State of New Mexico Energy, Minerals and Natural Resources Department

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Administrative Order NSP-2142

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Devon Energy Production Company [OGRID 6137]

Serpentine 35 26 Federal Com Well No. 1H, API NO. 30-025-PENDING

Serpentine 35 26 Federal Com Well No. 11H, API NO. 30-025-PENDING

Serpentine 35 26 Federal Com Well No. 12H, API NO. 30-025-PENDING

Located in N/2 SW/4, SE/4 SW/4, NW/4 Section 35 & W/2 Section 26, T22 South, R33 East Lea County, New Mexico

Reference is made to your application received on September 23rd, 2022.

You have requested an approval for a non-standard horizontal spacing unit as follows:

Description	Acres	Pool	Pool Code
N/2 SW/4, SE/4 SW/4, NW/4	600	Brinnistool; Bone Spring	7320
Of Section 35			
& W/2 of Section 26			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit comprising 600 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter-quarter section, as required by Rule 19.15.16.15(B)(3) NMAC.

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 which are being included.

You have requested this non-standard horizontal spacing unit due to the BLM not leasing the unit located in the SW/4 SW/4 of Section 35. Approval will maximize development of the lands within the N/2 SW/4, SE/4 SW/4, NW/4 Of Section 35& W/2 of Section 26.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit with a Sundry notice to the Engineering

Bureau. Additional wells shall be producing from the same horizontal spacing unit and pool/formation.

Reference this NSP order number on the As Drilled C-102 submitted with the Authorization to Transport (C-104), to place these wells into production.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



10/20/2022

Date

AES/lrl