

NSL Initial Application

Received: 06/07/19

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

RECEIVED: 06/07/19	REVIEWER: LRL	TYPE: NSL	APP NO: JUN 07 2019 PM 03:33
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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:** Mr Potato Head 11-14 Fed Com 731H Well**API:** Pending**Pool:** Purple Sage; Wolfcamp**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.

Kaitlyn A. Luck

Print or Type Name

Signature

06/07/2019

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address

June 7, 2019

JUN 07 2019 PM03:33

VIA HAND DELIVERY

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, for administrative approval of an unorthodox well location for its Mr Potato Head 11-14 Fed Com 731H Well in the W/2 of Sections 11 and 14, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Dear Ms. Sandoval:

Devon Energy Production, LP ("Devon") (OGRID No. 6137) seeks administrative approval of an unorthodox well location for its **Mr Potato Head 11-14 Fed Com 731H Well** (API No. 30-025-pending) to be completed within the Purple Sage Wolfcamp Pool (98220) underlying the W/2 of Sections 11 and 14, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. This well will be drilled from a surface location 200 feet from the north line and 1,045 feet from the west line (Unit D) of Section 11 to a bottom hole location 20 feet from the south line and 330 feet from the west line (Unit M) of Section 14. The upper most perforation will be located 100 feet from the north line and 330 feet from the west line (Unit D) of Section 11 and the lower most perforation will be 100 feet from the south line and 330 feet from the west line (Unit M) of Section 14.

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 **Mr Potato Head 11-14 Fed Com 731H Well** will be unorthodox because it is closer than 330 feet to the northern and southern boundaries of the project area. Approval of the unorthodox completed interval will allow Devon to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Mr Potato Head 11-14 Fed Com 731H Well** encroaches on the drilling and spacing units to the north and south.

HOLLAND & HART
Exhibit B is a map for Sections 2, 14, 23 that shows the proposed **Mr Potato Head 11-14 Fed Com 731H Well** in relation to the adjoining spacing units to the north and south in Sections 2 and 23.

Exhibit C is a list of the parties affected by the encroachment to the north and south. Ownership is diverse between the subject spacing unit and the tracts to the north and south. The affected parties in the spacing units in the SW/4 of Section 2 and the NW/4 of Section 23, include the Bureau of Land Management. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the Division within 20 days from the date the Division receives the application.

Exhibit D is a statement from a Devon's petroleum engineer confirming that Devon's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

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 MR POTATO HEAD 11-14 FED COM						⁶ Well Number 731H	
⁷ OGRID No. 6137		⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.						⁹ Elevation 3052.8	
¹⁰ Surface Location									
UL or lot no. D	Section 11	Township 24 S	Range 29 E	Lot Idn	Feet from the 200	North/South line NORTH	Feet from the 1045	East/West line WEST	County EDDY
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. M	Section 14	Township 24 S	Range 29 E	Lot Idn	Feet from the 20	North/South line SOUTH	Feet from the 330	East/West line WEST	County EDDY
¹² Dedicated Acres 640		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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>NW CORNER SEC. 11 LAT. = 32.2394174°N LONG. = 103.9637841°W NMSP EAST (FT) N = 451030.14 E = 655595.01</p> <p>W/4 CORNER SEC. 11 LAT. = 32.2321189°N LONG. = 103.9637714°W NMSP EAST (FT) N = 448375.07 E = 655608.09</p> <p>SECTION CORNER LAT. = 32.2248207°N LONG. = 103.9637576°W NMSP EAST (FT) N = 445720.12 E = 655621.49</p> <p>W/4 CORNER SEC. 14 LAT. = 32.2175269°N LONG. = 103.9637524°W NMSP EAST (FT) N = 443068.77 E = 655632.22</p> <p>SW CORNER SEC. 14 LAT. = 32.2102312°N LONG. = 103.9637487°W NMSP EAST (FT) N = 440412.71 E = 655642.49</p>		<p>N89°43'58"E 2654.99 FT N89°37'38"E 2652.93 FT N/4 CORNER SEC. 11 LAT. = 32.2394259°N LONG. = 103.9551991°W NMSP EAST (FT) N = 451042.47 E = 658249.35</p> <p>FTP 200' SURFACE LOCATION MR POTATO HEAD 11-14 FED COM 731H ELEV. = 3052.8' LAT. = 32.2388713°N (NAD83) LONG. = 103.9604039°W NMSP EAST (FT) N = 450835.09 E = 655640.81</p> <p>FIRST TAKE POINT 100' FSL, 330' FWL LAT. = 32.2391437°N LONG. = 103.9627166°W</p> <p>SEC. 11</p> <p>QUARTER CORNER LAT. = 32.2248366°N LONG. = 103.9551903°W S89°40'31"W 2649.90 FT N/4 CORNER SEC. 11 LAT. = 32.2394259°N LONG. = 103.9551991°W NMSP EAST (FT) N = 445735.13 E = 658270.76</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. ELEVATION VALUES ARE NAVD88.</p> <p>SEC. 14</p> <p>BOTTOM OF HOLE LAT. = 32.2102891°N LONG. = 103.9626820°W NMSP EAST (FT) N = 440434.92 E = 655972.34</p> <p>LAST TAKE POINT 100' FSL, 330' FWL LAT. = 32.2105090°N LONG. = 103.9626821°W</p> <p>S/4 CORNER SEC. 14 LAT. = 32.2102547°N LONG. = 103.9551948°W NMSP EAST (FT) N = 440430.47 E = 658288.01</p> <p>LTP 20' BOTTOM OF HOLE 330'</p>		<p>NE CORNER SEC. 11 LAT. = 32.2394475°N LONG. = 103.9466205°W NMSP EAST (FT) N = 451059.78 E = 658091.86</p> <p>E/4 CORNER SEC. 11 LAT. = 32.2321433°N LONG. = 103.9466133°W NMSP EAST (FT) N = 448402.82 E = 658091.34</p> <p>SECTION CORNER LAT. = 32.2248497°N LONG. = 103.9466130°W NMSP EAST (FT) N = 445749.34 E = 660923.11</p> <p>E/4 CORNER SEC. 14 LAT. = 32.2175659°N LONG. = 103.9466300°W NMSP EAST (FT) N = 443099.57 E = 660927.38</p> <p>SE CORNER SEC. 14 LAT. = 32.2102810°N LONG. = 103.9466437°W NMSP EAST (FT) N = 440449.43 E = 660932.70</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 leasehold 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 _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>EXHIBIT A</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>MAY 22, 2019</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 6304E</p>
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*Devon Energy Production Company, L.P. is the only operator and working interest owner as to the Wolfcamp formation.

Intent ☐ As Drilled ☐

API #			
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.		Property Name: MR POTATO HEAD 11-14 FED COM	Well Number 731H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL D	Section 11	Township 24S	Range 29E	Lot	Feet 100	From N/S NORTH	Feet 330	From E/W WEST	County EDDY
Latitude 32.2391437					Longitude 103.9627166				NAD 83

Last Take Point (LTP)

UL M	Section 14	Township 24S	Range 29E	Lot	Feet 100	From N/S SOUTH	Feet 330	From E/W WEST	County EDDY
Latitude 32.2105090					Longitude 103.9626821				NAD 83

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

Is this well an infill well? ☐ Y

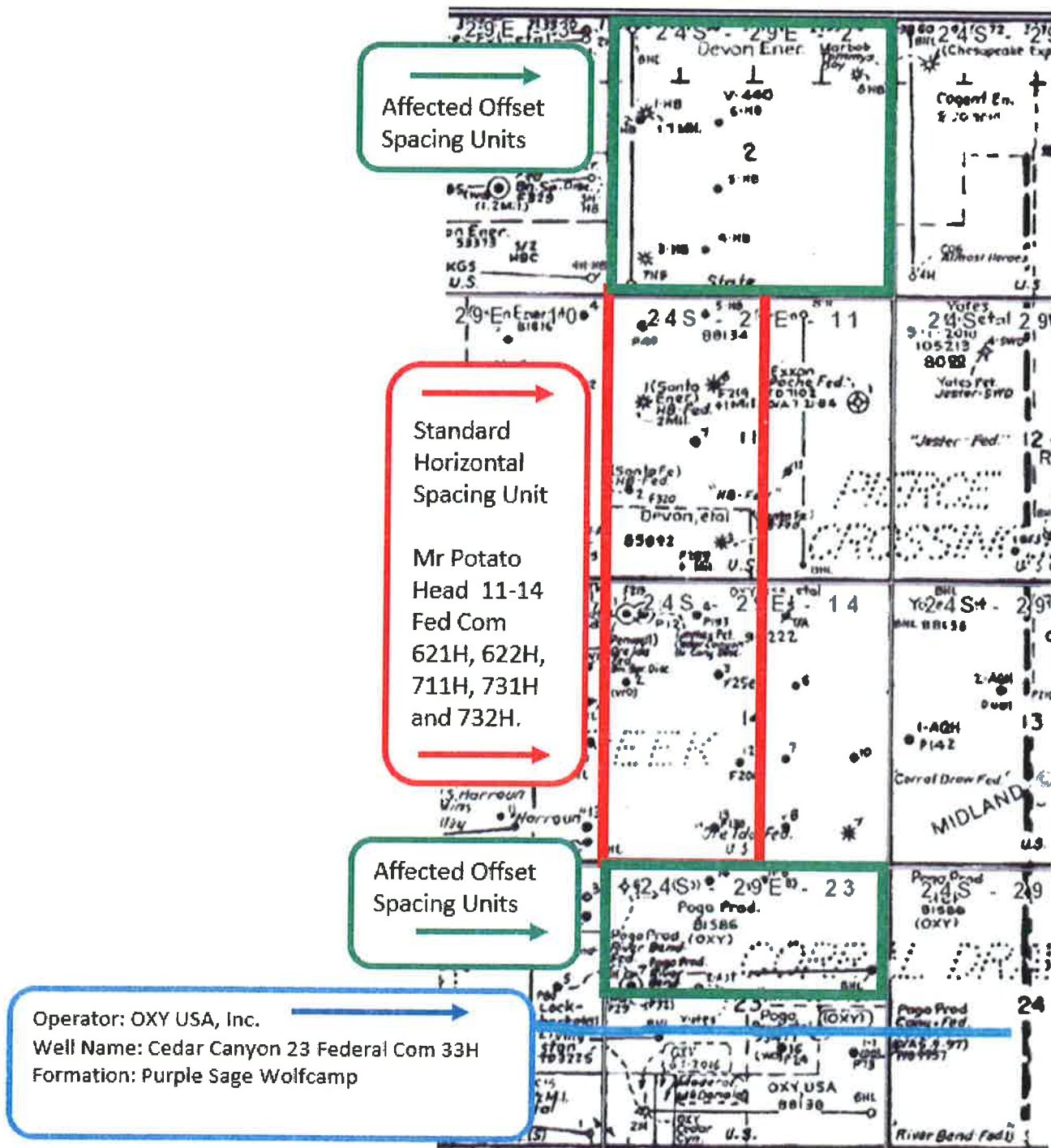
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #			
Operator Name: Devon Energy Production Company, L.P.		Property Name: Mr Potato Head 11-14 FED COM	Well Number 622H

KZ 06/29/2018

Devon Energy Production Company, L.P.

Unorthodox Location Notice Plat



EXHIBIT

B



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

Application Non-Standard Location - Address List

Devon Energy Production Company, L.P.

Mr Potato Head 11-14 Fed Com 621H

Mr Potato Head 11-14 Fed Com 622H

Mr Potato Head 11-14 Fed Com 711H

Mr Potato Head 11-14 Fed Com 731H

Mr Potato Head 11-14 Fed Com 732H

T24S-R29E

Section 2 - Units A, B, C, D, E, F, G, H, I, J,

K, L, M, N, O, & P

Eddy County, NM

OXY USA, Inc.

5 Greenway Plaza, Suite 110

Houston, TX 77046

Additional Addresses:

New Mexico Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

T24S-R29E

Section 23 - Units A, B, C, D, E, F, G, & H

Eddy County, NM

OXY USA, Inc.

5 Greenway Plaza, Suite 110

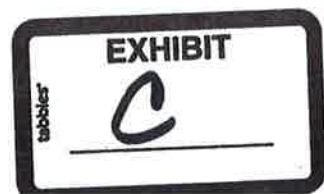
Houston, TX 77046

Additional Addresses:

Bureau of Land Management

620 E. Greene Street

Carlsbad, NM 88220-6292





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/NSL - Mr. Potatoe Head
41132.0002

Shipment Date: 06/07/2019

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	2
Total	2

*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 0014 9543 98



Affix Stamp Here
*(if issued as an international
certificate of mailing or for
additional copies of this receipt).*
Postmark with Date of Receipt.

☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
☒ Certified Mail
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery (COD)
☐ Insured Mail
☐ Priority Mail
☐ Priority Mail Express
☐ Registered Mail
☐ Return Receipt for Merchandise
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery

Address (Name, Street, City, State, & ZIP Code™)

USPS Tracking/Article Number

1. 9214 8901 9403 8384 4302 66

OXY USA Inc 5 Greenway Plaza Ste 110 Houston TX 77046

2. 9214 8901 9403 8384 4302 73

Bureau of Land Management 620 E Greene Street Carlsbad NM
38220-0692

Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office
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2

PS Form 3877, April 2015

(Page 1 of 1)

Complete in Ink

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Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102-5015

May 1, 2019

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Nonstandard Locations
Engineering Statement
Devon Energy Production Company, L.P.
Mr Potato Head 11-14 Fed Com 621H, 622H, 623H, 624H, 711H,
712H, 713H, 731H, and 732H wells
Eddy County, New Mexico

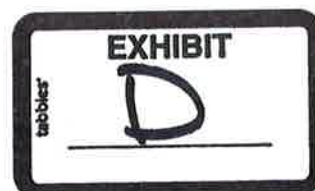
Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location for each of the Mr Potato Head Wells referenced above by decreasing the first and last take points from 330 feet to 100 feet from the horizontal plane outer boundary. The wells are located in the Purple Sage-Wolfcamp Gas Pool (Pool Code 98220). It is Devon's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. 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,

A handwritten signature in black ink, appearing to read "Lauren Sykes". The signature is fluid and cursive, with the first name "Lauren" and last name "Sykes" clearly distinguishable.

Lauren Sykes
Reservoir Engineer



HOLLAND & HART^{LLP}



Kaitlyn A. Luck
Associate
Phone (505) 954-7286
KALuck@hollandhart.com

June 7, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO AFFECTED PARTIES:

Re: Application of Devon Energy Production Company, L.P. for administrative approval of an unorthodox well location for its Mr Potato Head 11-14 Fed Com 731H Well in the W/2 of Sections 11 and 14, Township 24 South, Range 29 East, N.M.P.M., Lea 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,

Kaitlyn A. Luck
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

