

NSL Initial Application

Received: 03/23/20



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Kansas	Utah
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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 622H Well located in E/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 622H Well, (the “Well”) to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the E/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 2178’ from the East line of Section 26, Township 23 South, Range 29 East;
- Last Take Point: 100’ from the North line and 2178’ from the East 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) SE/4 of Section 14, Township 23 South, Range 29 East; and (2) the NE/4 of Section 35, Township 23 South, Range 29 East.

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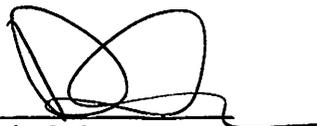
214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

Devon attests that, on or before submission of this application, it provided notice to the affected persons in the (1) SE/4 of Section 14, Township 23 South, Range 29 East; and (2) the NE/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. 21122.

Your consideration in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line extending to the right.

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

¹ API Number		² Pool Code		³ Pool Name	
⁴ Property Code		⁵ Property Name HOT POTATO 26-23 FED			⁶ Well Number 622H
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.			⁹ Elevation 3068.7'

¹⁰ Surface Location

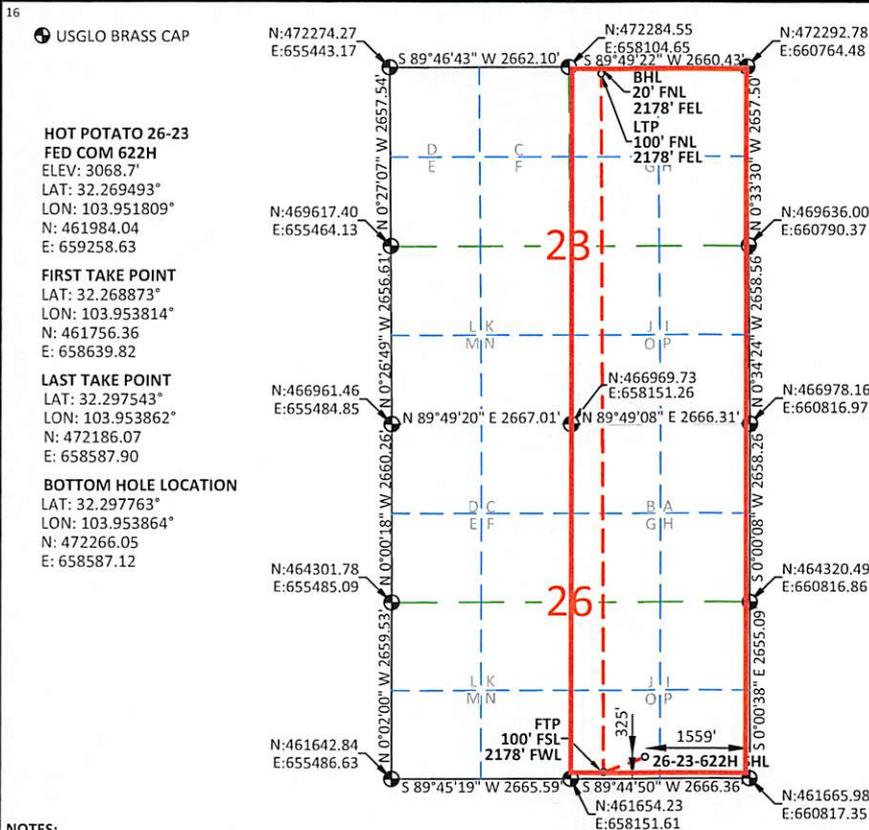
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	26	23-S	29-E		325	SOUTH	1559	EAST	EDDY

¹¹ 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
B	23	23-S	29-E		20	NORTH	2178	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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:
1. 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.
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220989
3. ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷ 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 _____

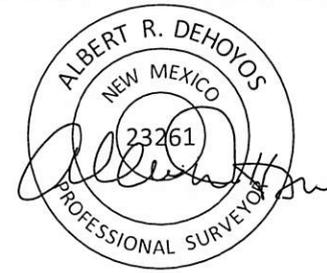
Printed Name _____

E-mail Address _____

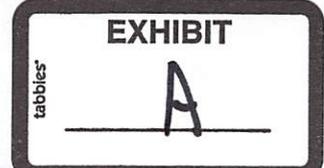
¹⁸ SURVEYOR CERTIFICATION

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,

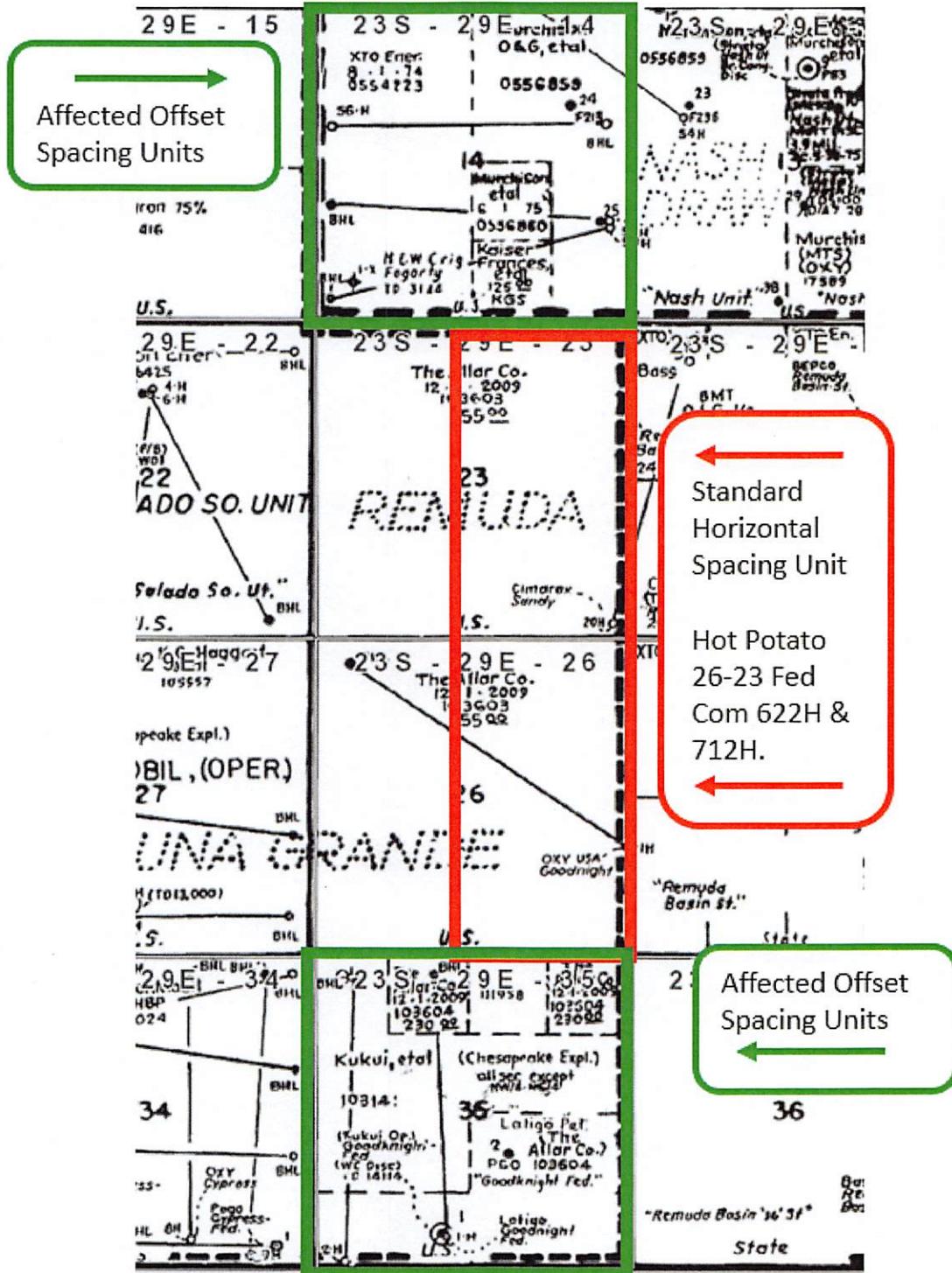
A handwritten signature in black ink that reads "Lauren Sykes". The signature is written in a cursive, flowing style.

Lauren Sykes
Reservoir Engineer



Devon Energy Production Company, L.P.

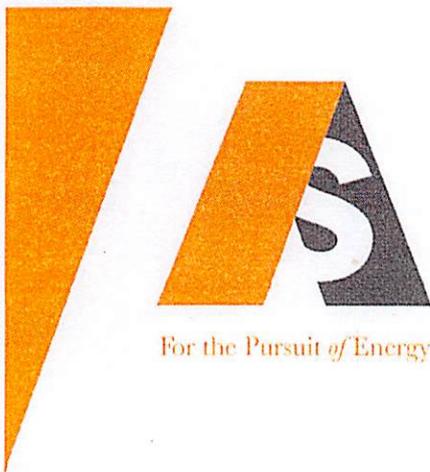
Unorthodox Location Notice Plat



EXHIBIT

tabbles

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

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 211 McKenzie Street, Santa Fe, New Mexico, 87501
 O : 970.385.4401 • F : 970.385.4901



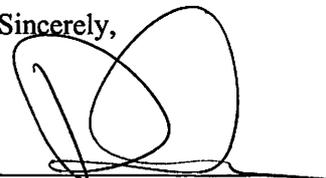
more of these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the applications filed for administrative approval by the Division. Email correspondence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

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

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 622H
Hot Potato 26-23 Fed 712H

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