

State of New Mexico  
Energy, Minerals and Natural Resources Department

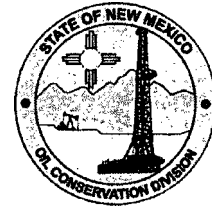
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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



December 14, 2018

Ms. Jordan Kessler  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

**Administrative Order NSP-2118**

**Devon Energy Production Company, LP**  
OGRID 6137  
**Lusitano 27 34 Federal Com Well No. 622H**  
API No. 30-015-Pending  
**Lusitano 27 34 Federal Com Well No. 713H**  
API No. 30-015-Pending  
**Lusitano 27 34 Federal Com Well No. 733H**  
API No. 30-015-Pending

Reference is made to your application received on December 13, 2018.

**Non-Standard Horizontal Spacing Unit**

You have also requested approval of a non-standard horizontal gas spacing unit to be included in your proposed horizontal spacing unit, as follows:

**Proposed Horizontal Spacing Unit:**

| <b>Description</b>                           | <b>Acres</b> | <b>Pool</b>                 | <b>Pool Code</b> |
|--|--------------|-----------------------------|------------------|
| E2 W2 of Section 27<br>NE4 NW4 of Section 34 | 200          | Purple Sage; Wolfcamp (Gas) | 98220            |

You have requested an exception pursuant to Rule 19.15.16.15.3 NMAC, to approve a non-standard horizontal gas spacing unit comprising 200-acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15.3.(A) NMAC

We understand that you are seeking this exception in order to allow you to create a 200-acres, non-standard horizontal spacing unit, comprised of E2 W2 of Section 27 and NE4 NW4 of Section 34 all in Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

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 excluded. However, the affected party has signed a waiver, consenting to the non-standard horizontal spacing unit.

Applicant requested the non-standard horizontal spacing unit, to adequately develop the acreage, and to avoid placing a portion of the surrounding Poker Lake Unit into the proposed horizontal spacing unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15.B.(5), 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.

**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.



**HEATHER RILEY**  
**Director**

HR/mam

cc: New Mexico Oil Conservation Division – Artesia  
Bureau of Land Management – Carlsbad