

NSL

Initial

Application

RECEIVED: 03/29/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2108951197
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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 Company, L.P. **OGRID Number:** 6137
Well Name: Cotton Draw Unit 604H Well **API:** 30-015-Pending
Pool: Purple Sage; Wolfcamp **Pool Code:** 98220

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.

March 29, 2021

Darin Savage

Date

Print or Type Name

970-385-4401

/s/ Darin Savage

Phone Number

darin@abadieschill.com

Signature

e-mail Address



For the Pursuit *of* Energy

ABADIE | SCHILL PC

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

March 29, 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 Cotton Draw Unit 604H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 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 Cotton Draw Unit 604H Well (the “604H Well”) (API 30-015-Pending) to be completed within the Purple Sage; Wolfcamp (Gas) Pool (Pool Code 98220) underlying the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 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): 385’ from the North line and 1225’ from the West line of Section 26, Township 24 South, Range 31 East;
- Bottom Hole Location (BHL): 2620’ from the North line and 1650’ from the West line of Section 35, Township 24 South, Range 31 East;
- First Take Point (FTP): 100’ from the North line and 1650’ from the West line of Section 26, Township 24 South, Range 31 East;
- Last Take Point (LTP): 2520’ from the North line and 1650’ from the West line of Section 35, Township 24 South, Range 31 East.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

Devon has included as Exhibit B a letter explaining why this application is needed. This well will produce from the Purple Sage Wolfcamp Pool (Pool Code 98220). There are special pool rules for this pool under Order No. R-14262, that establish 330' foot setback requirements. 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) W/2 of Section 23, Township 24 South, Range 31 East; and (2) and the SW/4 of Section 35, Township 24 South, Range 31 East, as well as the W/2 of Section 2, Township 25 South, Range 31 East.

Devon attests that, on or before submission of this application, it provided notice to the affected persons (1) in the adjoining W/2 of Section 23, Township 24 South, Range 31 East, which includes spacing units that encompass the SW/4 of Section 23; and (2) SW/4 of Section 35, Township 24 South, Range 31 East (that being the adjacent quarter section), and the W/2 of Section 2, Township 25 South, Range 31 East, which includes adjacent spacing units in Sections 35 and 2; 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 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 Joint Operating Agreement; therefore, there is no associated pooling case number.

Your consideration in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage
Attorney for Applicant

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 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
X

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-47302	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP (GAS)
⁴ Property Code 300635	⁵ Property Name COTTON DRAW UNIT	⁶ Well Number 604H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3535.6

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
D	26	24 S	31 E		385	NORTH	1225	WEST	EDDY

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
F	35	24 S	31 E		2620	NORTH	1650	WEST	EDDY

¹² Dedicated Acres 480	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</p> <p>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> 1-15-2021 Signature Date</p> <p>JENNY HARMS Printed Name</p> <p>JENNY.HARMS@DVN.COM E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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>OCTOBER 20, 2020 Date of Survey</p> <p><i>William F. Jaramilla</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: 12797 Professional Surveyor</p>
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EXHIBIT
A

Intent ☒ As Drilled ☐

API #		
Operator Name: DEVON ENERGY PRODUCTION CO., L.P.	Property Name: COTTON DRAW UNIT	Well Number 604H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	26	24S	31E		33 FNL		1650 FW		EDDY
Latitude 32.19541351					Longitude -103.75179847				NAD 83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	26	24S	31E		100	NORTH	1650	WEST	EDDY
Latitude 32.1953225					Longitude 103.7517963				NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
F	35	24S	31E		2520	NORTH	1650	WEST	EDDY
Latitude 32.1741496					Longitude 103.7518089				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐ NOIs this well an infill well? ☐ YES

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



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

March 22, 2021

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

RE: Application for Nonstandard Spacing
and Nonstandard Location
Engineering Statement
Devon Energy Production Company, L.P.
Cotton Draw Unit 601H, 603H, 604H,
605H, & 606H (the "Cotton Draw Unit Wells")
W/2 of Sections 26 & NW/4 of Section 35-24S-31E
Eddy County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard spacing ("NSP") and non-standard location ("NSL") for each of the Cotton Draw Unit Wells referenced above. The Cotton Draw Unit Wells are in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Devon's responsibility as a prudent operator to minimize reserves left in the ground. Decreasing the spacing from 320 acres to 160 acres will allow for additional recovery in the NW/4 thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources. Also, decreasing the first and last take point will increase the wells effective lateral length by 460 feet thereby increasing ultimate recovery of reserves and thereby preventing waste of natural resources.

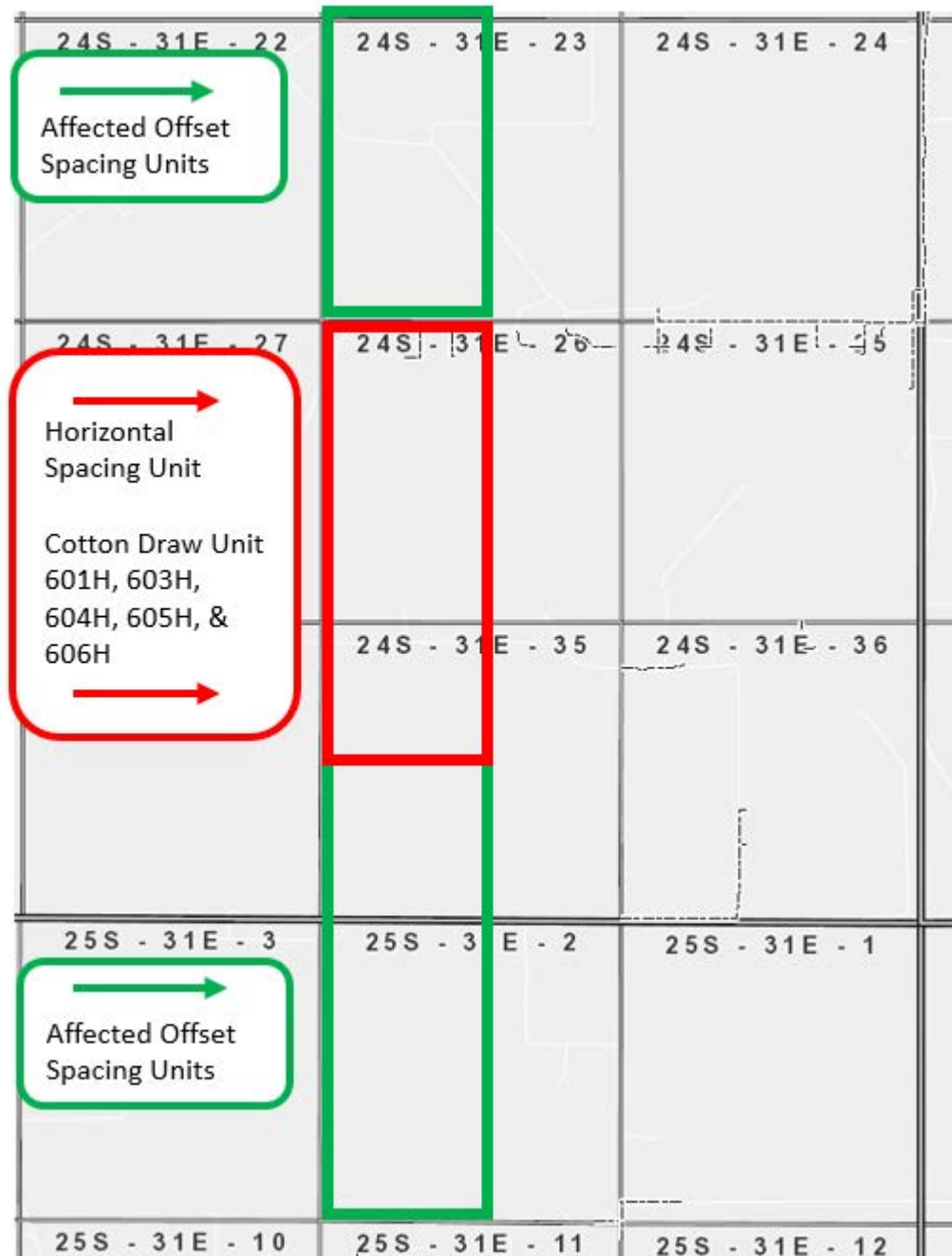
Sincerely,

A handwritten signature in blue ink that reads "Paige Bowes". The signature is written in a cursive, flowing style.

Paige Bowes
Reservoir Engineer

EXHIBIT
B

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



Name	Address	USPS Certified Mail Number	Date Mailed	Status	Service
XTO Holdings LLC	22777 Springwoods Village Pkwy Spring, TX 77389	9414711699000710050055	3.29.21		Certified Mail
Chevron USA Inc.	1400 Smith St. Houston, TX 77002	9414711699000710050086	3.29.21		Certified Mail
EOG Resources Inc.	5509 Champions Dr. Midland, TX 79706	9414711699000710050420	3.29.21		Certified Mail
OXY Y-1 Company	5 E.Greenway Plaza Suite 110 Houston, TX 77046	9414711699000710050482	3.29.21		Certified Mail
Vladin LLC	PO Box 100 Artesia, NM 88210	9414711699000710050550	3.29.21		Certified Mail
Foran Oil Company	5400 Lyndon B Johnson Fwy Suite 1500 Dallas, TX 75240	9414711699000710050581	3.29.21		Certified Mail
ABO Petroleum LLC	PO Box 900 Artesia, NM 88211	9414711699000710058266	3.29.21		Certified Mail
New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	9414711699000710058297	3.29.21		Certified Mail
Bureau of Land Management	620 E. Greene St. Carlsbad, NM 88220	9414711699000710058853	3.29.21		Certified Mail
Bureau of Land Management	301 Dinosaur Trail, Santa Fe, NM 87508	9414711699000710058792	3.29.21		Certified Mail

EXHIBIT
D



For the Pursuit *of* Energy

ABADIE | SCHILL PC

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

March 29, 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 Cotton Draw Unit 601H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 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 Cotton Draw Unit 603H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.**
- 3) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Cotton Draw Unit 604H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.**
- 4) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Cotton Draw Unit 605H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.**
- 5) **Re: Application of Devon Energy Production Company, L.P., for administrative approval of unorthodox well location for its Cotton Draw Unit 606H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.**

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214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

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.

If you have any questions concerning this application, please contact:

Verl Brown
Supervising Landman
Devon Energy Production Company, L.P.
(405) 228-8804
Verl.Brown@devon.com

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,

A handwritten signature in dark ink, appearing to read 'Darin C. Savage', written over a horizontal line.

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 Cotton Draw Unit 601H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Cotton Draw Unit 603H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Cotton Draw Unit 604H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Cotton Draw Unit 605H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.

Dated: _____

Signature: _____

_____ hereby waives objection to the above referenced Application for an Unorthodox Location for the Cotton Draw Unit 606H Well located in the W/2 of Section 26 and the NW/4 of Section 35, Township 24 South, Range 31 East NMPM, Eddy County, New Mexico.

Dated: _____

Signature: _____