

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 27, 2017

Devon Energy Production Company, L P
Attn Mr James Bruce

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7547

Devon Energy Production Company, L.P.
OGRID 6137
Agate PWU 21-22 Well No. 9H
API No. 30-015-44116

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	585' FNL & 235' FEL	A	20	19S	29E	Eddy
Penetration Point	350' FNL & 330' FWL	D	21	19S	29E	Eddy
Final perforation/ Terminus	330' FNL & 330' FEL	A	22	19S	29E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 of Section 21	320	Parkway, Bone Spring, West	98199
N/2 of Section 22	320	(R-14188 Special Rule)	

Reference is made to your application received on May 1, 2017.

You have drilled this horizontal well at an orthodox oil well location described above in the referenced pool or formation. Due to an existing well the project area had to deviate. Therefore portions of this location are now unorthodox and is governed by Special rules for the Parkway, Bone Spring West, which provides standard oil spacing unit for horizontal wells to consist of 320-acre units. Further, the special pool rule requires the well be completed no closer than 330 feet from the exterior boundary of a standard spacing unit, and Rule 19.15.16.14.B(2) NMAC. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B(4) NMAC which allows for locations 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 the applicant is requesting this non-standard location because the wellbore is projected to be outside the producing area a maximum of 40 feet to the north for a distance of 1500' – 2000' in order to mitigate further an anti-collision issue with the Parkway West Unit Well No 7, a vertical well located in the NE/4 NW/4 Section 22

Pursuant to the authority conferred by Division Rule 19.15 15 13 (B) NMAC, the above-described unorthodox location is hereby approved

The above 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


DAVID R. CATANACH
Director

DRC/lrl

cc Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division