State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham Governor

Dylan M. Fuge Deputy Secretary **Dylan M. Fuge**, Division Director (Acting) Oil Conservation Division



Mr. Darin Savage darin@abadieschill.com

Administrative Order NSP - 2187

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Devon Energy Production Company, L.P. [OGRID 6137] Prairie Fire 27 25 Federal Com Well No. 722H [API No. 30-015-PENDING] Section 27, Section 26 and Section 25, T20S R29E, Eddy County

Reference is made to your application received on January 26th, 2024.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Decreased Horizontal Spacing Unit:

| Description | Acres | Pool | Pool Code |
|---|-------|-----------------------------|-----------|
| S/2 NE/4 Section 27 S/2 N/2 Section 26 S/2 N/2 Section 25 | 400 | Burton Flat; Wolfcamp, East | 73480 |

Area of Exclusion:

| Description | Acres |
|---------------------|-------|
| N/2 NE/4 Section 27 | 400 |
| N/2 N/2 Section 26 | |
| N/2 N/2 Section 25 | |

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a nonstandard horizontal gas spacing unit comprising 400 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception in order to allow you to create a 400-acre, non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above.

NSP - 2187 Devon Energy Production Company, L.P. Page 2 of 2

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 which are being excluded.

You have requested this deviation of a standard spacing unit due to an overlapping of pools within the above stated horizontal spacing unit. Thus, resulting in a non - standard proration unit within the Burton Flat; Wolfcamp, East pool/formation. It is understood that the Applicant intends to prevent waste underlying the S/2 NE/4 Section 27, S/2 N/2 Section 26 and the S/2 N/2 Section 25, all while protecting correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the abovedescribed **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following email address: <u>ocd.engineer@emnrd.nm.gov</u> of notice for additional wells.

General Provisions

The above approvals are 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.

Date: 2/28/24

DYLAN M. FUGE DIRECTOR (Acting) DMF/lrl

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 Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

| Operator: | OGRID: |
|-------------------------------------|--|
| DEVON ENERGY PRODUCTION COMPANY, LP | 6137 |
| 333 West Sheridan Ave. | Action Number: |
| Oklahoma City, OK 73102 | 320462 |
| | Action Type: |
| | [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | | Condition Date |
|---------------|------|-------------------|
| llowe | None | 3/5/2024 |

Page 3 of 3

.

Action 320462

Released to Imaging: 3/5/2024 2:15:17 PM