

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

pLEL1917059719

Revised March 23, 2017

RECEIVED: 06/07/19	REVIEWER: LRL	TYPE: NSL	APP NO: JUN 07 2019 PM 03:34
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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 624H 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 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.

Kaitlyn A. Luck

Print or Type Name

Signature

06/07/2019

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



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

June 7,, 2019

VIA HAND DELIVERY

JUN 07 2019 PM03:34

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 624H Well in the E/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 624H Well** (API No. 30-025-pending) to be completed within the Purple Sage Wolfcamp Pool (98220) underlying the E/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 300 feet from the north line and 606 feet from the east line (Unit A) of Section 11 to a bottom hole location 20 feet from the south line and 330 feet from the east line (Unit P) of Section 14. The upper most perforation will be located 120 feet from the north line and 330 feet from the east line (Unit A) of Section 11 and the lower most perforation will be 120 feet from the south line and 330 feet from the east line (Unit P) 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 624H 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 624H Well** encroaches on the drilling and spacing units to the north and south.

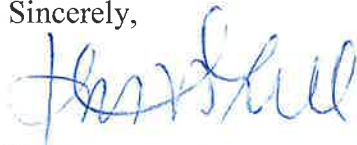
Exhibit B is a land plat for Sections 2, 11, 14, 23 that shows the proposed **Mr Potato Head 11-14 Fed Com 624H Well** in relation to the adjoining spacing units to the north and south in Sections 2 and 23.

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 SE/4 of Section 2 and the NE/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. A courtesy copy of this application has also been provided to the Bureau of Land Management—Carlsbad.

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	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 624H ⁹ Elevation 3077.3

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
A	11	24 S	29 E		300	NORTH	606	EAST	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
P	14	24 S	29 E		20	SOUTH	330	EAST	EDDY

¹² Dedicated Acres 640	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. 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 = 443086.77 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>N/4 CORNER SEC. 11 LAT. = 32.2394259°N LONG. = 103.9551991°W NMSP EAST (FT) N = 451042.47 E = 658249.35</p> <p>MR POTATO HEAD 11-14 FED COM 624H ELEV. = 3077.3 LAT. = 32.2386181°N (NAD83) LONG. = 103.9485793°W NMSP EAST (FT) N = 450755.90 E = 660297.14</p> <p>FIRST TAKE POINT 120' FSL, 330' FEL LAT. = 32.2391151°N LONG. = 103.9476873°W</p> <p>QUARTER CORNER LAT. = 32.2248306°N LONG. = 103.9551903°W NMSP EAST (FT) N = 44735.13 E = 658270.76</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). USED 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 NAVD83.</p> <p>SEC 11</p> <p>LAST TAKE POINT 120' FSL, 330' FEL LAT. = 32.2106075°N LONG. = 103.9477093°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 BOTTOM OF HOLE LAT. = 32.2103327°N LONG. = 103.9477103°W NMSP EAST (FT) N = 440467.06 E = 660602.74</p>		<p>NE CORNER SEC. 11 LAT. = 32.2394475°N LONG. = 103.9466205°W NMSP EAST (FT) N = 451059.78 E = 660901.66</p> <p>E/4 CORNER SEC. 11 LAT. = 32.2321433°N LONG. = 103.9466133°W NMSP EAST (FT) N = 448402.62 E = 660913.46</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>	
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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 released 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.

Signature: _____

Printed Name: _____

E-mail Address: _____

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.

MAY 22, 2019

Date of Survey: _____

Signature and Seal of Professional Surveyor: _____

Certificate Number: FILAMON E. JARAMILLO, PLS 12797

SURVEY NO. 70318

EXHIBIT

A

*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
624H

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	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
A	11	24S	29E		120	NORTH	330	EAST	EDDY
Latitude					Longitude			NAD	
32.2391151					103.9476873			83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
P	14	24S	29E		120	SOUTH	330	EAST	EDDY
Latitude					Longitude			NAD	
32.2106075					103.9477098			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.

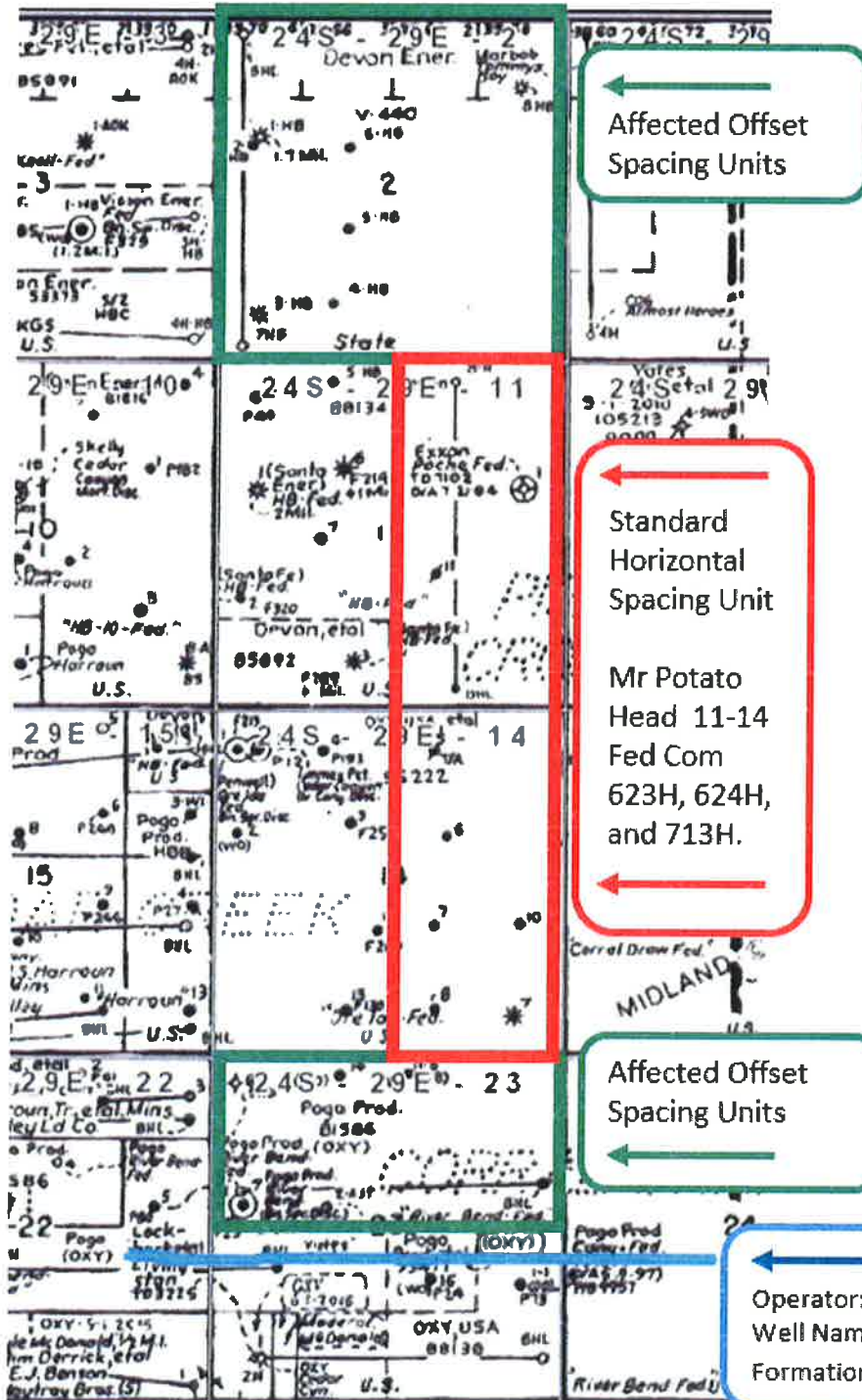
Property Name:
Mr Potato Head 11-14 FED COM

Well Number
623H

KZ 06/29/2018

Devon Energy Production Company, L.P.

Unorthodox Location Notice Plat





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 623H
Mr Potato Head 11-14 Fed Com 624H
Mr Potato Head 11-14 Fed Com 713H

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

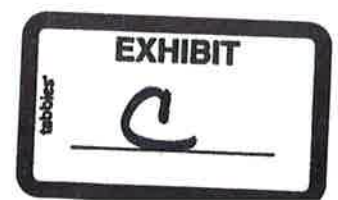
T24S-R29E

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.

<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	

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
88220-0692

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

Postmaster, Per (Name of receiving employee)

PS Form 3877, April 2015 (Page 1 of 1)

Complete in Ink

Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacy/policy.



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

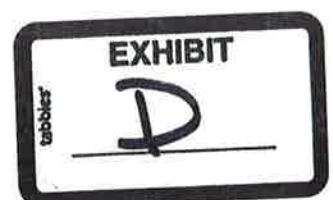
Dear Mr. Lowe:

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, written over a light background.

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 624H Well in the E/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.**