State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary

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Ms. Paula M. Vance PMVance@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL - 8535

Devon Energy Production Company, L.P. [OGRID 6137] Jayhawk 7 6 Federal Fee Com Well No. 20H API No. 30-025-48340

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	875 FSL & 2125 FEL	O	07	26S	34E	Lea
First Take Point	100 FSL & 1060 FEL	P	07	26S	34E	Lea
Last Take Point	100 FNL & 1060 FEL	A	06	26S	34E	Lea
Terminus	20 FSL & 1060 FEL	A	06	26S	34E	Lea

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
E/2 E/2 of Section 07	320	Bobcat Draw; Upper Wolfcamp	98094
E/2 E/2 of Section 06			

Reference is made to your application received on February 3rd, 2023.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 260 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 07, encroachment to the W/2 E/2 Section 06, encroachment to the W/2 E/2

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location due to the current spacing of wells in this location thus preventing waste within the Wolfcamp formation underlying E/2 E/2 of Section 6 and the E/2 E/2 of Section 7.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, Division approves this unorthodox location.

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

Date: 3/3/23

DYLAN M. FUGE DIRECTOR (ACTING) DMF/lrl