

NSL Initial Application

Received: 06/27/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

pLEL1917854495

RECEIVED: 06/27/19	REVIEWER: LRL	TYPE: NSL	APP NO: JUN 27 2019 PM 02:09
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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, L.P.	OGRID Number: 6137
Well Name: Alley Cat 17-20 Fed Com #525H	API: Pending
Pool: Sand Dunes; Bone Spring	Pool Code: 53805

**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

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

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 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.

Kaitlyn A. Luck

Print or Type Name

Signature

06/27/19

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address

June 27, 2019

JUN 27 2019 PM02:09

VIA HAND DELIVERY

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

Re: Application of Devon Energy Production, LP, for administrative approval of an unorthodox well location for its Alley Cat 17-20 Fed Com #525H Well in the E/2 E/2 of Sections 17 and 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

Devon Energy Production, LP ("Devon") (OGRID No. 6137) seeks administrative approval of an unorthodox well location for its **Alley Cat 17-20 Fed Com #525H Well** (API No. 30-025-pending) to be completed within the Sand Dunes; Bone Spring Pool (53805) underlying the E/2 E/2 of Sections 17 and 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This well will be drilled from a surface location 302 feet from the south line and 1,236 feet from the east line (Unit P) of Section 8 to a bottom hole location 20 feet from the south line and 1,280 feet from the east line (Unit P) of Section 20. The first take point will be located 100 feet from the north line and 1,280 feet from the east line (Unit A) of Section 17 and the last take point will be 100 feet from the south line and 1,280 feet from the east line (Unit P) of Section 20. Since this acreage is governed by the Division's statewide rules, the completed interval for the **Alley Cat 17-20 Fed Com #525H Well** will be unorthodox because it is closer than the standard offsets to the western boundary of the spacing unit. Approval of the unorthodox completed interval will allow Devon to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Alley Cat 17-20 Fed Com #525H Well** encroaches on the drilling and spacing units to the west.

Exhibit B is a land plat that shows the proposed **Alley Cat 17-20 Fed Com #525H Well** in relation to the adjoining spacing units to the west in Sections 17 and 20.

Exhibit C is a list of the parties affected by the encroachment to the west. Ownership is diverse between the subject spacing unit and the tracts to the west. The affected parties in the

spacing units in W/2 E/2 of Sections 17 and 20, include the Bureau of Land Management. A copy of this application with all attachments has been sent by certified mail to each affected party, including the BLM, advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a statement from Devon's petroleum engineer confirming that Devon's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck

**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

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 Drazos 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 53805	³ Pool Name SAND DUNES; BONESPRING
⁴ Property Code	⁵ Property Name ALLEY CAT 17-20 FED COM		⁶ Well Number 525H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3609.7

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
P	8	23 S	32 E		302	SOUTH	1236	EAST	LEA

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
P	20	23 S	32 E		20	SOUTH	1280	EAST	LEA

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.

<p>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.</p> <p><i>Jenny Harms</i> 12-13-2018 Signature Date</p> <p>JENNY HARMS Printed Name</p> <p>JENNY.HARMS@DVN.COM E-mail Address</p>		<p>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.</p> <p>NOVEMBER 14, 2018 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILMON F JARAMILLO, PLS 12797 SURVEY NO. 6694</p>
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EXHIBIT

A

Intent ☒ As Drilled ☐

API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION CO., L.P.	ALLEY CAT 17-20 FED COM	525H

Kick Off Point (KOP)

UL P	Section 8	Township 23S	Range 32E	Lot	Feet 252	From N/S FSL	Feet 1280	From E/W FEL	County LEA
Latitude 32.31251700					Longitude -103.69231100				NAD 83

First Take Point (FTP)

UL A	Section 17	Township 23S	Range 32E	Lot	Feet 100	From N/S NORTH	Feet 1280	From E/W EAST	County LEA
Latitude 32.3115486					Longitude 103.6923093				NAD 83

Last Take Point (LTP)

UL P	Section 20	Township 23S	Range 32E	Lot	Feet 100	From N/S SOUTH	Feet 1280	From E/W EAST	County LEA
Latitude 32.2830672					Longitude 103.6922961				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☒ YES

Is this well an infill well? ☐ NO

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

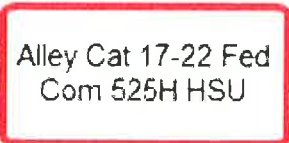


EXHIBIT
B

addr1	addr2	addr3	addr4	addr5
BY ROYALTY LTD CO	327 W MAIN	ARTESIA	NM	88210
CHISOS MINERALS LLC	1111 BAGBY ST STE 2150	HOUSTON	TX	77002
CORNERSTONE FAMILY TRUST	PO BOX 558	PEYTON	CO	80831
CROWNROCK MINERALS LP	PO BOX 51933	MIDLAND	TX	79710
EOG RESOURCES ASSETS LLC	104 S 4TH ST	ARTESIA	NM	88210
GEORGE G VAUGHT JR	PO BOX 13557	DENVER	CO	80201-3557
JAREED PARTNERS LTD	PO BOX 51451	MIDLAND	TX	79710-1451
KIMBELL ROYALTY HOLDINGS LLC	PO BOX 671099	DALLAS	TX	75367
KINGDOM INVESTMENTS LIMITED	2101 CEDAR SPRINGS RD STE 600	DALLAS	TX	75201
ONRR	PO BOX 25627	DENVER	CO	80225-0627
PAUL R BARWIS	PO BOX 230	MIDLAND	TX	79702
RAVE ENERGY INC	PO BOX 3087	HOUSTON	TX	77253-3087
SHARBRO ENERGY LLC	PO BOX 840	ARTESIA	NM	88210
TAURUS ROYALTY LLC	PO BOX 1477	LITTLE ELM	TX	75068-1477
VENDETTA ROYALTY PARTNERS LTD	PO BOX 141638	AUSTIN	TX	78714
New Mexico Bureau of Land Management	310 Dionosaur Trail	Santa Fe	NM	87508





Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

2019-06-27 NSL - Alley Cat 17-20 Fed Com #525H
Devon CM# 41132.0002

Shipment Date: 06/27/2019

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	16
Total	16

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

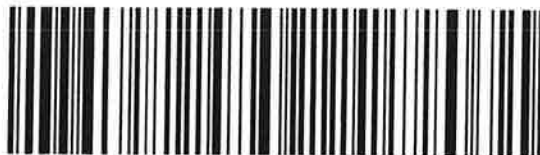
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0015 3606 62



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.</i>												
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8385 4559 85		BY ROYALTY LTD CO 327 W MAIN ARTESIA NM 88210		0.50	3.50								1.60			
2. 9214 8901 9403 8385 4559 92		CHISOS MINERALS LLC 1111 BAGBY ST STE 2150 HOUSTON TX 77002		0.50	3.50								1.60			
3. 9214 8901 9403 8385 4560 05		CORNERSTONE FAMILY TRUST PO BOX 558 PEYTON CO 80831		0.50	3.50								1.60			
4. 9214 8901 9403 8385 4560 12		CROWNROCK MINERALS LP PO BOX 51933 MIDLAND TX 79710		0.50	3.50								1.60			
5. 9214 8901 9403 8385 4560 29		EOG RESOURCES ASSETS LLC 104 S 4TH ST ARTESIA NM 88210		0.50	3.50								1.60			
6. 9214 8901 9403 8385 4560 36		GEORGE G VAUGHT JR PO BOX 13557 DENVER CO 80201-3557		0.50	3.50								1.60			
7. 9214 8901 9403 8385 4560 43		JAREED PARTNERS LTD PO BOX 51451 MIDLAND TX 79710-1451		0.50	3.50								1.60			
8. 9214 8901 9403 8385 4560 50		KIMBELL ROYALTY HOLDINGS LLC PO BOX 671099 DALLAS TX 75367		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 16		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												
PS Form 3877, April 2015 PSN 7530-02-000-9098		Complete in Ink (Page 1 of 2)		Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy .												



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
9. 9214 8901 9403 8385 4560 67		KINGDOM INVESTMENTS LIMITED 2101 CEDAR SPRINGS RD STE 600 DALLAS TX 75201		0.50	3.50								1.60				
10. 9214 8901 9403 8385 4560 74		ONRR PO BOX 25627 DENVER CO 80225-0627		0.50	3.50								1.60				
11. 9214 8901 9403 8385 4560 81		PAUL R BARWIS PO BOX 230 MIDLAND TX 79702		0.50	3.50								1.60				
12. 9214 8901 9403 8385 4560 98		RAVE ENERGY INC PO BOX 3087 HOUSTON TX 77253-3087		0.50	3.50								1.60				
13. 9214 8901 9403 8385 4561 04		SHARBRO ENERGY LLC PO BOX 840 ARTESIA NM 88210		0.50	3.50								1.60				
14. 9214 8901 9403 8385 4561 11		TAURUS ROYALTY LLC PO BOX 1477 LITTLE ELM TX 75068-1477		0.50	3.50								1.60				
15. 9214 8901 9403 8385 4561 28		VENDETTA ROYALTY PARTNERS LTD PO BOX 141638 AUSTIN TX 78714		0.50	3.50								1.60				
16. 9214 8901 9403 8385 4561 35		New Mexico Bureau of Land Management 310 Dinosaur Trail Santa Fe NM 87508		0.50	3.50								1.60				
Total Number of Pieces Listed by Sender 16		Total Number of Pieces Received at Post Office 16		Postmaster, Per (Name of receiving employee)													

PS Form 3877, April 2015
PSN 7530-02-000-9098

Complete in Ink (Page 2 of 2)

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

June 19, 2019

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

RE: Application for Nonstandard Location
Engineering Statement
Devon Energy Production Company, L.P.
Alley Cat 17-20 Fed Com 525H
Lea County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location for the Alley Cat 17-20 Fed Com 525H well referenced above to allow the completed interval to be less than 330 feet from the western boundary of the existing 320-acre horizontal spacing unit. The wells are located in the Sand Dunes; Bone Spring Pool (Pool Code 53805). It is Devon's responsibility as a prudent operator to maximize ultimate recovery and to minimize reserves left in the ground. This non-standard location will allow Devon Energy to optimize the development of the Leonard formation in the east half of sections 17 and 20 thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

Sincerely,

A handwritten signature in black ink, appearing to read "Tyler Conner".

Tyler Conner
Reservoir Engineer





Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

June 27, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Devon Energy Production Company, L.P. for administrative approval of an unorthodox well location for its Alley Cat 17-20 Fed Com #525H Well in the E/2 E/2 of Sections 17 and 20, Township 23 South, Range 32 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Katie Dean
Devon Energy
(405) 552-6659
Katie.Dean@dvn.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck".

Kaitlyn A. Luck
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

Lowe, Leonard, EMNRD

From: Kaitlyn A. Luck <KALuck@hollandhart.com>
Sent: Thursday, June 27, 2019 3:03 PM
To: Lowe, Leonard, EMNRD
Cc: McMillan, Michael, EMNRD
Subject: [EXT] RE: NSL-XXXX-Devon Energy Production Co. LP_Alley Cat 17 20 Fed Com Well No. No. 525H
Attachments: NSL-XXXX-Devon Energy Production Co. LP_Alley Cat 17 20 Fed Com Well No. No. 525H.PDF

Hi Leonard,

Sorry for the delay on our end, I was just waiting for the scanned copy to come back to me!

Thanks,

Kaitlyn

From: Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>
Sent: Thursday, June 27, 2019 2:26 PM
To: Kaitlyn A. Luck <KALuck@hollandhart.com>
Cc: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: NSL Application Alley Cat 17 20 Fed Com Well No. No. 525H
Importance: High

Ms. Kaitlyn A. Luck,

Good afternoon.

I received a hardcopy of the NSL application for the subject well above.

Can you send me a PDF copy to me.

Thank you.

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Francis

Santa Fe, New Mexico 87505

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>