

12-13-2018 RECEIVED:	MAM REVIEWER:	NSP TYPE:	PMAM 834759773 APP NO:
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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, LP **OGRID Number:** 319562
Well Name: Lusitano 27-34 Fed Com No. 713H Well, 733H Well & 622H Well **API:** _____
Pool: Purple Sage **Pool Code:** 93220

**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

NSP 2118

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.

Jordan L. Kessler

Print or Type Name

Signature

12/13/2018

Date

505-988-4421

Phone Number

jlkessler@hollandhart.com

e-mail Address



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

December 13, 2018

DEC 13 2018 PM 03:51

VIA HAND DELIVERY

Heather Riley
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 Company, LP for administrative approval of a 200-acre non-standard horizontal spacing unit in the Purple Sage Pool (98220) comprised of the E/2W/2 of Section 27 and the NE/4NW/4 of Section 34, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico.

Dear Ms. Riley:

Pursuant to Rule 3 of the Special Rules for the Purple Sage-Wolfcamp Gas Pool and NMAC 19.15.16.15(B)(5), Devon Energy Production Company, LP ("Devon") (OGRID 319562) seeks administrative approval of a 200-acre non-standard horizontal spacing unit comprised of the E/2W/2 of Section 27 and the NE/4NW/4 of Section 34, Township 25 South, Range 31 East, NMPM, Eddy County, New Mexico. The proposed non-standard spacing unit will be dedicated to the Lusitano 27-34 Fed Com No. 713H Well; the Lusitano 27-34 Fed Com No. 733H Well, and the Lusitano 27-34 Fed Com No. 622H Well.

The proposed wells will develop the Wolfcamp formation (Purple Sage; Wolfcamp Gas Pool (98220)). Pursuant to the Special Rules for the Purple Sage-Wolfcamp Gas Pool, set forth in Order No. R-14262, and NMAC 19.15.16.15(B)(3) and (4), an operator may elect to build standard gas spacing units out of standard 160-acre or 320-acre tracts. NMAC 19.15.16.15(B)(5) authorizes administrative approval of non-standard spacing units to prevent waste and protect correlative rights in conformance with NMAC 16.15.15.11(B). Devon seeks approval of this non-standard spacing unit to most efficiently develop the Wolfcamp in this area. The request for a non-standard spacing unit is due to the boundaries of XTO's adjacent Poker Lake Unit. All tracts excluded from the proposed spacing unit are within the boundaries of the Poker Lake Unit.

Exhibit A is a copy of the Well Location and Acreage Dedication Plat (Form C-102) for the each of the proposed wells and spacing unit.

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Exhibit B is a map showing the proposed well and the proposed non-standard spacing unit in the E/2W/2 of Section 27 and the NE/4NW/4 of Section 34. The outline of XTO's Poker Lake Unit is shown in grey and purple. The tracts affected by this request are all of Sections 27 and 34. All acreage affected by this application is operated by either XTO or Devon. Devon owns 100 percent of the working interest in the E/2 of Sections 27 and 34.

Exhibit C is a waiver letter from XTO. XTO has expressly waived its right to object to Devon's request for a non-standard spacing unit. Accordingly, there are no affected parties. A courtesy copy of this letter has been provided to the Bureau of Land Management.

Your attention to this matter is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Kessler', is written over the printed name.

Jordan L. Kessler

**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, LP**

cc: Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

A

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 API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name LUSITANO 27-34 FED	⁶ Well Number 713H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3335.0

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
C	27	25 S	31 E		235	NORTH	1762	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
C	34	25 S	31 E		990	NORTH	2310	WEST	EDDY

¹² Dedicated Acres	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>NW CORNER SEC. 27 LAT. = 32.1085472°N LONG. = 103.7744766°W NMSP EAST (FT) N = 403674.44 E = 714373.23</p> <p>W. Q CORNER SEC. 27 LAT. = 32.1012701°N LONG. = 103.7745461°W NMSP EAST (FT) N = 401027.04 E = 714365.41</p> <p>SW CORNER SEC. 27 LAT. = 32.0939875°N LONG. = 103.7746005°W NMSP EAST (FT) N = 398377.70 E = 714362.31</p> <p>W. Q CORNER SEC. 34 LAT. = 32.0867157°N LONG. = 103.7746027°W NMSP EAST (FT) N = 395732.35 E = 714375.33</p> <p>SW CORNER SEC. 34 LAT. = 32.0794255°N LONG. = 103.7746047°W NMSP EAST (FT) N = 393080.31 E = 714388.46</p>		<p>N89°39'25"E 2654.26 FT N89°38'30"E 2653.78 FT</p> <p>1762' SHL 235' FTP</p> <p>FIRST TAKE POINT 330° FNL 2810' FNL LAT. = 32.1076449°N ELEV. = 3335.0' LONG. = 103.7670263°W LAT. = 32.1079052°N (NAD83) NMSP EAST (FT) LONG. = 103.7682931°W N = 403358.22 NMSP EAST (FT) E = 716681.77 N = 403450.04 E = 716134.21</p> <p>LUSITANO 27-34 FED 713H</p> <p>S Q CORNER SEC. 27 LAT. = 32.0940045°N LONG. = 103.7660218°W NMSP EAST (FT) N = 398397.72 E = 717018.91</p> <p>S89°34'05"W 2657.26 FT S89°35'41"W 2660.37 FT</p> <p>LTP 2310' BHL</p> <p>LAST TAKE POINT 330° FNL 2310' FNL LAT. = 32.0930950°N LONG. = 103.7671433°W NMSP EAST (FT) N = 398065.05 E = 716673.34</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD83.</p> <p>S Q CORNER SEC. 34 LAT. = 32.0794430°N LONG. = 103.7660268°W NMSP EAST (FT) N = 393100.55 E = 717045.23</p>	<p>NE CORNER SEC. 27 LAT. = 32.1085597°N LONG. = 103.7573438°W NMSP EAST (FT) N = 403706.92 E = 719678.01</p> <p>E. Q CORNER SEC. 27 LAT. = 32.1012955°N LONG. = 103.7573925°W NMSP EAST (FT) N = 401084.23 E = 719677.04</p> <p>SE CORNER SEC. 27 LAT. = 32.0940174°N LONG. = 103.7574330°W NMSP EAST (FT) N = 398416.53 E = 719678.63</p> <p>E. Q CORNER SEC. 34 LAT. = 32.0867362°N LONG. = 103.7574361°W NMSP EAST (FT) N = 395767.78 E = 719691.82</p> <p>SE CORNER SEC. 34 LAT. = 32.0794866°N LONG. = 103.7574361°W NMSP EAST (FT) N = 393123.21 E = 719705.93</p>	<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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>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>DECEMBER 11, 2011</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number: FERNANDO JARAMILLO, PLS 12797</p> <p>SURVEY NO. 6427B</p>
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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: (505) 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 API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name LUSITANO 27-34 FED	⁶ Well Number 733H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3334.8

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	25 S	31 E		235	NORTH	1672	WEST	EDDY

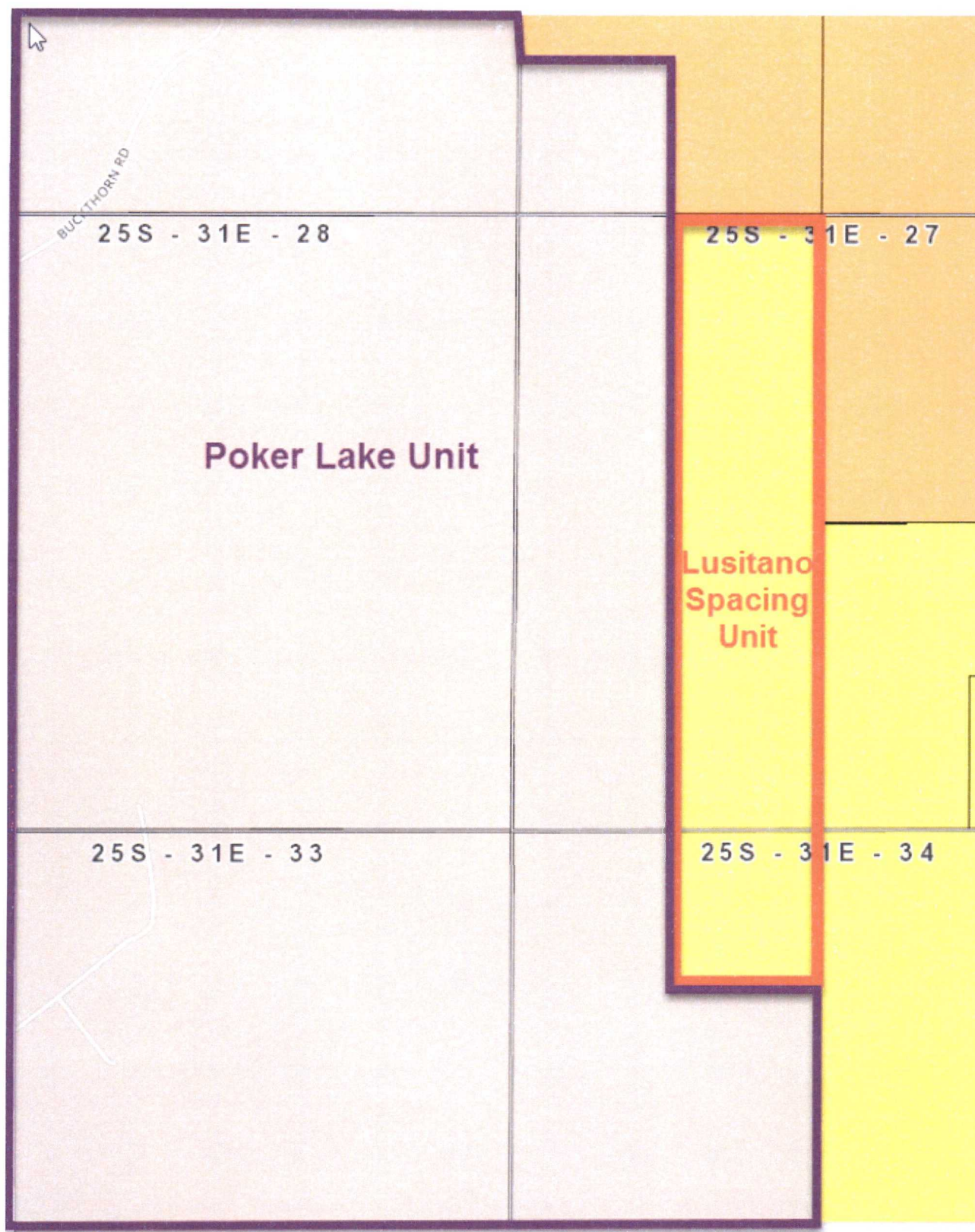
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	25 S	31 E		990	NORTH	1650	WEST	EDDY

¹² Dedicated Acres	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 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>18 SURVEYOR CERTIFICATION 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>DECEMBER 11, 2018 JARAMILLO Date of Survey _____</p> <p>Signature _____ Certificate Number _____ SURVEY NO. 6430B</p>	<p>17 OPERATOR CERTIFICATION 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>18 SURVEYOR CERTIFICATION 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>DECEMBER 11, 2018 JARAMILLO Date of Survey _____</p> <p>Signature _____ Certificate Number _____ SURVEY NO. 6430B</p>
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XTO Energy Inc.
EMMC W4 4A 275
26777 Springwood Way Sage Pkwy
Spring TX 77389-1425
832 625-3994 Direct Phone
Blake_huesse@xtoenergy.com

December 6, 2018

Devon Energy Production Company, L.P.
Attn: Tim Probst
333 W. Sheridan Ave.
Oklahoma City, OK 73102

Re: Request for Waiver of Objection: Non-Standard Spacing Unit or Units
Any combination of the SW 4 SW/4 of Section 22, W 2 W/2 of Section 27, W 2 W/2 of Section 34, T-25 South, R-31 East and W/2 NW/4 of Section 3, T-26 South, R-31 East, Eddy County, New Mexico for wells yet to be named

Dear Mr. Probst:

XTO Permian Operating, LLC intends to apply to the New Mexico Oil Conservation Division for approval of a non-standard spacing unit or units comprised of a combination of the SW 4 SW/4 of Section 22, W 2 W/2 of Section 27, W 2 W/2 of Section 34, T-25 South, R-31 East and W 2 NW/4 of Section 3, T-26 South, R-31 East, Eddy County, New Mexico. The acreage is expected to be placed in the Purple Sage Wolfcamp Pool (Pool Code 98820). Accordingly, the proposed spacing unit or units are non-standard because they do not include all or parts of the E 2 W 2, NW 4 SW/4 and SW 4 NW 4 of Section 22, E 2 W/2 of Section 27 and the NE 4 NW/4 of Section 34, T-25 South, R-31 East and E 2 W/2 and W 2 SW 4 of Section 3, T-26 South, R-31 East, Eddy County, New Mexico.

XTO respectfully requests that Devon Energy Production Company, L.P. waive any objection to the non-standard spacing unit or units. Please indicate your agreement to waive any objection to formation of one or more non-standard spacing units by having an authorized party date and execute both copies of this letter in the spaces provided below on behalf of your company. Please return one executed copy to the attention of Blake Huesse at the address listed above.

Should you have any questions, please do not hesitate to contact me directly at 832-625-3994.

Thank you in advance for your prompt attention to this matter.

Sincerely,

XTO Permian Operating, LLC

Blake Huesse

President

Devon Energy Production Company, L.P. hereby waives its right to object to the application of XTO Permian Operating, LLC for an administrative order from the New Mexico Oil Conservation Division approving XTO's future application(s) for a non-standard spacing unit(s) consisting of any combination of SW 4 SW/4 of Section 22, W 2 W/2 of Section 27, W 2 W/2 of Section 34, T-25 South, R-31 East and W/2 NW/4 of Section 3, T-26 South, R-31 East, Eddy County.

BY: Tim Probst

ITS: Senior Landman

DATE: 12/11/18

An ExxonMobil subsidiary

EXHIBIT

C



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

Tim Prout, Landman
405 552 6113 Phone
www.devonenergy.com

December 10, 2018

XTO Permian Operating, LLC
Attn: Blake Hueske
22777 Springwoods Village Pkwy.
Spring, TX 77389-1425

Re: **Request for Waiver of Objection: Non-Standard Spacing Unit**
E/2 W/2 of Sec. 27 and NE/4 NW/4 Sec. 34, T-25 South, R-31 -East, Eddy County, New Mexico
Lusitano 27-34 Fed 733H

Dear Mr. Hueske:

Devon Energy Production Company, L.P. has applied to the New Mexico Oil Conservation Division for approval of a non-standard spacing unit comprised of the E/2 W/2 of Section 27 and NE/4 NW/4 of Section 34, Township 25 South, Range 31 East, Eddy County, New Mexico. The acreage has been placed in the Purple Sage; Wolfcamp Pool (Pool Code 98820). Accordingly, the proposed spacing unit is non-standard because it does not include the W/2 W/2 of Section 27 and NW/4 NW/4 of Section 34.

Devon respectfully requests that XTO Permian Operating, LLC waive any objection to the non-standard spacing unit. Please indicate your agreement to waive any objection to formation of a non-standard spacing by having an authorized party date and execute both copies of this letter in the spaces provided below on behalf of your company. Please return one executed copy to the attention of Tim Prout at the address listed below.

Should you have any questions, please do not hesitate to contact me directly at 405-552-6113. Thank you in advance for your prompt attention to this matter.

Sincerely,

Devon Energy Production Company, L.P.

Tim Prout
Landman

Blake Hueske
Page 2
December 10, 2018

XTO Permian Operating, LLC hereby waives its right to object to the application of Devon Energy Production Company, L.P. for an administrative order from the New Mexico Oil Conservation Division approving Devon's application for a non-standard spacing unit comprised of the E/2 W/2 of Section 27 and NE/4 NW/4 of Section 34, Township 25 South, Range 31 East, Eddy County, New Mexico.

BY: 

ITS: Sr. Staff Lardner

DATE: 12-10-18



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 Energy Lusitano wells
CM# 41132.0002 20181213
BLM

Shipment Date: 12/13/2018

Shipped From:

Name: HOLLAND & HART LLP

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	1
Total	1

*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 0011 7546 01



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501		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		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> Postmark with Date of Receipt.													
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. 9214 8901 9403 8376 3629 33		NM BLM Carlsbad District Offices 620 E Greene St Carlsbad NM 88220		3.52	3.45	Handling Charge - if Registered and over \$50,000 in value							1.50				
Total Number of Pieces Listed by Sender		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)													
1																	