Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, Ph.D Deputy Cabinet Secretary Adrienne E. Sandoval, Director Oil Conservation Division



February 8th, 2022

Mr. Darin Savage, darin@abadieschill.com

Administrative Order NSP-2132

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Devon Energy Production Company, L.P. [OGRID 6137] Mule 23 11 Federal Com Well No. 621H (API NO. 30-015-PENDING) Mule 23 11 Federal Com Well No. 711H (API NO. 30-015-PENDING) Mule 23 11 Federal Com Well No. 731H (API NO. 30-015-PENDING) Mule 23 11 Federal Com Well No. 612H (API NO. 30-015-PENDING) Mule 23 11 Federal Com Well No. 712H (API NO. 30-015-PENDING) Mule 23 11 Federal Com Well No. 732H (API NO. 30-015-PENDING) Mule 23 11 Federal Com Well No. 732H (API NO. 30-015-PENDING) Located in Township 25 South, Range 31 East Eddy County New Mexico

Reference is made to your application received on December 6th, 2021.

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

Proposed Decreased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
N/2 NW/4 of section 23	720	Purple Sage; Wolfcamp	98220
W/2 of section 14			
W/2 of section 11			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a nonstandard horizontal spacing unit comprising **720 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(B)(3) NMAC.

We understand that you are seeking this exception for an allowance to create a **720-acre**, nonstandard horizontal spacing unit, comprised of the proposed horizontal spacing unit referenced above. NSP-2132 Devon Energy Production Company, L.P. February 8th, 2022 Page 2 of 2

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.

You have requested this non-standard horizontal spacing unit to minimize reserves left in the ground and to allow for additional recovery within the N/2 NW/4 of section 23, W/2 of section 14 and the W/2 of section 11. Therefore, reducing waste while protecting correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the abovedescribed **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. <u>Reference this NSP Order number on all associated material for any added well(s)</u>.

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.



AES/lrl

cc: Bureau of Land Management – Carlsbad Field Office

From:	Lowe, Leonard, EMNRD
To:	Darin Savage
Subject:	NSP-2131 & NSP 2132 - Mule 23 11 Federal Com Wells - Purple Sage: Wolfcamp [98220]
Date:	Thursday, February 17, 2022 12:45:00 PM
Attachments:	NSP-2131 Devon Energy Prod. Co LP - 6 Mule 23 11 Fed Wells.pdf
	NSP-2132 Devon Energy Prod. Co 6 Mule 23 11 Fed Wells.pdf
Importance:	High

Mr. Darin Savage,

OCD has approved the NSP for the Mule 23 11 Federal Com Wells. The NSPs can be viewed along with its application on the OCD's Imaging website at <u>https://ocdimage.emnrd.nm.gov/imaging/AEOrderCriteria.aspx</u>

Specific Information If you know the Order Number, please input that number below and click "Search".

Enter Administrative/Environmental Order Number/Amendment: Order Type: Non-Standard Proration Unit - (NSP) Order Number/ Amendment: / (example: NSL1234)

The two NSP orders are attached.

Thank you,

Leonard R. Lowe Engineering Bureau OCD - EMNRD 5200 Oakland Ave. NE Albuquerque, N.M. 87113 C: 505-930-6717 http://www.emnrd.state.nm.us/ocd/