NSL

Initial

Application

_										
	RECEIVED: 03/16/21 REVIEWER: LRL	SL pLEL2107635027								
	NEW MEXICO OIL CONSER - Geological & Engineerin 1220 South St. Francis Drive, San	vation division ng Bureau –								
	ADMINISTRATIVE APPLICATION CHECKLIST									
	THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLIC REGULATIONS WHICH REQUIRE PROCESSING AT TH									
Ap	plicant: Devon Energy Production Company, L.P.	OGRID Number: <u>6137</u>								
	Il Name: Lone Tree Draw 14-13 State Com 623H We									
Poo	ol: <u>Alacran Hills; Wolfcamp (Gas) Pool</u>	Pool Code: <u>70070</u>								
:	SUBMIT ACCURATE AND COMPLETE INFORMATION REQU INDICATED BEL									
1)	TYPE OF APPLICATION: Check those which apply for [A A. Location – Spacing Unit – Simultaneous Dedication Image: NSL <	• •								
2)	[II] Injection – Disposal – Pressure Increase – Enh	EOR PPR FOR OCD ONLY Notice Complete								
3)	 D. Notification and/or concurrent approval by S E. Notification and/or concurrent approval by B F. Surface owner G. For all of the above, proof of notification or p H. No notice required CERTIFICATION: I hereby certify that the information su administrative approval is accurate and complete to understand that no action will be taken on this applic notifications are submitted to the Division.	SLO BLM Complete publication is attached, and/or, ubmitted with this application for o the best of my knowledge. I also								

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Darin Savage

Print or Type Name

/s/ Darin Savage

March 3, 2021 Date

970-385-4401

Phone Number darin@abadieschill.com

Signature

e-mail Address

ABADIE I SCHILL PC



Colorado New Mexico Louisiana Texas Kansas Utah Nebraska Wyoming Montana California Oklahoma North Dakota

March 15, 2021

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 Lone Tree Draw 14-13 State Com 623H Well located in Sections 14 and 13, Township 21 South, Range 27 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 Lone Tree 14-13 State Com 623H Well (the "623H Well") (API 30-015-46435) to be completed within the Alacran Hills; Wolfcamp (Gas) Pool (Pool Code 70070) underlying Sections 14 and 13, Township 21 South, Range 27 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:

• Surface Location (SL): 1960' from the South line and 280' from the West line

of Section 14, Township 21 South, Range 27 East;

• Bottom Hole Location (BHL): 2309' from the South line and 20' from the East line of Section 13, Township 21 South, Range 27 East;

- First Take Point (FTP): 2338' from the South line and 100' from the West line of Section 14, Township 21 South, Range 27 East;
- Last Take Point (LTP): 2309' from the South line and 100' from the East line of Section 13, Township 21 South, Range 27 East.

Devon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Alacran Hills; Wolfcamp (Gas) Pool (Pool Code 70070). Kate Pickford,

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O : 970.385.4401 • F : 970.385.4901 Division geologist, has informed Devon that this pool has a 330' foot setback requirement. 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 15, Township 21 South, Range 27 East; and (2) the SW/4 of Section 18, Township 21 South, Range 28 East.

Devon attests that, on or before submission of this application, it provided notice to the affected persons (1) in the adjoining SE/4 of Section 15, Township 21 South, Range 27 East, as well as in the NE/4 of said Section because it adjoins the proposed unit of the 623H well which encompasses all of Sections 14 and 13, Township 21 South, Range 27 East; and (2) in the adjoining spacing unit covering the SW/4 of Section 18, Township 21 South, Range 28 East, as well as the NW/4 of Section 18 because it also adjoins the proposed unit of the 623H well; said notice as described satisfies all provisions of NMAC 19.15.4.12A(2); copies of the application and required plat maps were furnished. Devon also provided notice to the Bureau of Land Management and the NMSLO 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. The development plan for this well is pursuant to a pooling application in Case No. 21678.

Your consideration in this matter is appreciated.

Sincerely,

Darin C. Savage Attorney for Applicant

<u>istrict I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u>

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (305) 334-6178 Fax: (305) 334-6170 <u>District IV</u> 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 C					e	³ Pool Name						
⁴ Property C	Code				⁵ Property	Name			⁶ Well Number			
				LONE T	REE DRAW 1	4-13 STATE CC	M			623H		
⁷ OGRID	No.				⁸ Operator	Name				⁹ Elevation		
6137			DEV	ON ENE	RGY PRODUC	CTION COMPA	NY, L.P.		3243.3			
	·				[™] Surfac	e Location						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
L	14	21 S	27 E		1960	SOUTH	280	WE	ST	EDDY		
			пI	Bottom H	Iole Location	If Different Fr	om Surface					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County		
Ι	13	21 S	27 E		2309	SOUTH	20	EAS	ST	EDDY		
¹² Dedicated Acres ¹³ Joint or Infill ¹⁴ Consolidation Code			n Code			¹⁵ Order No.						

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.

						17 OPERATOR CERTIFICATION
	NW CORNER SEC. 14 LAT. = 32.4874912'N	N/4 CORNER SEC. 14 LAT. = 32.4875224'N	SECTION CORNER LAT. = 32,4875562'N	N/4 CORNER SEC. 13 LAT. = 32.4875870'N	NE CORNER SEC. 13 LAT. = 32.4876206'N	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
	LONG. = 104.1691037W	LONG. = 104.1604749'W	_ONG. = 104.1518459'W	LONG. = 104.1431449'W NMSP EAST (FT)	LONG. = 104.1344381'W NMSP EAST (FT)	owns a working interest or unleased mineral interest in the land including
	NMSP EAST (FT) N = 541119.08	NMSP EAST (FT) N = 541134.64	NMSP EAST (FT) N = 541151.36	N = 541167.23 E = 599979.56	N = 541184.34 E = 602664.16	the proposed bottom hole location or has a right to drill this well at this
	E = 591975.56 N89'39'53"E 2661.2	E = 594636.11 4 FT N89'38'24"E 2661.	E = 597296.73 .31 FT N89'39'40		89'38'05"E 2685.30 FT	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
1			5		57 F	heretofore entered by the division.
1000	W/4 CORNER SEC. 14 LAT. = 32.4801923 N LONC. = 104.160906'W MMSP EAST (FT)	- SEC 14	00 00 00 00 00 00 00 00 00 00 00 00 00	2576'N	2631.	Signature Date
	N = 538463.77 E = 591983.67	FIRST TAKE POINT	2 LONG. = 104.15 NMSP EAST (FT N = 538496.17 E = 597307.02) []	NMSP EAST (FT) N = 538553.42 E = 602672.77 20'	Printed Name
	← FTP R ~ 280'	LAT. = 32.4793141'N LONG. = 104.1687672'W LONE TREE DRAW 14-1 STATE COM 623H	2652.20 FI	LAST TAKE POIN 2309' FSL, 100' FEI LAT. = 32.4795069' LONG. = 104.134749		E-mail Address
		ELEV. = 3243.3'		BOTTOM OF HOL	E	¹⁸ SURVEYOR CERTIFICATION
	00	LAT. = 32.4782770'N (N/ LONG. = 104.1681846'W	2003) <u>2</u>	LAT. = 32.47950881 LONG. = 104.134489		I hereby certify that the well location shown on this plat
0000	N0.000	NMSP EAST (FT) N = 537767.42	.00S	NMSP EAST (FT) N = 538233.28	8'W	was plotted from field notes of actual surveys made by
	S89'36'07'W 2670.4	E = 592264.14 1 FT S89'33'58"W 2669	.58 FT \$89'08'21	E = 602653.73 W 2678.49 FT S8	39'08'32"W 2679.80 FT	me or under my supervision, and that the same is true
	SW CORNER SEC. 14 LAT. = 32.4728864'N	S/4 CORNER SEC. 14 LAT. = 32,4729258'N	SECTION CORNER LAT. = 32.4729691'N	S/4 CORNER SEC. 13 LAT. = 32.4730669'N	SE CORNER SEC. 13 LAT. = 32.4731637'N	and correct to the best of my belief.
	LONG. = 104.1690972'W	LONG. = 104.1604401'W	LONG. = 104.1517858'W NMSP EAST (FT)	LONG. = 104.1431032'W NMSP EAST (FT)	LONG. = 104.1344163'W NMSP EAST (FT)	FEBRUARY 24, 2021
	NMSP EAST (FT) N = 535805.90 E = 591985.75	NMSP EAST (FT) N = 535824.45 E = 594655.45	N = 535844.66 E = 597324.31	N = 535884.89 E = 600001.85	N = 535924.99 E = 602680.71	Date of Survey
-	2 = 591953.73 2 = 5 2	L = 394033.43 NOTE: THE FIRST TAKE F IS OFFSET 320' SOUTH (THE HALF SECTION LINE LIES IN THE SOUTH HALF SECTION 14	POINT N/2 SEC 13 OF 1/2 SECTION AND 7/2 SECTION	UNE	HE LAST TAKE POINT TTOM OF HOLE IS 320' SOUTH OF THE CITION LINE AND LIES SOUTH HALF OF 13	Signature and Scal of Progressional Surveyor:
						EXHIBIT

Intent	As Drilled	
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API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, L.P.	LONE TREE DRAW 14-13 STATE COM	623H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	de				Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
L	14	21S	27E		2338	SOUTH	100	WEST	EDDY
	Latitude 32.4793141				Longitude 104.1687	7672			NAD 83

Last Take Point (LTP)

UL I	Section 13	Township 21S	Range 27E	Lot	Feet 2309	From N/S SOUTH	Feet 100	From E/W EAST	County EDDY
Latitude				Longitud	le		NAD		
32.4795069			104.1	104.1347492			83		

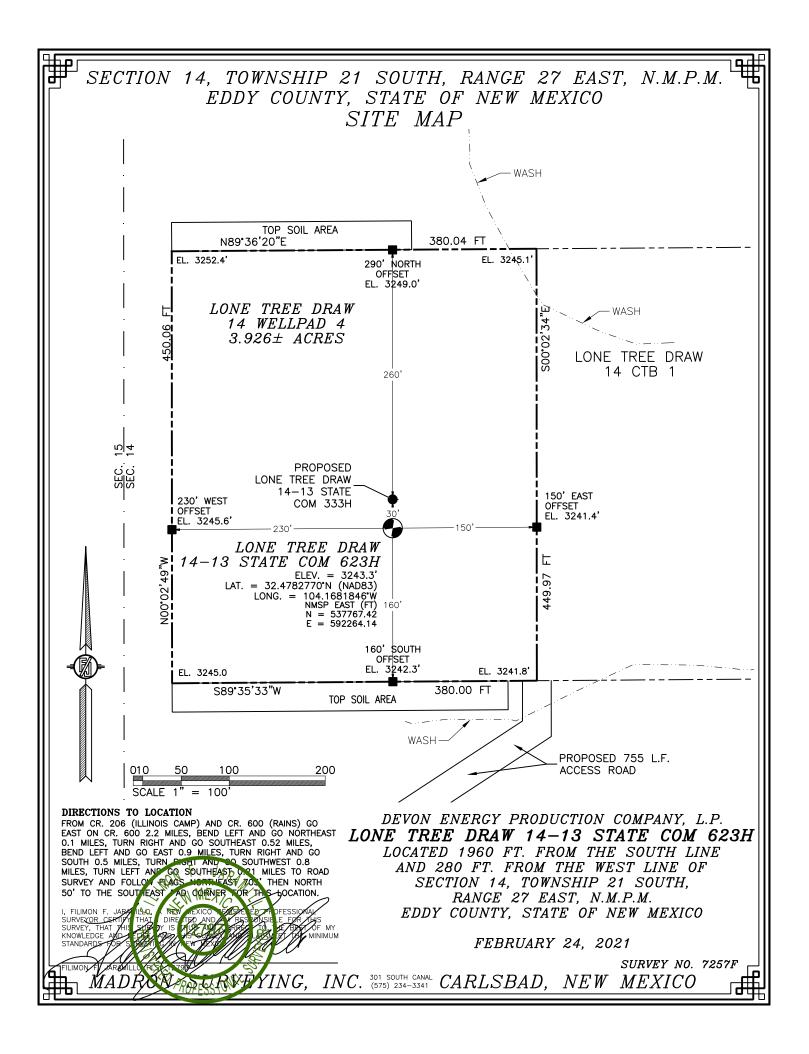
Is this well the defining well for the Horizontal Spacing Unit?

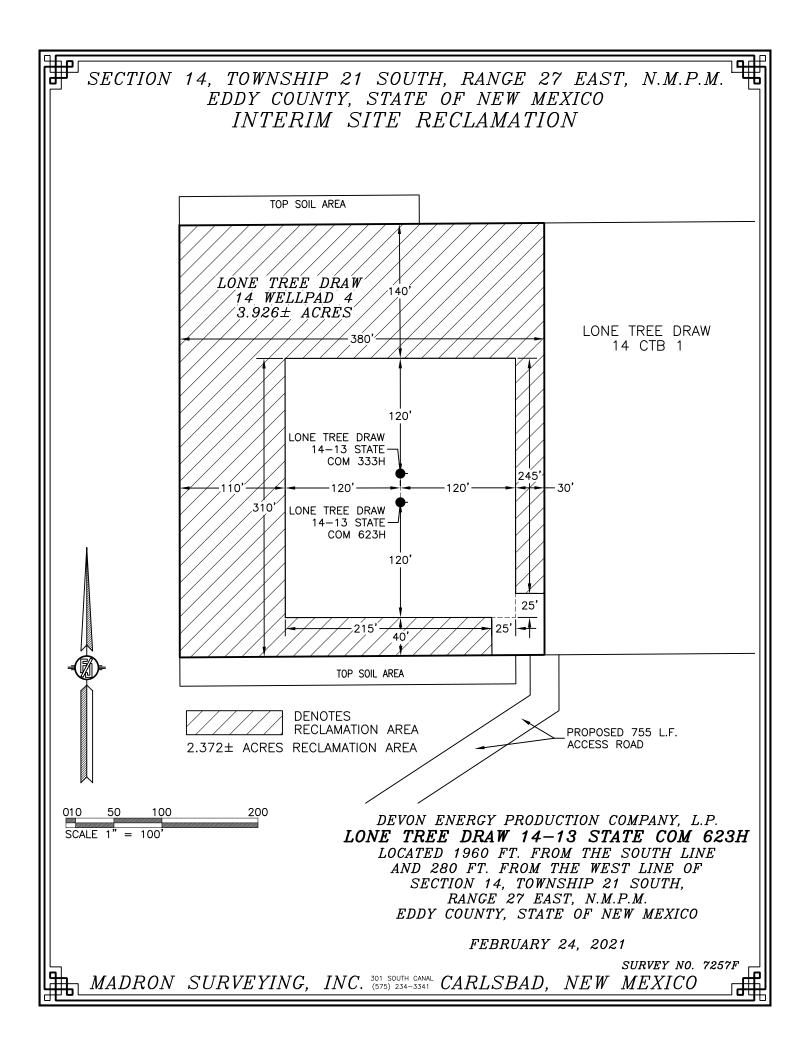
Is this well an infill well?

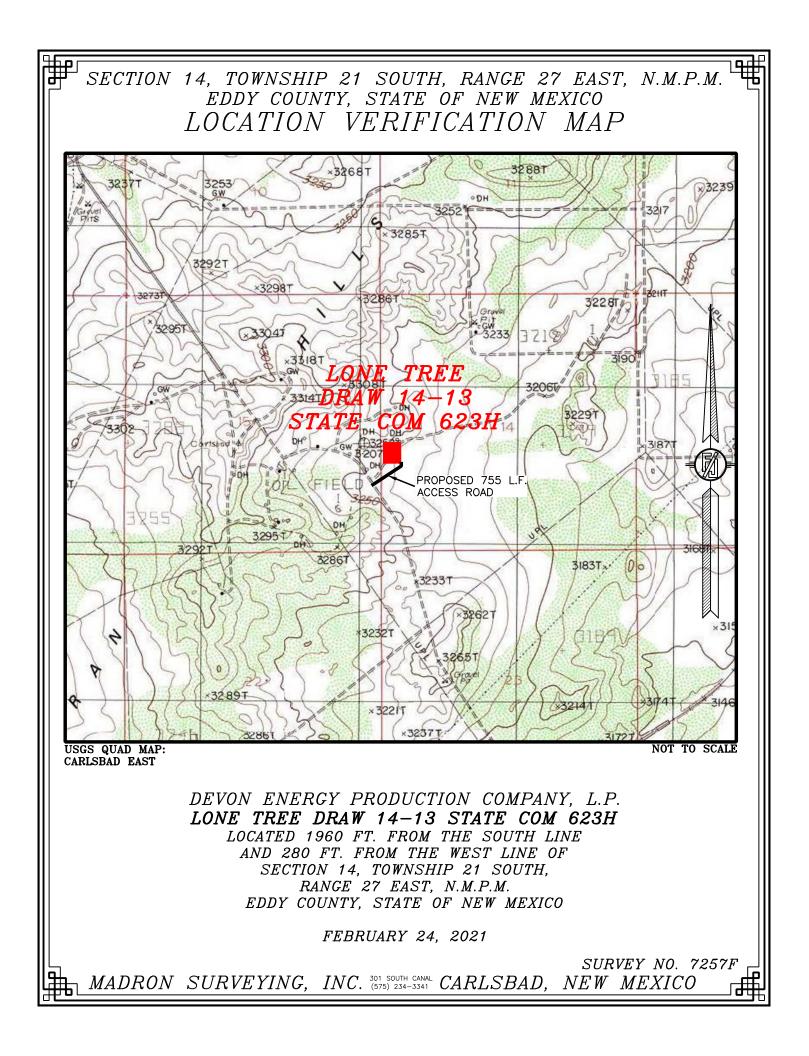
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

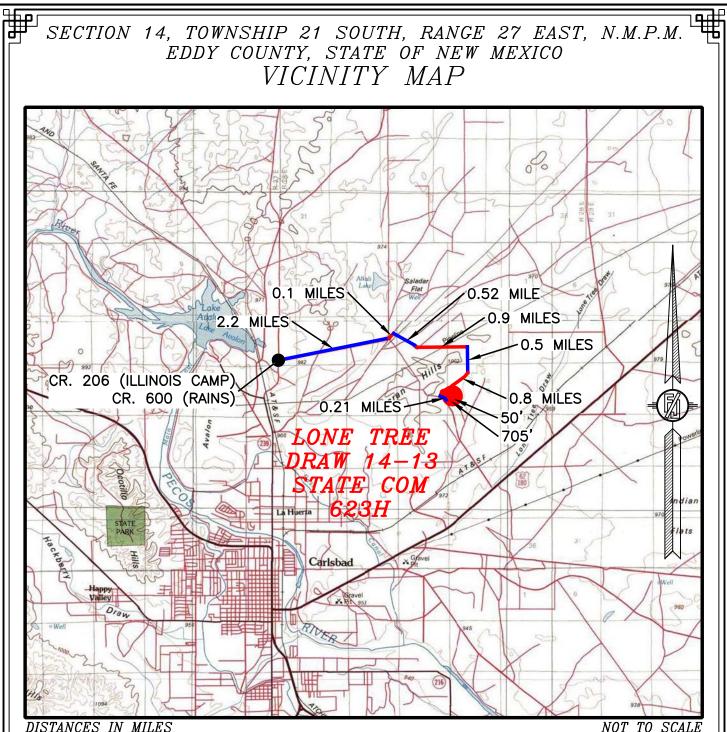
API #		
Operator Name:	Property Name:	Well Number
l		

KZ 06/29/2018









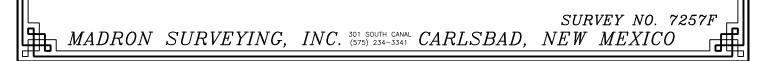
DISTANCES IN MILES

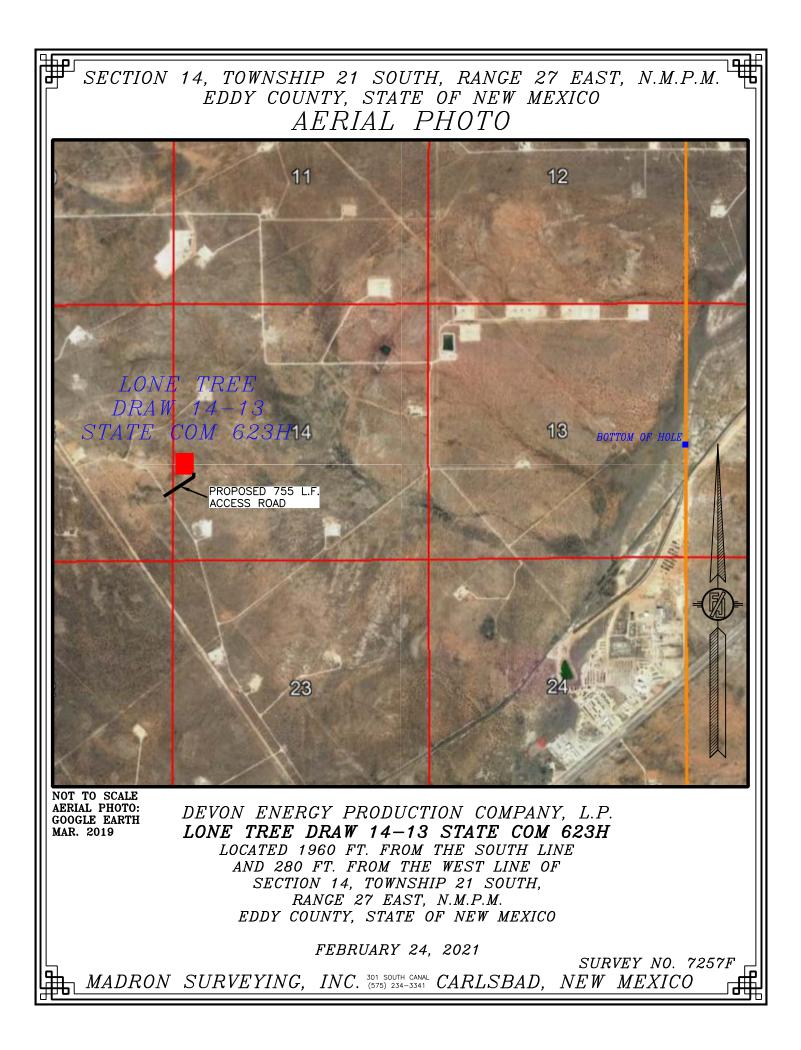
DIRECTIONS TO LOCATION

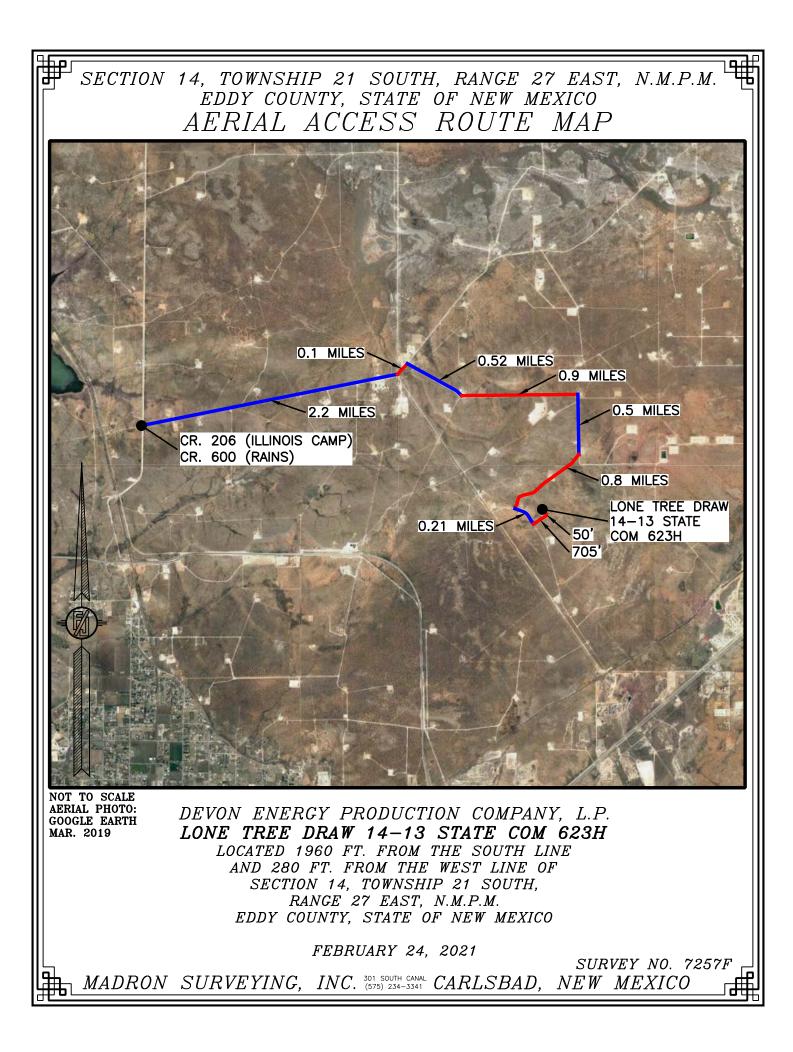
FROM CR. 206 (ILLINOIS CAMP) AND CR. 600 (RAINS) GO EAST ON CR. 600 2.2 MILES, BEND LEFT AND GO NORTHEAST 0.1 MILES, TURN RIGHT AND GO SOUTHEAST 0.52 MILES, BEND LEFT AND GO EAST 0.9 MILES, TURN RIGHT AND GO SOUTH 0.5 MILES, TURN RIGHT AND GO SOUTHWEST 0.8 MILES, TURN LEFT AND GO SOUTHEAST 0.21 MILES TO ROAD SURVEY AND FOLLOW FLAGS NORTHEAST 705' THEN NORTH 50' TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

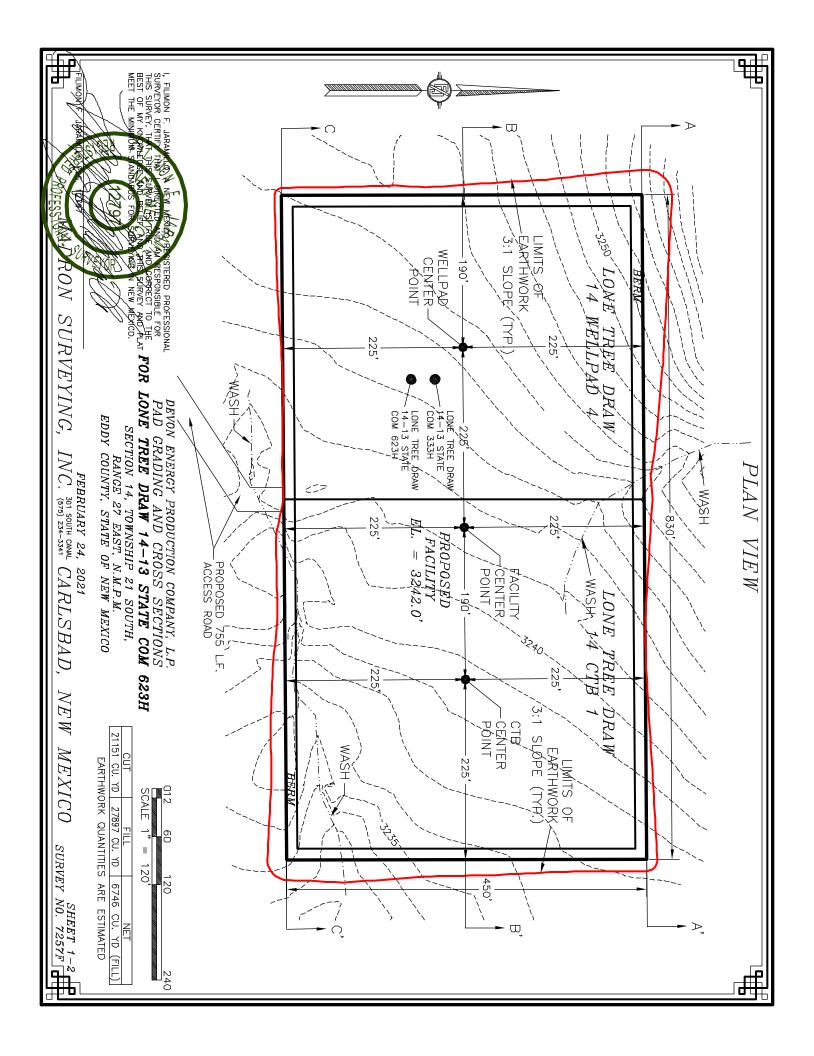
DEVON ENERGY PRODUCTION COMPANY, L.P. LONE TREE DRAW 14-13 STATE COM 623H LOCATED 1960 FT. FROM THE SOUTH LINE AND 280 FT. FROM THE WEST LINE OF SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

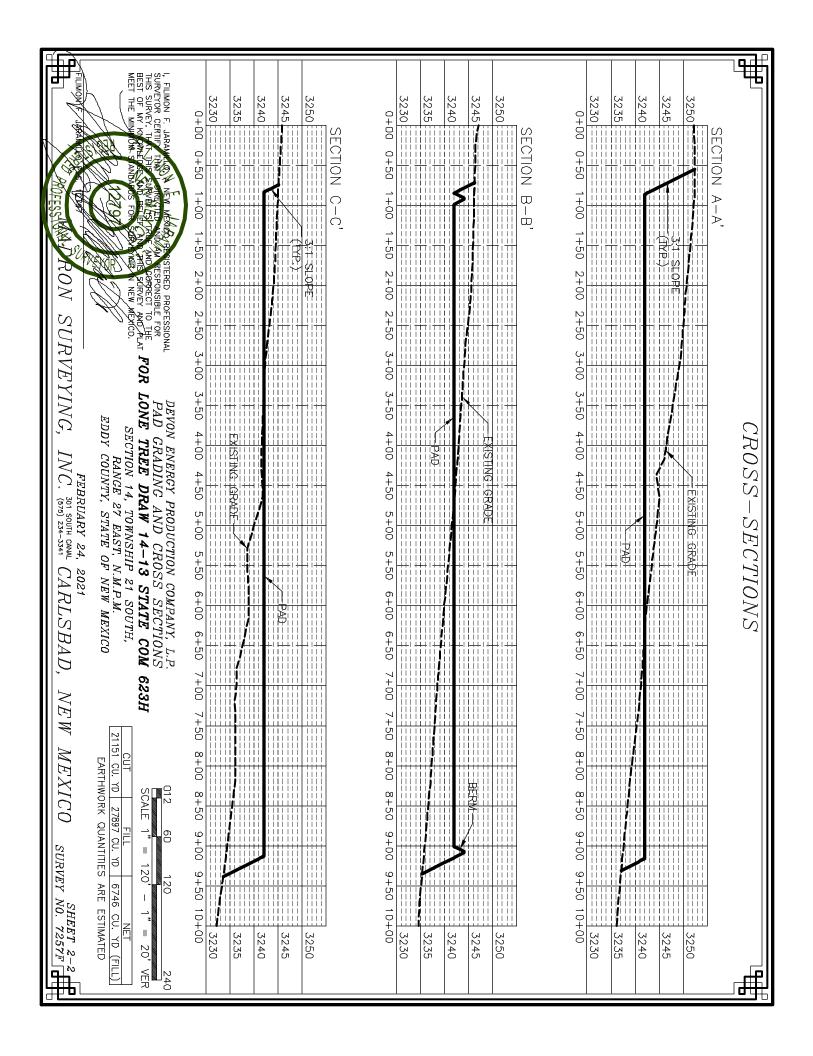
FEBRUARY 24, 2021

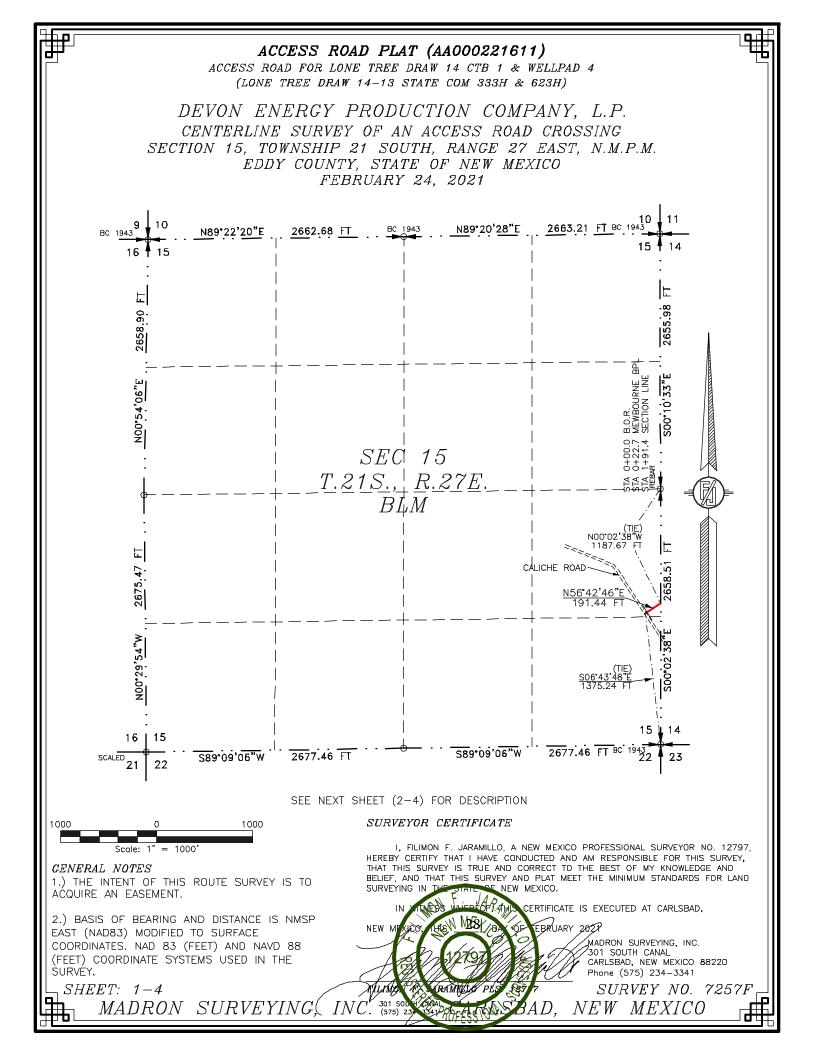












ACCESS ROAD PLAT (AA000221611)

ACCESS ROAD FOR LONE TREE DRAW 14 CTB 1 & WELLPAD 4 (LONE TREE DRAW 14-13 STATE COM 333H & 623H)

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 15, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO FEBRUARY 24, 2021

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 15, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 SE/4 OF SAID SECTION 15, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 15, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS SO6'43'48"E, A DISTANCE OF 1375.24 FEET;

THENCE N56'42'46"E A DISTANCE OF 191.44 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE EAST QUARTER CORNER OF SAID SECTION 15, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS N00'02'38"W, A DISTANCE OF 1187.67 FEET;

SAID STRIP OF LAND BEING 191.44 FEET OR 11.60 RODS IN LENGTH, CONTAINING 0.132 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 SE/4 191.44 L.F. 11.60 RODS 0.132 ACRES

SURVEYOR CERTIFICATE

NEW M

GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-4MADRON SURVEYING, INC. 301 S

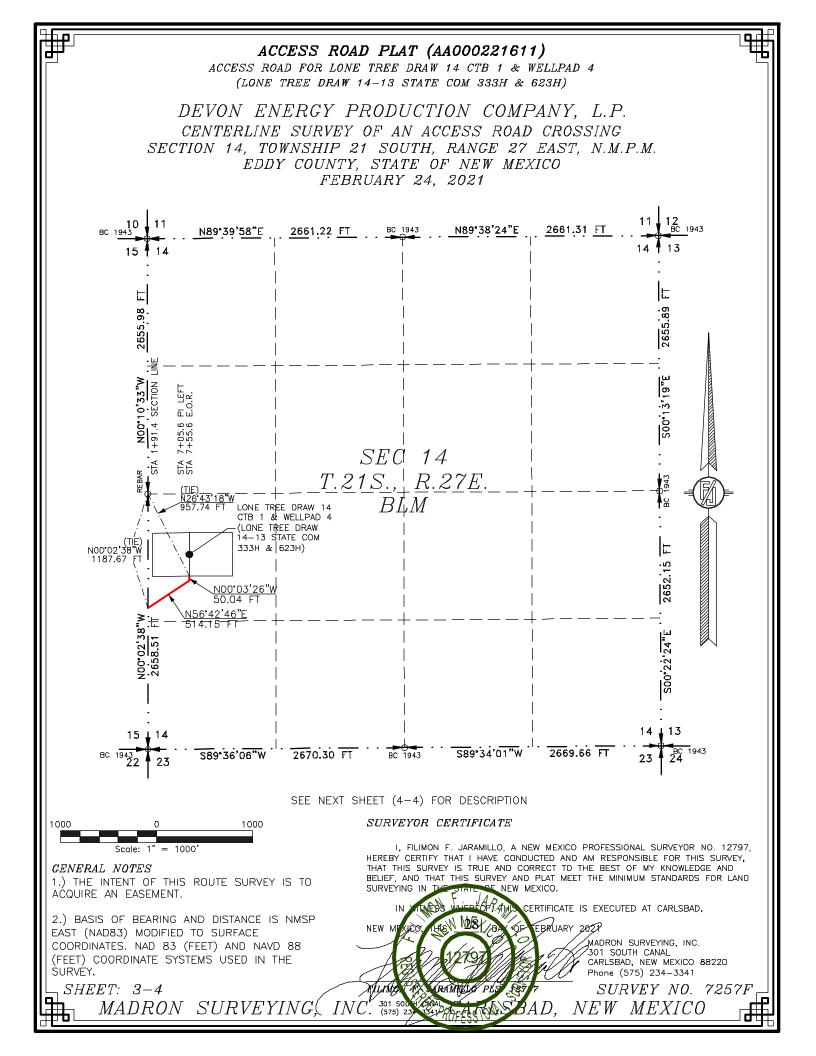
I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN NEW MEXICO.

AD.

CERTIFICATE IS EXECUTED AT CARLSBAD, EBRUARY 2027 MADRON SURVEYING, INC. 7301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

NEW MEXICO

SURVEY NO. 7257F



ACCESS ROAD PLAT (AA000221611)

ACCESS ROAD FOR LONE TREE DRAW 14 CTB 1 & WELLPAD 4 (LONE TREE DRAW 14-13 STATE COM 333H & 623H)

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO FEBRUARY 24, 2021

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NW/4 SW/4 OF SAID SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE WEST QUARTER CORNER OF SAID SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS NO0'02'38"W, A DISTANCE OF 1187.67 FEET;

THENCE N56*42'46"E A DISTANCE OF 514.15 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N00*03'26"W A DISTANCE OF 50.04 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS N26*43'18"W, A DISTANCE OF 957.74 FEET;

SAID STRIP OF LAND BEING 564.19 FEET OR 34.19 RODS IN LENGTH, CONTAINING 0.389 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NW/4 SW/4 564.19 L.F. 34.19 RODS 0.389 ACRES

SURVEYOR CERTIFICATE

CENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 4-4 MADRON SURVEYING, INC. 301 S

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE OTATE, SE NEW MEXICO.

IN VITAGES WITCHER DEPENDING CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICS, THE WEIL OF CEBRUARY 2027 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 MUMOR FRAMMUL PLS 1277 SURVEY NO. 7257F

AD

NEW MEXICO



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

EXHIBIT

February 24, 2021

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. Lone Tree Draw State Com 623H & 621H (the "Wells") All of Sections 14 & 23-21S-27E Eddy County, New Mexico

Dear Mr. Lowe:

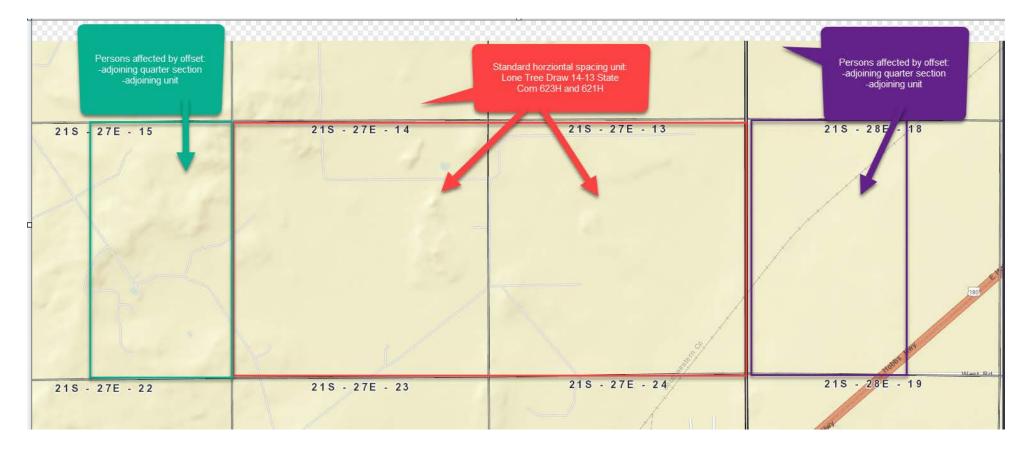
Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location ("NSL") for each of the Wells referenced above by decreasing the first and last take points from 330 feet to 100 feet from the horizontal plane outer boundary. The Wells are located in the Alacran Hills; Wolfcamp Gas Pool (Pool Code 70070). 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 points will increase the Wells effective lateral length by 460 feet, thereby increasing the ultimate recovery of reserves and preventing waste of natural resources.

Sincerely,

Karsan Sprague

Reservoir Engineer

Devon Energy Production Company, L.P. Unorthodox Location Notice Plat Exhibit "C"





Well	Name	Address	USPS Article Number	Date Mailed	Status	Service
621H and 623H XTG 621H and 623H CO	O Energy, Inc. Attn: Blair C. Brummell OG Operating Inc. (aka ConocoPhillips)	310 Old Santa Fe Trail Santa Fe, NM 87501 22777 Springwoods Village Pkwy Spring, TX 77389 600 W. Illinois Ave. Midland, TX 79701 620 E. Greene St. Carlsbad, NM 88220	7020009000034200007 7020009000034200021 70200090000034200038 70200090000034200045	3/15/21 3/15/21 3/15/21 3/15/21		Certified Mail Certified Mail Certified Mail Certified Mail



ABADIE I SCHILL PC



Colorado New Mexico Louisiana Texas Kansas Utah Nebraska Wyoming Montana California Oklahoma North Dakota

March 15, 2021

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 Lone Tree Draw 14-13 State Com 621H Well located in Sections 14 and 13, Township 21 South, Range 27 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 Lone Tree Draw 14-13 State Com 623H Well located in Sections 14 and 13, Township 21 South, Range 27 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 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.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 If you have any questions concerning this application, please contact:

Andy D. Bennett Supervising Landman Devon Energy Production Company, L.P. (405) 552-8002 <u>Andy.Bennett@dvn.com</u>

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,

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 Lone Tree Draw 14-13 State Com 621H Well located in Sections 14 and 13, Township 21 South, Range 27 East NMPM, Eddy County, New Mexico.

Dated:

Signature: _____

hereby waives objection to the above referenced Application for an Unorthodox Location for the Lone Tree Draw 14-13 State Com 623H Well located in Sections 14 and 13, Township 21 South, Range 27 East NMPM, Eddy County, New Mexico.

Dated: _____ Signature: _____

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BYCASE NO. 21678DEVON ENERGY PRODUCTION COMPANY, L.P.ORDER NO. R-21623

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on March 4, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Devon Energy Production Company, L.P. ("Operator"), submitted an application ("Application") to compulsorily pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

<u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who elects to pay its share of the Actual Well Costs out of production from the well costs or who elects to pay its share of the Actual Well Costs out of production from the well Shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: 3/15/2021

ADRIENNE SANDOVAL DIRECTOR AES/kms

CASE NO. 21678 ORDER NO. R-21623

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST							
ALL INFORMATION IN THE APPLICATION MUST BE	SUPPORTED BY SIGNED AFFIDAVITS						
Case: 21678	APPLICANT'S RESPONSE						
Date	March 1, 2021						
Applicant	Devon Energy Production Company, L.P.						
Designated Operator & OGRID (affiliation if applicable)	6137						
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC						
Case Title:	Application of Devon Energy Production Company, L.P.,. for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico						
Entries of Appearance/Intervenors:	None						
Well Family	Lone Tree Draw						
Formation/Pool							
Formation Name(s) or Vertical Extent:	Wolfcamp						
Primary Product (Oil or Gas):	Gas						
Pooling this vertical extent:	Exhibit B-2						
Pool Name and Pool Code:	Alacran Hills; Wolfcamp (Gas) Pool [Code 70070]						
Well Location Setback Rules:	NMAC statewide rules apply						
Spacing Unit Size:	160-acre tracts, 1280 ac unit						
Spacing Unit							
Type (Horizontal/Vertical)	Horizontal						
Size (Acres)	1280 acres						
Building Blocks:	160-acre tracts						
Orientation:	east - west						
Description: TRS/County	Sections 14 and 13, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico						
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes						
Other Situations							
Depth Severance: Y/N. If yes, description	No						
Proximity Tracts: If yes, description	Yes; proximity tracts utilized to create a 1280 acre spacing unit						
Proximity Defining Well: if yes, description	Yes; Lone Tree Draw 14-13 State Com 623H Well						
Applicant's Ownership in Each Tract	See Landman Exhibit A-2						
Well(s)							
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) Well #1	Lone Tree Draw 14-13 State Com 621H Well (API- pending), SHL: Unit E, 1685' FNL, 280' FWL, Section 14, T21S-R27E, NMPM; BHL: Unit A, 900' FNL, 20' FEL, Section 13, T21S-R27E, NMPM, laydown, non-standard location						

W(# # #	
Well #2	Lone Tree Draw 14-13 State Com 623H Well (API- pending)
	SHL: Unit L, 1960' FSL, 280' FWL, Section 14, T21S-R27E,
	NMPM;
	BHL: Unit I, 2309' FSL, 20' FEL, Section 13, T21S-R27E,
	NMPM, laydown, non-standard location
Horizontal Well First and Last Take Points	Lone Tree Draw 14-13 State Com 621H Well:
	FTP 900' FNL, 100' FWL, Sec. 14; LTP 900' FNL, 100' FEL, Sec. 13.
	Lone Tree Draw 14-13 State Com 623H Well:
	FTP 2338' FSL, 100' FWL, Sec. 14;
	LTP 2309' FSL, 100' FEL, Sec. 13.
Completion Target (Formation, TVD and MD)	Lone Tree Draw 14-13 State Com 621H Well:
	TVD approx 9,060', TMD approx 19,060';
	Wolfcamp formation See Exhibts B-2
	'Lone Tree Draw 14-13 State Com 623H Well:
	TVD approx 9,065', TMD approx 19,060';
	Wolfcamp formation See Exhibts B-2
	See Exhibts B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A
Ownership Depth Severance (including percentage above & below)	
Joinder	Exhibit A-2, N/A
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates in Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate to Equip Weil Cost Estimate for Production Facilities	Exhibit A-3
Geology	

Date:	2-Mar-21
Signed Name (Attorney or Party Representative):	
Printed Name (Attorney or Party Representative):	Darin C. Savage
CERTIFICATION: Thereby certify that the information provided in	
Additional Information	
Cross Section (including Landing Zone)	Exhibit B-2, B-4, B-5
Cross Section Location Map (including wells)	Exhibit B-2, B-5
Structure Contour Map - Subsea Depth	Exhibit B-1
Well Bore Location Map	Exhibit B-1
General Location Map (including basin)	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
Tracts	Exhibit A-1, A-2, B-1
C-102	Exhibit A-1
Forms, Figures and Tables	
Depth Severance Discussion	Exhibit B - Geologist's Affidavit
HSU Cross Section	Exhibit B-2, B-4, B-5
Target Formation	Exhibit B - Geologist's Affidavit, B-2
Well Orientation (with rationale)	Exhibit B - Geologist's Affidavit, B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Spacing Unit Schematic	Exhibit B-1
Summary (including special considerations)	Exhibit B - Geologist's Affidavit