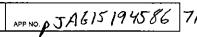
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Gary W. Larson Print or Type Name ENGINEER MAN

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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

whhur	INCL New Com	
	(DHC-Down) PC-Poo	dard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] hole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ol Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
	I	WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
	[EOR-Quai	[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] π fied Enhanced Oil Recovery Certification] [PPR-Positive Production Response] $\Lambda/S/$
		Ofelator, Devon Enersy Production CO.
[1]	TYPE OF AP	Indext field Enhanced Oil Recovery Certification] [PPR-Positive Production Response] NSL PLICATION - Check Those Which Apply for [A] Operation Operation Enersy Production Construction Location - Spacing Unit - Simultaneous Dedication NSL NSP SD Mell: Mon K 21 STate 4H NSL NSP SD API: 30-025-42193
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR
	[D]	Other: Specify
[2]	NOTIFICATI	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply
[~]	[A]	Other: Specify Image: Constraint of the second
	[B]	 ☑ Offset Operators, Leaseholders or Surface Owner ☑ Application is One Which Requires Published Legal Notice
	[C]	Application is One Which Requires Published Legal Notice
	[D]	Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
	[E]	For all of the above, Proof of Notification or Publication is Attached, and/or,
	[F]	Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **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.

Junge	Anon	Attomey	July 13, 2015
Signatur		Title	Date

glarson@hinklelawfirm.com

e-mail Address



HINKLE SHANOR LLP

ATTORNEYS AT LAW PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER:

Gary W. Larson, Partner glarson@hinklelawfirm.com

July 13, 2015

VIA HAND DELIVERY

Michael A. McMillan Oil Conservation Division 1220 S. Saint Francis Drive Santa Fe, NM 87505

Re: Application of Devon Energy Production Company, L.P. for administrative approval of an unorthodox location for the Monk "21" State #4H well

Dear Mike:

On behalf of Devon Energy Production Company, L.P. ("Devon"), this is to request administrative approval for an unorthodox well location for Devon's Monk "21" State #4H horizontal well (API 30-025-42193). Devon anticipates that it will complete the well within the Berry; Bone Spring, South pool (Pool Code 96660) underlying the E/2 E/2 of Section 21, Township 21 South, Range 34 East, N.M.P.M., in Lea County.

Devon has drilled the well to an approximate total vertical depth of 10,779 feet and an approximate total measured depth of 15,616 feet in order to test the 2nd Bone Spring sands. As drilled, the well has a surface location 200 feet from the north line and 1,980 feet from the east line, and a bottom hole location 285 feet from the south line and 672 feet from the east line, of Section 21, Township 21 South, Range 34 East. The projected first performation point for the well will be 1,196.5 feet from the east line and 414.7 feet from the north line and the projected final perforation point will be 631.9 feet from the east line and 335 feet from the south line. Because this acreage is governed by statewide Rule 19.15.15.9(A) NMAC, the completed interval of Devon's well will be unorthodox.

Devon is seeking the unorthodox location approval to maximize the recovery of reserves in Section 21. The Division's approval of the unorthodox producing interval for the Monk "21" State #4H well will serve the interests of preventing waste and improving well performance.

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332 PO BOX 1720 ARTESIA, NEW MEXICO 88210 575-622-6510 (FAX) 575-746-6316 PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623 Michael A. McMillan July 13, 2015 Page 2

Enclosed are the following documents:

- 1. A Form C-102;
- 2. A land plat;
- 3. A list of affected persons;
- 4. A completed Administrative Application Checklist.

Devon owns 100% of the leasehold interests and operating rights in Section 21. Notice letters and a complete copy of this application have been sent by certified mail this date to the State Land Office and GMT Exploration Company LLC advising them that, if they object to Devon's application, they must file a written objection with the Division within twenty (20) days from the date the Division received this application.

Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

GWL:rc Enclosures District J 1625 N. French Dr., Hubbs, NM 38240 Phone: (575) 393-6161. Fax: (575) 393-6720 District II 814 S. Flort St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazzos Road: Actee, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. S., Francis Dr., Santa Fe, NM 37505 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

		V	VELL LO	DCATIO	N AND ACF	REAGE DEDIC	CATION PLA	Т		
API Number 30-025-42193				³ Pool Cod 96660						
¹ Property 3138(1		•			⁹ Property Name MONK ''21" STATE				
² OGRID 6137			³ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.						⁹ Elevation 3723.1	
					1º Surface	Location			•	
UL or lot no	Section 21	Township	Runge 34 E	Lot Ida	Feet from the 200	North/South liae NORTH	Feet from the 1980	East/West line EAST	County LEA	
	·	•• <u>-</u>	" Bo	ttom Ho	le Location I	f Different From	n Surface		•	
UL or let no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
P	-21	21 S	34 E		285	SOUTH	672	EAST	LEA	
² Dedicated Acre 160	i ¹³ Joint o	r Infill 14 C	Consolidation	Code ¹³ O	der No.	<u> </u>			,	

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.

	\$89'19'55'W	2647.35 FT \$89'21'27'W	2633.18 FT		" OPERATOR CERTIFICATION
	NW CORNER SEC. 21	N Q CORNER SEC' 21		[I hereby cortify that the information contained herein is true and complete
1	LAT. = 32.4716190'N	LAT. = 32.4716456'N 1980 LONG. = 103.4748633'W	NE CORNER SEC. 21	i I	to the best of my knowledge and belief, and that this organization either
1	NMSP EAST (FT)	NMSP EAST (FT)	LAT. = 32.4716682'N LONG. = 103.4663255'W	1	owns a working interest or unleased mineral interest in the land including
	N = 536349.55	N = 536380.43		ž	the proposed bottom hole location or has a right to drill this well at this
S S	E = 803438.79	E = 806085.96	N = 5364D9.95	i C	location pursuant to a contract with an owner of such a ministral or working
SOO 28, 26	!		ε = 808718.98	NOO 30'15'	interest, or to a voluntary pooling agreement or a compulsary pooling
1	1	MONK "21" STATE		₹	order heretafore entered by the division.
1	- <u></u>	ELEV. = 3723.1'	····	22	Meanin Marane 8/17/2015
2640.55		LAT. = 32.4711015' LONG. = 103.472744	40'W	2640.03	Signanuer)" Date
	3	NMSP EAST (FT)	1	ы Г	Megan Moravec, Regulatory Analyst
1		N = 536187.74 E = 806741.15	1		Printed Name
		1	r t		Megan.Moravec@dvn.com
i	W Q CORNER SEC. 21 LAT. = 32,4643612'N	4	E Q CORNER SEC. 21		E-mail Address
	LONG. = 103.4834443W		LONG. # 103.4663198W		
	NMSP EAST (FT)		NMSP EAST (FT) N = 533770.02		*SURVEYOR CERTIFICATION
ł	N = 533709.10 E = 803460.63		E = .808742.20	1	I hereby certify that the well location shown on this
					plat was plotted from field notes of actual surveys
2		BOTTOM OF LAT. = 32.4578	7 <i>HOLE</i> 3294'N	₹	
00.3	1	LONG. = 103.45 NMSP EAST (FT	80117W	229	made by me or under my supervision, and that the
S00'31'10		N = 531458.51	15 1	NOO"29"25"N	same is true and correct of the best of my belief.
नि		E = 808102.07	t	1	JANUARY 23-2013
8	12	BOTTO		263	Date of Survey s
2641.33				2633.08	
5	SW CORNER SEC. 21	S O CORNER SEC. 21 SE CORNER S	EC. 21 10		
1 -	LAT. = 32.4571013'N	LAT. = 32.4571403"N LAT. = 32.457	1747N X 8		Hand Part Marmall
	$LONG. = 103.4834348'W^{-1}$	LONG. = 103.4748798'W LONG. = 103.468 NMSP FAST (FT) NMSP FAST	1	17	Signative Site Seal of the feetings Such a feeting
	NMSP EAST (FT) N = 531067.88	N = 531103.19 $N = 531$	137.04		Centificate Numbers - FH DODN'S THEAMELO, PLS 12797
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ان	N89'14'00"E	2638.97 FT N89'15'57"E	2641.64 FT		SCRUET NO. 1326

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List of Affected Persons

GMT Exploration Company LLC Attn: Phillip G. Wood 1560 Broadway, Suite 2000 Denver, CO 80202

New Mexico State Land Office Attn: Terry Warnell 310 Old Santa Fe Trail Santa Fe, NM 87504

McMillan, Michael, EMNRD

From: Sent: To: Subject: Gary Larson <glarson@hinklelawfirm.com> Wednesday, July 15, 2015 11:15 AM McMillan, Michael, EMNRD RE: Devon Monk "21" State Well No. 4H

Mike,

Thank you for confirming that the only affected spacing unit is the SW/4 SE/4 of Section 16.

Upon further investigation of affected persons entitled to receive notice of Devon's NSL application, we discovered that GMT Exploration does not have an interest in the SW/4 SE/4 of Section 16 (GMT Exploration operates the Jamalberry #001H well in the W/2 W/2 of Section 16).

We further discovered that Cimarex Energy Co. holds a state lease in the SE/4 of Section 16 and is entitled to receive notice of the application. I attest that I sent a certified mail notice letter to Cimarex Energy Co. yesterday (July 14th).

1

Gary

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, July 13, 2015 4:32 PM
To: Gary Larson
Subject: Devon Monk "21" State Well No. 4H

Gary:

I assume that GMT Exploration owns in the SW/4 SE/4 of Section16? That is the only affected Unit. Mike



HINKLE SHANOR LLP

ATTORNEYS AT LAW PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER Gary W. Larson, Partner glarson@hinklelawfirm.com

July 14, 2015

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Cimarex Energy Co. 600 N. Marienfeld Street, Suite 600 Midland, TX 79701

Re: Application of Devon Energy Production Company, L.P. for administrative approval of unorthodox location for its Monk "21" State #4H horizontal well

Dear Madam/Sir:

Enclosed is a copy of the above-referenced application that Devon Energy Production Company, L.P. ("Devon") filed yesterday with the New Mexico Oil Conservation Division ("OCD").

The application seeks administrative approval of an unorthodox location for Devon's Monk "21" State #4H horizontal well, which Devon has drilled from a surface location 200 feet from the north line and 1,980 feet from the east line, to a bottom hole location 285 feet from the south line and 672 feet from the east line, of Section 21, Township 21 South, Range 34 East, in Lea County.

Any objection to Devon's application must be filed in writing with the OCD, 1220 South St. Francis Drive, Santa Fe 87505, within twenty (20) days after the OCD's receipt of the application. If no objections to Devon's application are received by the OCD within the twenty-day period, then the application may be administratively approved by the OCD.

If you have any questions or concerns about Devon's application, please contact:

Carol Glass Landman Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, OK 73102 405.552.6160 Carol.Glass@devon.com

PO BOX 10 ROSWELL, NEW MEXICO 66202 675-622-6510 (FAX) 575.623-9332 PO BOX 1720 ARTESIA, NEW MEXICO 88210 575-622.8510 (FAX) 575-746-8316 PO BOX 2088 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623 Thank you for your attention to this matter.

Very truly yours,

Gary W. Larson

GWL/sm

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Enclosure