

RECEIVED: <b>03/07/22</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>pLEL2020239172</b>
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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:** Shetland 11-2 Fed State Com #732H Well/Order NSL-8059 **API:** 30-015-47159  
**Pool:** Purple Sage; Wolfcamp (Gas) Pool **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.**

Adam G. Rankin

Print or Type Name

Signature

3/7/2022

Date

505-988-4421

Phone Number

agrarkin@hollandhart.com

e-mail Address





March 7, 2022

**VIA ONLINE FILING**

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, to amend Administrative Order NSL-8059 for approval of an unorthodox as-drilled location for its Shetland 11-2 Fed State Com #732H well underlying Sections 2 and 11, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.**

Dear Ms. Sandoval:

Devon Energy Production, LP (“Devon”) (OGRID No. 6137) seeks to amend Administrative Order NSL-8059, attached as **Exhibit A**, for approval of an unorthodox as-drilled location for its **Shetland 11-2 Fed State Com #732H well** (API No. 30-015-47159) to be completed within the Purple Sage Wolfcamp Pool (98220) underlying Sections 2 and 11, Township 26 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

This well has been drilled as follows, with locations different than approved under Administrative Order NSL-8059:

- surface location: 350 feet from the south line and 2140 feet from the west line (Unit N) of Section 11 – instead of 350 feet from south line and 2140 from the west line (Unit N) of Section 11;
- bottom hole location: 35 feet from the north line and 2322 feet from the east line (Unit B) of Section 2 – instead of 20 feet from the north line and 2310 from the west line (Unit C) of Section 2;
- first take point: 666 feet from the south line and 2538 feet from the west line (Unit N) of Section 11 – instead of 100 feet from the south line and 2310 from the west line (Unit N) of Section 11; and



- last take point: 160 feet from the north line and 2330 feet from the west line (Unit B) of Section 2 – instead of 100 feet from the north line and 2310 from the west line (Unit C) of Section 2.

Pursuant to Division Order R-14262, this acreage is governed by the Special Rules for the Purple Sage-Wolfcamp Gas Pool which provide for wells in the Wolfcamp formation in Eddy County to be located no closer than 330 feet to the outer boundary of the spacing unit. The completed interval for the **Shetland 11-2 Fed State Com #732H well** will be unorthodox because the last take point is closer than 330 feet to the northern boundary of the spacing unit. As stated in Devon's original application, approval of the unorthodox, completed interval will allow Devon to increase the lateral length by several hundred feet, thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

**Exhibit B** is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Shetland 11-2 Fed State Com #732H well** encroaches on the drilling and spacing unit to the north in Section 35, Township 25 South, Range 31 East.

Ownership is diverse between the subject spacing unit and the affected spacing units to the north. **Exhibit C** reflects that a copy of this application with all attachments has been sent by certified mail to each affected person advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application.

**Exhibit D** is a land plat for Sections 2 and 11 that shows the proposed **Shetland 11-2 Fed State Com #732H well** in relation to the adjoining spacing unit to the north in Section 35 where Devon provided notice.

Your attention to this matter is appreciated.

Sincerely,



Adam G. Rankin

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



# Approved

## NSL

# Order

Approved: 08/07/20

**EXHIBIT A**



State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval, Director**  
Oil Conservation Division



August 7, 2020

Ms. Kaitlyn A. Luck  
[Kaluck@hollandhart.com](mailto:Kaluck@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL-8059**

**Devon Energy Production, L.P. [OGRID 6137]  
Shetland 11 2 Federal State Com Well No. 732H  
API No. 30-015-47159**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	350 FSL & 2140 FWL	N	11	26S	31E	Eddy
First Take Point	100 FSL & 2310 FWL	N	11	26S	31E	Eddy
Last Take Point	100 FNL & 2310 FWL	C	2	26S	31E	Eddy
Terminus	20 FNL & 2310 FWL	C	2	25S	31E	Eddy

**Proposed Horizontal Gas Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Section 11	640	Purple Sage; Wolfcamp (GAS)	98220
W/2 of Section 2			

Reference is made to your application received on July 17, 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 100 feet to the northern and southern edge. Encroachment will impact the following tract.

Section 14, encroachment to the NW/4  
Section 35 25S 31E, 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.



Division understands you are seeking this unorthodox location in order to maximize the lateral length of the well and to minimize reserves left in the ground, thus reducing waste while protecting correlative rights within the Wolfcamp formation underlying the W/2 of Section 11 and the W/2 of Section 2.

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  
State Land Office – Oil, Gas, and Mineral Division  
Bureau of Land Management – Carlsbad Field Office



## Lowe, Leonard, EMNRD

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Monday, August 10, 2020 5:44 PM  
**To:** Kaitlyn A. Luck  
**Cc:** Bratcher, Mike, EMNRD; Podany, Raymond, EMNRD; 'lisa@rwbyram.com'; Simmons, Kurt, EMNRD; Terry Warnell; McClure, Dean, EMNRD; Garcia, John A, EMNRD; Scott Cox; 'jglover@blm.gov'; Holm, Anchor E.  
**Subject:** APPROVED NSLs\_DEVON ENERGY PROD., L.P.\_Shetland Fed State Wells No. (611H, 613H, 711H, 712H, 732H)\_SEC 11 26S 31E  
**Importance:** High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Orders 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	API #
8059	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 732H	30-015-47159
8058	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 712H	30-015-47157
8057	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 711H	30-015-47156
8056	-	Devon Energy Production L.P.	6137	Shetland 2 11 Federal State Com Well No. 613H	30-015-47172
8055	-	Devon Energy Production L.P.	6137	Shetland 11 2 Federal State Com Well No. 611H	30-015-47139

### 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/>



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

<sup>1</sup> API Number <b>30-015-47159</b>		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name					
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>SHETLAND 11-2 FED STATE COM</b>						<sup>6</sup> Well Number <b>732H</b>	
<sup>7</sup> OGRID No. <b>6137</b>		<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>						<sup>9</sup> Elevation <b>3212.6</b>	
<sup>10</sup> Surface Location									
UL or lot no. <b>N</b>	Section <b>11</b>	Township <b>26 S</b>	Range <b>31 E</b>	Lot Idn	Feet from the <b>350</b>	North/South line <b>SOUTH</b>	Feet from the <b>2140</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no. <b>B</b>	Section <b>2</b>	Township <b>26 S</b>	Range <b>31 E</b>	Lot Idn	Feet from the <b>35</b>	North/South line <b>NORTH</b>	Feet from the <b>2333</b>	East/West line <b>EAST</b>	County <b>EDDY</b>
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

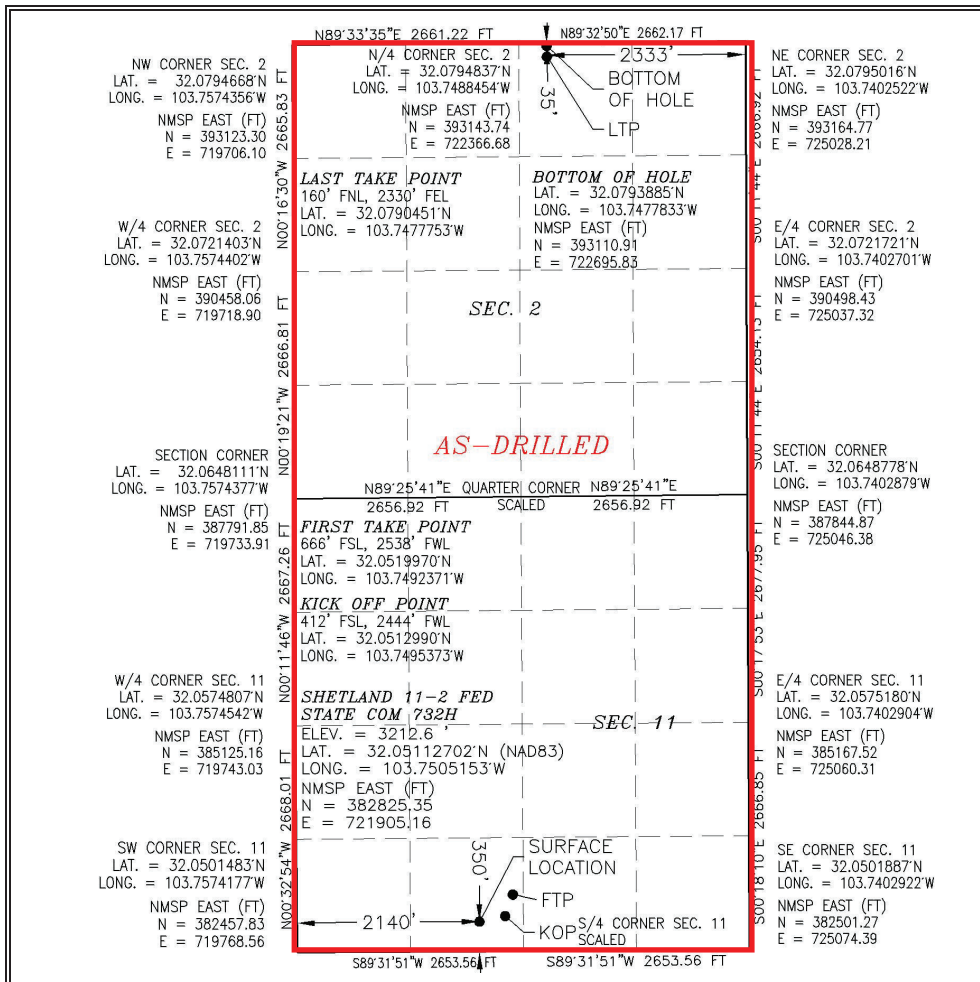
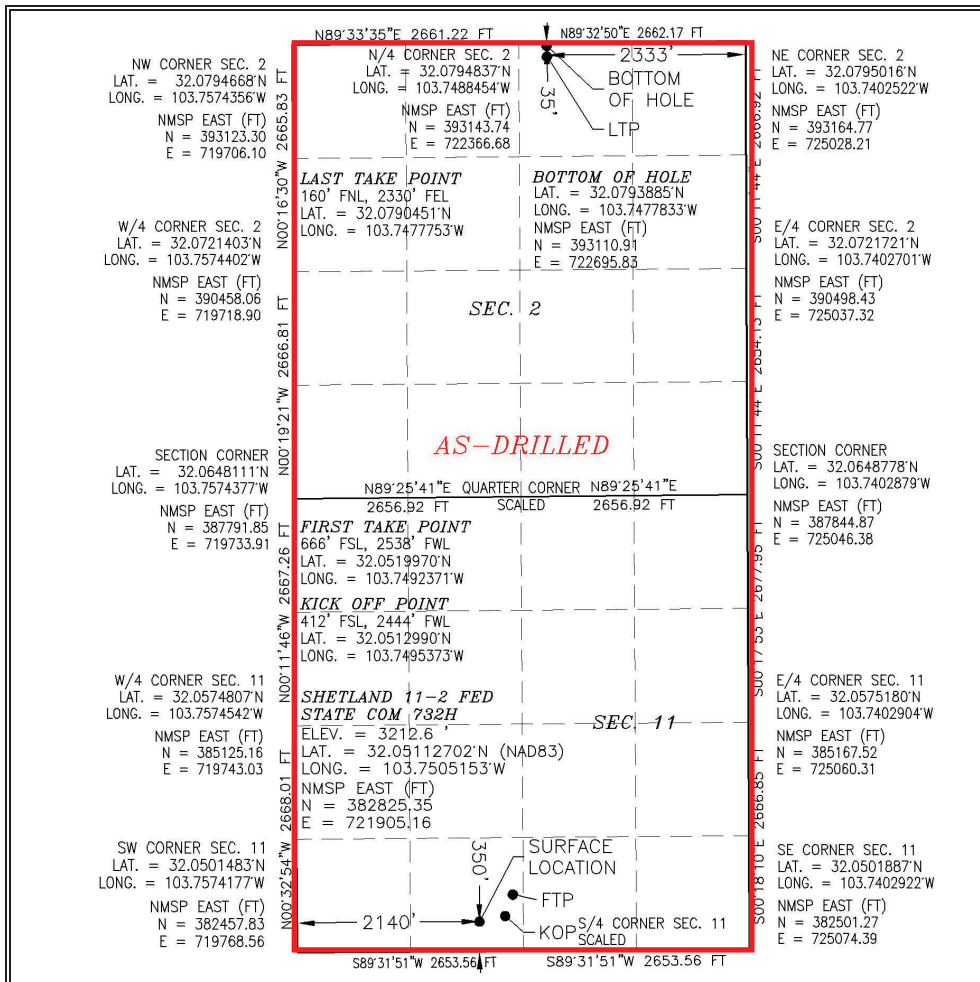

		<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
		<p><b>18 SURVEYOR CERTIFICATION</b></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>MAY 3, 2021</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: 12797</p>	

EXHIBIT B

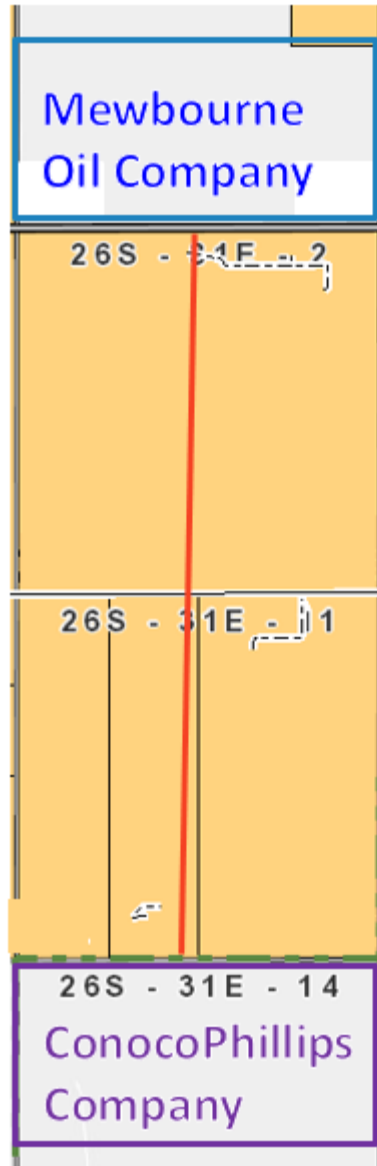




## Firm Mailing Book For Accountable Mail

Name and Address of Sender		Check type of mail or service		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.														
		<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		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.	USPS Tracking/Article Number 9214 8901 9403 8316 8330 11	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508				1.90	3.55								1.70			
2.	9214 8901 9403 8316 8330 28	State Land Office 310 Old Santa Fe Trail Santa Fe NM 87501				1.90	3.55								1.70			
3.	9214 8901 9403 8316 8330 35	ConocoPhillips Company 600 N Dairy Ashford Houston TX 77079				1.90	3.55								1.70			
4.	9214 8901 9403 8316 8330 42	Mewbourne Oil Company 500 West Texas Suite 1020 Midland TX 79701				1.90	3.55								1.70			





ConocoPhillips Company  
600 W. Illinois Ave  
Midland, TX 79701

Mewbourne Oil Company  
500 W Texas Avenue  
Midland, TX 79701

17758499\_v1

## EXHIBIT D





March 7, 2022

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO AFFECTED PARTIES:**

**Re: Application of Devon Energy Production, LP, to amend Administrative Order NSL-8059 for approval of an unorthodox as-drilled location for its Shetland 11-2 Fed State Com #732H well underlying Sections 2 and 11, Township 26 South, Range 31 East, N.M.P.M., Eddy 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:

Verl Brown  
Devon Energy  
(405) 228-8804  
Verl.Brown@dvn.com

Sincerely,

Adam G. Rankin  
**ATTORNEY FOR DEVON ENERGY PRODUCTION  
COMPANY, L.P.**





# 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.

Devon - Shetland 732H  
amend order NSL-8059

Shipment Date: 03/07/2022

Shipped From:

Name: HOLLAND & HART LLP (1)

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	4
Total	4

\*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.

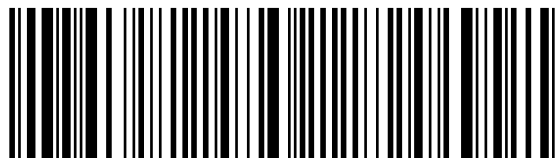
## B. USPS Action

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 0035 1965 86





## Firm Mailing Book For Accountable Mail

Name and Address of Sender <b>HOLLAND &amp; HART LLP (1) 110 N GUADALUPE ST # 1 SANTA FE NM 87501</b>		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		<div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Affix Stamp Here</b>  <i>(for additional copies of this receipt).</i>  <b>Postmark with Date of Receipt.</b> </div>													
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.	<b>9214 8901 9403 8368 1632 96</b>	Mewbourne Oil Company 500 West Texas Ave Suite 1020 Midland TX 79701		1.16	3.75	Handling Charge - if Registered and over \$50,000 in value							1.85				
2.	<b>9214 8901 9403 8368 1633 02</b>	New Mexico State Land Office PO BOX 1148 Santa Fe NM 87504		1.16	3.75									1.85			
3.	<b>9214 8901 9403 8368 1633 19</b>	Bureau of Land Management 301 Dinosaur Trail Santa Fe NM 87508		1.16	3.75						Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	1.85		Signature Confirmation	Signature Confirmation Restricted Delivery
4.	<b>9214 8901 9403 8368 1633 26</b>	Bureau of Land Management 620 E Greene St Carlsbad NM 88220		1.16	3.75								1.85			Special Handling	
Total Number of Pieces Listed by Sender <b>4</b>	Total Number of Pieces Received at Post Office	Postmaster, Per (Name of receiving employee)															