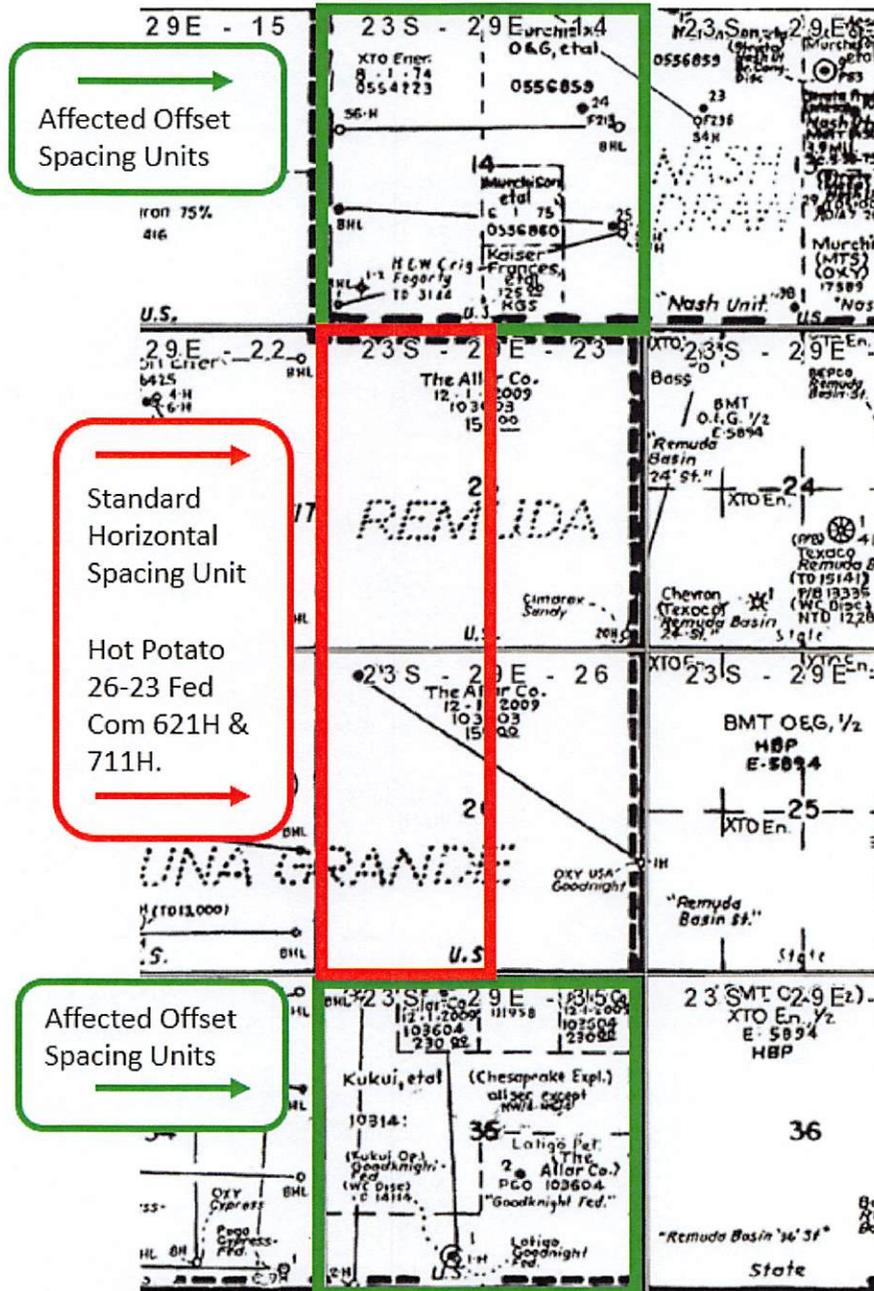
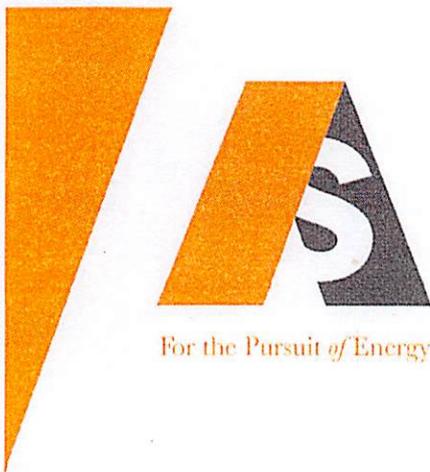


EXHIBIT  
 C



ABADIE | SCHILL PC

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

March 23, 2020

**VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

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

- 1) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Hot Potato 26-23 Fed 621H Well located in the W/2 of Sections 23 and 26, Township 23 South, Range 29 East NMPM, Eddy County, New Mexico.**
- 2) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Hot Potato 26-23 Fed 622H Well located in E/2 of Sections 23 and 26, Township 23 South, Range 29 East NMPM, Eddy County, New Mexico.**
- 3) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of an unorthodox well location for its Hot Potato 26-23 Fed 711H Well located in the W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.**
- 4) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Hot Potato 26-23 Fed 712 Well located in E/2 of Sections 23 and 26, Township 23 South, Range 29 East NMPM, Eddy County, New Mexico.**

To the Parties/Persons this may concern:

Enclosed in this notice are copies of the above referenced applications 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 section or unit pursuant to our request for approval of an unorthodox location of the above-referenced wells. Any objections that you have to one or

[abadieschill.com](http://abadieschill.com)  
 211 McKenzie Street, Santa Fe, New Mexico, 87501  
 O : 970.385.4401 • F : 970.385.4901



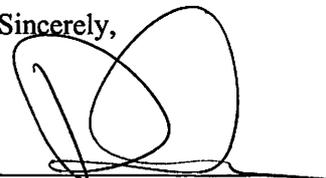
more of these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the applications filed for administrative approval by the Division. Email correspondence for this matter can be sent to the Division at [OCD.Engineer@state.nm.us](mailto:OCD.Engineer@state.nm.us).

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

Verl Brown  
Supervising Landman  
Devon Energy Production Company, L.P.  
(405) 228-8804  
[Verl.Brown@dvn.com](mailto:Verl.Brown@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,

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 Hot Potato 26-23 Fed 621H well, located in the W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for the Hot Potato 26-23 Fed 622H well, located in the E/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for the Hot Potato 26-23 Fed 711H well, located in the W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

\_\_\_\_\_ hereby waives objection to the above referenced Application for an Unorthodox Location for the Hot Potato 26-23 Fed 712H well, located in the E/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_



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

Application Non-Standard Location - Address List  
Devon Energy Production Company, L.P.  
Hot Potato 26-23 Fed 621H  
Hot Potato 26-23 Fed 711H

T23S-R29E

Section 14 - Units A, B, C, D, E, F, G, H, I, J,  
K, L, M, N, O, & P  
Eddy County, NM

XTO Holdings LLC  
22777 Springwoods Village PKWY  
Spring, TX 77389

T23S-R29E

Section 35 - Units A, B, C, D, E, F, G, H, I, J,  
K, L, M, N, O, & P  
Eddy County, NM

The Allar Company  
P.O. Box 1567  
Graham, TX 76450

Highland (Texas) Energy Company  
7557 Rambler Road, Suite 918  
Dallas, TX 75218

Animas Energy, LLC  
P.O. Box 369  
Ignacio, CO 81137-0369

Talus Inc.  
P.O. Box 1210  
Graham, TX 76450

Chesapeake Exploration, LP  
P.O. Box 18496  
Oklahoma City, OK 73154-0496

Twin Montana Inc.  
P.O. Box 1210  
Graham, TX 76450

OXY USA, Inc.  
5 Greenway Plaza, Suite 110  
Houston, TX 77046-0506

**Additional Addresses:**

Bureau of Land Management  
620 E. Greene Street  
Carlsbad, NM 88220-6292

New Mexico Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Transaction Report Details - CertifiedPro.net  
 Date Created: 3/22/2020  
 Generated: 3/22/2020 9:11:54 PM

USPS Article Number	Date Created	Reference Number	Name 1	Address1	Address2	City	State	Zip	Mail Service Type
9314869904300070202667	2020-03-22 9:11 PM	Devon NSL	BUREAU OF LAND MANAGEMENT	620 E GREENE ST		CARLSBAD	NM	88220-6292	Certified Mail
9314869904300070202650	2020-03-22 9:11 PM	Devon NSL	OXY USA, INC.	5 GREENWAY PLZ STE 110		HOUSTON	TX	77046-0521	Certified Mail
9314869904300070202643	2020-03-22 9:11 PM	Devon NSL	TWIN MONTANA INC.	PO BOX 1210		GRAHAM	TX	76450-1210	Certified Mail
9314869904300070202636	2020-03-22 9:11 PM	Devon NSL	CHESAPEAKE EXPLORATION, LP	PO BOX 18496		OKLAHOMA CITY	OK	73154-0496	Certified Mail
9314869904300070202629	2020-03-22 9:11 PM	Devon NSL	TALUS INC.	PO BOX 1210		GRAHAM	TX	76450-1210	Certified Mail
9314869904300070202612	2020-03-22 9:11 PM	Devon NSL	ANIMAS ENERGY, LLC	PO BOX 369		IGNACIO	CO	81137-0369	Certified Mail
9314869904300070202605	2020-03-22 9:11 PM	Devon NSL	Highland (Texas) Energy Company	11886 Greenville Ave	Suite106D	Dallas	TX	75243	Certified Mail
9314869904300070202599	2020-03-22 9:11 PM	Devon NSL	THE ALLAR COMPANY	735 ELM ST		GRAHAM	TX	76450-3018	Certified Mail
9314869904300070202582	2020-03-22 9:11 PM	Devon NSL	THE ALLAR COMPANY	PO BOX 1567		GRAHAM	TX	76450-7567	Certified Mail
9314869904300070202575	2020-03-22 9:11 PM	Devon NSL	XTO HOLDINGS LLC	22777 SPRINGWOODS VILLAGE PKWY		SPRING	TX	77389-1425	Certified Mail