NSL

Initial

Application

| 1.D. INO. 222/0 | I.D. | No. | 22270 |
|-----------------|------|-----|-------|
|-----------------|------|-----|-------|

| I.D. No. 22270 | | | | Revised March 23, 2017 |
|---|--|---|--------------------------------|---|
| RECEIVED: 03/29/21 | REVIEWER: LRL | TYPE: NSL ABOVE THIS TABLE FOR OCD DIVISION USE | | L2109068190 |
| 1 | | DIL CONSERVATION & Engineering Bure | N DIVISION eau – | R CONSIGNATION ON THE |
| | ADMINISTRATIV TIS MANDATORY FOR ALL ADA REGULATIONS WHICH REQUIRE | | OR EXCEPTIONS TO D | ivision rules and |
| Applicant: <u>Devon Ener</u> Well Name: <u>Cotton Dro</u> Pool: <u>Purple Sage; Wol</u> | w Unit 603H Well | npany, L.P. | API: <u>30-</u> | Number: <u>6137 015-Pending</u> de: <u>98220</u> |
| SUBMIT ACCURATE AN | | NATION REQUIRED T | O PROCESS THE | TYPE OF APPLICATION |
| TYPE OF APPLICATIO A. Location – Span MSL | N: Check those whic cing Unit – Simultane NSP _{(PROJECT} | ous Dedication | | |
| | ng – Storage – Measu | □PC □OLS | □OLM d Oil Recovery □PPR | |
| B. Royalty, ove C. Application D. Notification E. Surface owr | tors or lease holders rriding royalty owner requires published n and/or concurrent c and/or concurrent c her above, proof of not | rs, revenue owners otice approval by SLO approval by BLM | tion is attached | FOR OCD ONLY Notice Complete |
| 3) CERTIFICATION: I her administrative appro- understand that no | | complete to the be | est of my knowl | edge. 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

notifications are submitted to the Division.

March 29, 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 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 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.

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 603H Well (the "603H 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 1195' from the West line
- of Section 26, Township 24 South, Range 31 East;
- Bottom Hole Location (BHL): 2620' from the North line and 990' from the West line of Section 35, Township 24 South, Range 31 East;
- First Take Point (FTP): 100' from the North line and 990' from the West line of Section 26, Township 24 South, Range 31 East;
- Last Take Point (LTP): 2520' from the North line and 990' from the West line of Section 35, Township 24 South, Range 31 East.

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 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,

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ /30-015-47301 | API Numbe | r | | ² Pool Code 98220 | | ³ Pool Name PURPLE SAGE; WOLFCAMP (GAS) | | | | | |
|--------------------------------|-----------------------|--|---------------------|---------------------------------|----------------------------|--|-------------------------|--------------|--------------------------|--|--|
| ⁴ Property (| Code | | I | | ⁵ Property Name | | | | ⁶ Well Number | | |
| 300635 | | | COTTON DRAW UNIT 60 | | | | | | 603H | | |
| ⁷ OGRID I | No. | | | | ⁸ Operator | Name | ⁹ Elevation | | | | |
| 6137 | | DEVON ENERGY PRODUCTION COMPANY, L.P. 3535.8 | | | | | | 3535.8 | | | |
| ¹⁰ Surface Location | | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West li | ine County | | |
| D | 26 | 24 S | 31 E | | 385 | NORTH | 1195 | WEST | EDDY | | |
| | | • | пB | ottom Ho | ole 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/West li | ine County | | |
| Ε | 35 | 24 S | 31 E | | 2620 | NORTH | 990 | WEST | EDDY | | |
| ¹² Dedicated Acre | s ¹³ Joint | or Infill | Consolidation | n Code | | | ¹⁵ Order No. | | I | | |
| 480 | | | | | | | | | | | |

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.

| | the second s | | 1 |
|---|--|---|---|
| | N89'40'18"E 2642.53 FT N89'40'12"E 2643.1 | 19 FT NE CORNER SEC. 26 | ¹⁷ OPERATOR CERTIFICATION |
| NW CORNER SEC. 26 LAT. = 32.1955957'N | | LAT. = 32.1956002'N | I hereby certify that the information contained herein is true and complete to the |
| LONG. = 103.7571294'W | LONG. = 103.7485887'W | 는 LONG. = 103.7400460'W 더 NMSP EAST (FT) | best of my knowledge and belief, and that this organization either owns a working |
| NMSP EAST (FT) 22 N = 435369.65 52 E = 719574.94 52 | N = 436384.79 | ♀ N = 435400.01 | interest or unleased mineral interest in the land including the proposed bottom |
| E = 719574.94 🛠 | E = 722216.85 | E = 724859.42 | hole location or has a right to drill this well at this location pursuant to a contract |
| M. 22 | COTTON DRAW UNIT 603H ELEV. = 3535.8' | 53 ^E E | with an owner of such a mineral or working interest, or to a voluntary pooling |
| 721' | LEV. = 3533.8 LAT. = 32.1945388'N (NAD83) | 0.19 | agreement or a compulsor poling order heretofore entered by the division. |
| W/4 CORNER SEC. 26 2 LAT. = 32,1883253'N | LONG. = 103,7532659 W NMSP EAST (FT) FIRST TAKE | E/4 CORNER SEC. 26 | Nonwy Hones 1 15 2021 |
| LONG. = 103.7571206 W | N = 434991.58 100' FNL, 99 | 90' FWL LONG. = 103.7400437'W | 1-15-2021 |
| NMSP EAST (FT) N = 432724.75 | E = 720772.11 LAT. ± 32.19 LONG. = 103.75 | 39294'W N = 432760.11 | Signature Date |
| E = 719591.82 | | AST (FT) E = 724874.69 | JENNY HARMS |
| 639.3 | | 20565.35 | Printed Name |
| 5 | | | |
| SW CORNER SEC. 26 ₽ LAT. = 32.1810717'N | S/4 CORNER SEC. 26 LAT. = 32,1810772'N | LAT. = 32.1810840'N | JENNY.HARMS@DVN.COM |
| LONG. = 103.7571150'W & NMSP EAST (FT) | LONG. = 103.7485766'W NMSP BAST (FT) | C LONG. = 103.7400384'W S NMSP EAST (FT) | E-mail Address |
| NMSP EAST (FT) 2 N = 430086.02 | N = 430102.29 | N = 430119.23 | |
| E = 719607.71 | E = 722249.33 \$89'38'50"W 2642.25 FT \$89'37'57"W 2642. | E = 724890.89 | |
| | S89'38'50"W 2642.25 FT S89'37'57"W 2642. | | ISURVEYOR CERTIFICATION |
| 5 FI | LAST TAKE POINT | 55 FT | I hereby certify that the well location shown on this plat was |
| 2643.E | 2520' FNL, 990' FWL LAT. = 32.1741482'N | 2641.35 | 5 00 I |
| V 20 | LONG. = 103.7539416 W | E 2 | plotted from field notes of actual surveys made by me or under |
| 36"V | N = 427572.62 | 0,02 | my supervision, and that the same is true and correct to the |
| W/4 CORNER SEC. 35 | 20003.03 | E/4 CORNER SEC. 35 | best of my belief. |
| LAT. = 32.1738064'N LONG. = 103.7571418'W | LTP NOTE: | LAT. = 32.1738251'N | OCTOBER 20, 2020 |
| NMSP EAST (FT) | | RTH NINCO EAST (ET) | E 100 |
| N = 427442.95 E = 719613.55 | BHL AMERICAN DATUM OF 1983 LISTED NEW MEXICO STATE I | PLANE N = 427478.46 | Date of Survey |
| c = /15010.00 E | BOTTOM OF HOLE EAST COORDINATES ARE GRI LAT. = 32.1738734'N USED ARE NEW MEXICO STA | TANCES | - A Star An |
| 2568. | LONG. = 103.7539427'W NMSP EAST (FT) EAST COORDINATES MODIFIED SURFACE. VERTICAL DATUM I | D TO THE Q | XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX |
| SW CORNER SEC. 35 ≱ | N = 427472.64 S/4 CORNER SEC. 35 | SE CORNER SEC. 35 | A AN AN AS |
| LAT. = 32.1667474'N 5 LONG. = 103.7571765'W 書 | E = 720603.27 LAT. = 32,1667033'N LONG. = 103.7486249'W | * LAT. = 32.1666605'N * LONG. = 103.7400854'W | Signature and Seal of Professional Surveyor: |
| NMSP EAST (FT) | NMSP EAST (FT) | S NMSP EAST (FT) | Certificate Number: PATRION, MR. 1011, 10, 11, S 12797 |
| N = 424874.92 E = 719616.56 | N = 424873.17 E = 722262.79 | N = 424872.06 E = 724905.29 | PROFESSION |
| | N89'57'44"W 2646.81 FT N89'58'34"W 2643. | | 005 |
| | | | |

Received by OCD: 2/22/2021 7:59:21 AM

| Intent X As Drilled | | |
|-----------------------------------|------------------|-------------|
| API # | | |
| Operator Name: | Property Name: | Well Number |
| DEVON ENERGY PRODUCTION CO., L.P. | COTTON DRAW UNIT | 603H |

Kick Off Point (KOP)

| UL | Section 26 | Township 24S | Range 31E | Lot | Feet 39 FNL | From N/S | Feet 990 FWL | From E/W | County EDDY |
|----|-------------------------|-----------------|---------------------|-----------------------|----------------|----------|-----------------|-----------|----------------|
| | Latitude 32.19539629 | | | Longitude -103.753 | 93204 | | | NAD 83 | |

First Take Point (FTP)

| UL | Section | Township | Range | Lot | Feet | From N/S | Feet | From E/W | County |
|----|-------------------------------|------------|------------|-------------------------|------------|----------|------------|---------------|--------|
| D | 26 | 24S | 31E | | 100 | NORTH | 990 | WEST | EDDY |
| | Latitude 32.1953219 | | | Longitude 103 | 8.7539294 | | | NAD 83 | |

Last Take Point (LTP)

| UL E | Section 35 | Township 24S | Range 31E | Lot | Feet 2520 | From N/S NORTH | Feet 990 | From E/W WEST | County EDDY | |
|---------------------|----------------------|------------------------|---------------------|--------------|---------------------|-------------------|--------------------|-------------------------|----------------|--|
| Latitude 32.1741482 | | | Longitud | e 103.753 | 9416 | NAD 83 | | | | |

NO

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

Is 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,

Parge Bowes

Paige Bowes Reservoir Engineer



| 24S - 31E - 22 Affected Offset Spacing Units | 245 - 31 | E - 23 | 245 - | 31E - 24 | |
|--|----------------|--------|-----------|-----------------------|---|
| 248 + 31E + 27 Horizontal Spacing Unit | 2 4 S_i - 3 1 | E' 2'ö | - 눭 4 원 - | 31E [†] - 냨5 | |
| Cotton Draw Unit 601H, 603H, 604H, 605H, & 606H | 245 - 31 | E - 35 | 248 - | 31 É 36 | |
| 25S - 31E - 3 Affected Offset Spacing Units | 258 - 3 | E - 2 | 258 - | 31E - 1 | |
| 25S - 31E - 10 | 258 - 31 | E - 11 | 258 - | 31E - 12 | _ |

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



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



ABADIE I 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.

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@dvn.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,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Waiver

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:

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:

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: _____

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.

| ignature: |
|-----------|
| |