Approved

NSL

Order

Approved: 09/17/20

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary Adrienne E. Sandoval, Director Oil Conservation Division



September 17, 2020

Ms. Kaitlyn A. Luck kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8074

Devon Energy Production, L.P. [OGRID 246289] Snapping 12 1 Federal Well No. 712H API No. 30-015-47133

Proposed Location

| - | Footages | Unit/Lot | Sec. | Twsp | Range | County_ |
|------------------|---------------------|----------|------|------|-------|---------|
| Surface | 2475 FNL & 1880 FWL | F | 12 | 26S | 31E | Eddy |
| First Take Point | 2574 FNL & 2210 FWL | F | 12 | 26S | 31E | Eddy |
| Last Take Point | 100 FNL & 2210 FWL | С | 1 | 26S | 31E | Eddy |
| Terminus | 20 FNL & 2210 FWL | С | 1 | 26S | 31E | Eddy |

Proposed Horizontal Gas Units

| Description | Acres | Pool | Pool Code |
|--------------------|-------|-----------------------------|-----------|
| NW/4 of Section 12 | 480 | Purple Sage; Wolfcamp (GAS) | 98220 |
| W/2 of Section 1 | | | |

Reference is made to your application received on August 26, 2020.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules for the Purple Sage; Wolfcamp (Gas) Pool of and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 66 feet to the southern edge and 100 feet to the northern. Encroachment will impact the following tract.

Section 12, encroachment to the SW/4 Section 36, encroachment to the SW/4

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 towards which the proposed location encroaches.

Administrative Order NSL-8074 Devon Energy Production, L.P. September 17, 2020 Page 2 of 2

Division understands you are seeking this unorthodox location in order to optimize well spacing for this well and thereby preventing waste within the Wolfcamp formation underlying the SW/4 of Section 12 and the SW/4 of Section 1.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

ADRIENNE E. SANDOVAL Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

| From: | Lowe, Leonard, EMNRD |
|--------------|--|
| Sent: | Monday, September 28, 2020 1:29 PM |
| То: | Kaitlyn A. Luck |
| Cc: | Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Simmons, Kurt, EMNRD; Terry Warnell; McClure, Dean, EMNRD; Garcia, John A, EMNRD; Scott Cox; 'jglover@blm.gov' |
| Subject: | APPROVED NSL-8072, 8073, 8074_Devon Energy Prod. L.PSnapping Wells No. 621H.711H.712H_SEC 12 26S 31E |
| Attachments: | NSL_8072_ORDER_APPROVED.pdf; NSL_8073_ORDER_APPROVED.pdf; NSL_8074 _ORDER_APPROVED.pdf |
| Importance: | High |

Ms. Kaitlyn A. Luck,

The following NSL Administrative Order's have been issued and will soon be available on the Division's web site:

http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

| NSL | AMD | Applicant | OGRID | WELL NAME |
|------|-----|------------------------------|-------|--------------------------------|
| 8074 | - | Devon Energy Production L.P. | 6137 | Snapping 12 1 Federal No. 712H |
| 8073 | - | Devon Energy Production L.P. | 6137 | Snapping 12 1 Federal No. 711H |
| 8072 | - | Devon Energy Production L.P. | 6137 | Snapping 12 1 Federal No. 621H |

A copy of each order is attached.

Leonard R. Lowe

Engineering Bureau OCD - EMNRD 5200 Oakland Ave Albuquerque, N.M. 87113 C: 505-930-6717 http://www.emnrd.state.nm.us/ocd/