

|                  |          |              |                  |          |                         |
|------------------|----------|--------------|------------------|----------|-------------------------|
| DATE IN 03/18/16 | SUSPENSE | ENGINEER LRL | LOGGED IN 4/7/16 | TYPE NSL | APP NO. PLEL 1609849469 |
|------------------|----------|--------------|------------------|----------|-------------------------|

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

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] 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] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☒ Offset Operators, Leaseholders or Surface Owner  
 [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.

Print or Type Name Jeff Ramsdell      Signature [Signature]      Land Supervisor Ca      Title \_\_\_\_\_      Date 3-16-2016  
 e-mail Address Jeff.Ramsdell@dvn.com



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

405 235 3611 Phone  
www.devonenergy.com

RECEIVED OGD  
2016 MAR 18 A 8:35

March 16, 2016

VIA FED EX OVERNIGHT MAIL

New Mexico Oil Conservation Division  
ATTN: LEONARD LOWE  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Application for a Non-Standard Location  
Gaucho Unit 30H  
E/2 W/2 Section 20-22S-34E &  
E/2 W/2 Section 29-22S-34E  
Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") plans to drill the referenced horizontal well to an approximate total vertical depth of 11,351' and an approximate total measured depth of 20,694' in order to test the Third Bone Spring Sandstone formation. As reflected on the attached C-102, the well is being permitted at a surface location of 678' FNL & 1549' FWL of Section 20-22S-34E with a bottom hole location of 330' FSL & 1580' FWL of Section 29-22S-34E. The projected first perforation is estimated at 1161' FNL & 1549' FWL in Section 20 and the projected last perforation is estimated at 330' FSL & 1537' FWL Section 29.

The reason behind permitting this well at an unorthodox location is to maximize recovery.

In accordance with 19.15.15.13 NMAC, Devon respectfully requests that the Commission administratively approve this application for an unorthodox location with respect to that portion of the horizontal wellbore as described above.

Please be advised that all of Sections 20 & 29-22S-34E are in the Gaucho Unit which Devon operates and owns 100% working interest. The leasehold owner and operator for (see Exhibit A) the N/2 NW/4 Section 32-22S-34E have been notified of this application. Attached for your convenience is a plat showing the affected tracts.

If you have any questions concerning this application, please contact the undersigned at (405) 228-4397 or at [cari.allen@devon.com](mailto:cari.allen@devon.com).

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Cari Allen  
Landman

Enclosures

EXHIBIT A

Kaiser-Francis Oil Company  
PO BOX 21468  
Tulsa, OK 74121-1468

ConocoPhillips Company  
600 North Dairy Ashford  
Houston, TX 77079

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 395-6161 Fax: (575) 395-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1287 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 87501  
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

|                                                  |                                                                            |                                                                 |
|--------------------------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------|
| <sup>1</sup> API Number<br><b>30-025-Pending</b> | <sup>2</sup> Pool Code<br><b>97922</b>                                     | <sup>3</sup> Pool Name<br><b>WC-25 G-6S223421L; Bone Spring</b> |
| <sup>4</sup> Property Code                       | <sup>5</sup> Property Name<br><b>GAUCHO UNIT</b>                           | <sup>6</sup> Well Number<br><b>30H</b>                          |
| <sup>7</sup> OGRID No.<br><b>6137</b>            | <sup>8</sup> Operator Name<br><b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b> | <sup>9</sup> Elevation<br><b>3464.1</b>                         |

" Surface Location

| UL or lot no. | Section   | Township    | Range       | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| <b>C</b>      | <b>20</b> | <b>22 S</b> | <b>34 E</b> |         | <b>678</b>    | <b>NORTH</b>     | <b>1549</b>   | <b>WEST</b>    | <b>LEA</b> |

" Bottom Hole Location If Different From Surface

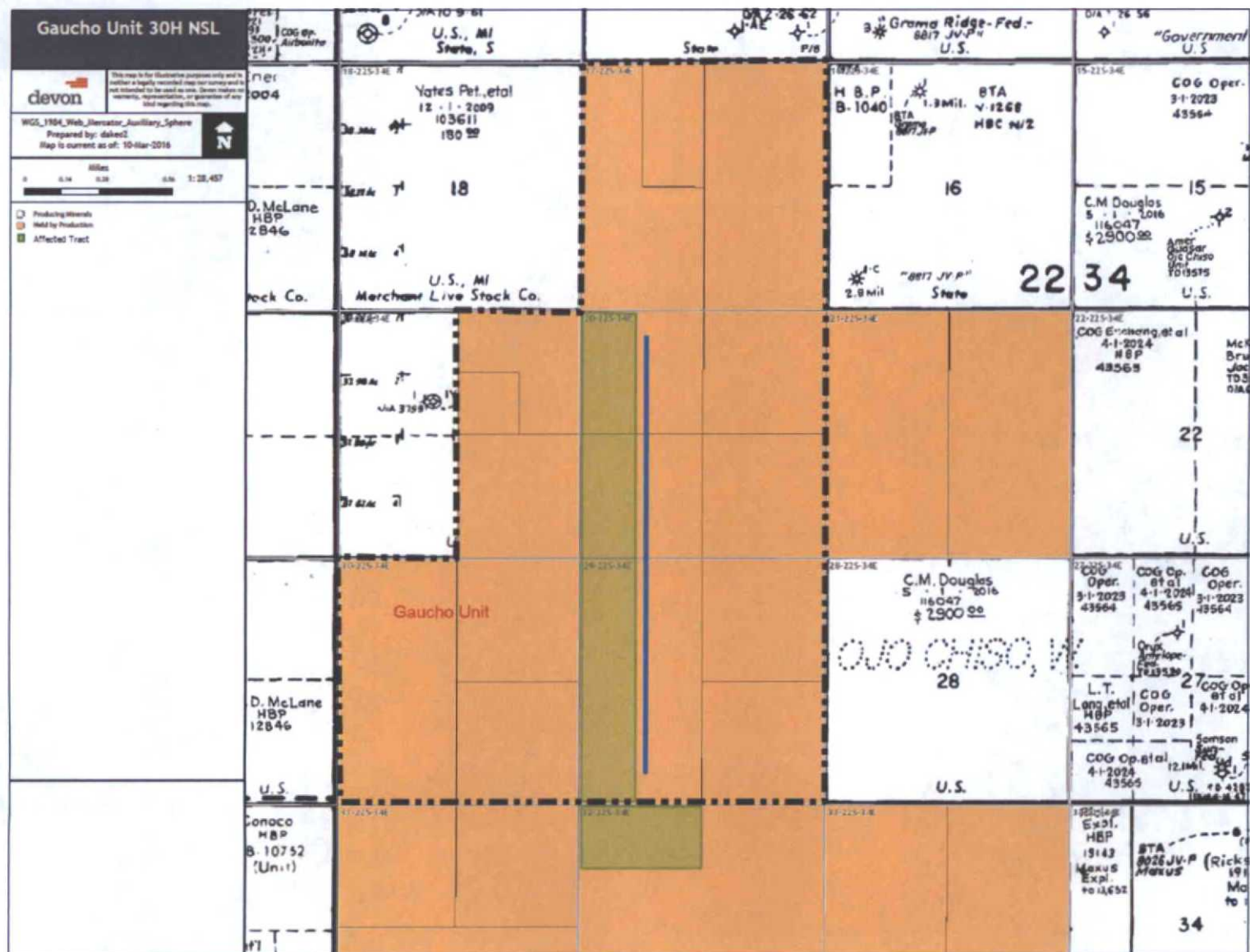
| UL or lot no. | Section   | Township    | Range       | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| <b>N</b>      | <b>29</b> | <b>22 S</b> | <b>34 E</b> |         | <b>330</b>    | <b>SOUTH</b>     | <b>1580</b>   | <b>WEST</b>    | <b>LEA</b> |

| <sup>10</sup> Dedicated Acres | <sup>11</sup> Joint or Infill | <sup>12</sup> Consolidation Code | <sup>13</sup> Order No. |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| <b>320</b>                    |                               |                                  |                         |

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><b>SW CORNER SEC. 20</b><br/>LAT. = 32.3844523°N<br/>LONG. = 103.5008223°W<br/>NMSP EAST (FT)<br/>N = 504595.75<br/>E = 798388.38</p> <p><b>W/4 CORNER SEC. 20</b><br/>LAT. = 32.3771985°N<br/>LONG. = 103.5008384°W<br/>NMSP EAST (FT)<br/>N = 501956.01<br/>E = 798404.55</p> <p><b>SECTION CORNER</b><br/>LAT. = 32.3699366°N<br/>LONG. = 103.5008503°W<br/>NMSP EAST (FT)<br/>N = 499314.75<br/>E = 798421.43</p> <p><b>W/4 CORNER SEC. 29</b><br/>LAT. = 32.3626804°N<br/>LONG. = 103.5008679°W<br/>NMSP EAST (FT)<br/>N = 496874.90<br/>E = 798438.55</p> <p><b>SW CORNER SEC. 29</b><br/>LAT. = 32.3554203°N<br/>LONG. = 103.5008813°W<br/>NMSP EAST (FT)<br/>N = 494033.60<br/>E = 798452.31</p> <p><b>GAUCHO UNIT 30H</b><br/>ELEV. = 3464.1<br/>LAT. = 32.3825856°N (HADB3)<br/>LONG. = 103.4956097°W<br/>NMSP EAST (FT)<br/>N = 503928.73<br/>E = 799941.69</p> <p><b>USA NMNM 61360</b></p> <p><b>USA NMNM 98247</b></p> <p><b>USA NMNM 69596</b></p> <p><b>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (HADB3). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (HADB3). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.</b></p> <p><b>1/4 CORNER SEC. 20</b><br/>LAT. = 32.3844466°N<br/>LONG. = 103.4920936°W<br/>NMSP EAST (FT)<br/>N = 504614.27<br/>E = 801021.83</p> <p><b>1/4 CORNER SEC. 29</b><br/>LAT. = 32.3554204°N<br/>LONG. = 103.4921455°W<br/>NMSP EAST (FT)<br/>N = 494054.25<br/>E = 801088.82</p> <p><b>SE CORNER SEC. 29</b><br/>LAT. = 32.3554151°N<br/>LONG. = 103.4835984°W<br/>NMSP EAST (FT)<br/>N = 494073.15<br/>E = 803726.18</p> <p><b>1/4 CORNER SEC. 20</b><br/>LAT. = 32.3844435°N<br/>LONG. = 103.4835441°W<br/>NMSP EAST (FT)<br/>N = 504634.03<br/>E = 803661.08</p> <p><b>E/4 CORNER SEC. 20</b><br/>LAT. = 32.3771852°N<br/>LONG. = 103.4835548°W<br/>NMSP EAST (FT)<br/>N = 501993.36<br/>E = 803678.74</p> <p><b>SECTION CORNER</b><br/>LAT. = 32.3699343°N<br/>LONG. = 103.4836025°W<br/>NMSP EAST (FT)<br/>N = 499355.33<br/>E = 803684.98</p> <p><b>E/4 CORNER SEC. 29</b><br/>LAT. = 32.3626748°N<br/>LONG. = 103.4836003°W<br/>NMSP EAST (FT)<br/>N = 496714.28<br/>E = 803706.62</p> <p><b>BOTTOM OF HOLE</b><br/>LAT. = 32.3563377°N<br/>LONG. = 103.495558°W<br/>NMSP EAST (FT)<br/>N = 494375.91<br/>E = 800030.04</p> <p><b>BOTTOM OF HOLE</b><br/>LAT. = 32.3554203°N<br/>LONG. = 103.4921455°W<br/>NMSP EAST (FT)<br/>N = 494054.25<br/>E = 801088.82</p> | <p><b>" OPERATOR CERTIFICATION</b></p> <p><i>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 retained 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.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p><b>is SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>FEBRUARY 24, 2016</p> <p>Date of Survey _____</p> <p> <br/>Signature and Seal of Professional Surveyor: <i>Filimon F. Jaramillo</i><br/>Certificate Number: <b>FILIMON F. JARAMILLO, PLS 12797</b><br/>SURVEY NO. 3537D</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

--- Project Area  
--- Producing Area



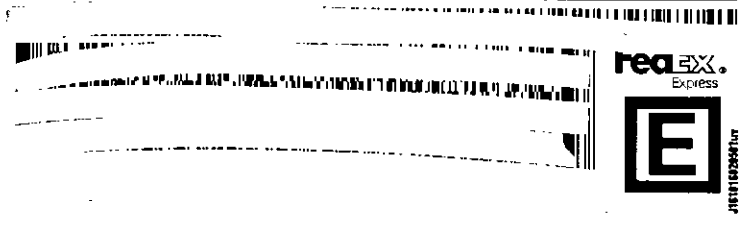
ORIGIN ID: OKCA (405) 228-8286  
TOM CRAWFORD  
DEVON  
333 WEST SHERIDAN AVE  
OKLAHOMA CITY, OK 73102  
UNITED STATES US

SHIP DATE: 16MAR16  
ACTWGT: 1.00 LB  
CAD: 103493122/NET3730  
BILL SENDER

TO **LEONARD LOWE**  
**NEW MEXICO OIL CONSERVATION DIVISION**  
**1220 SOUTH STREET FRANCIS DRIVE**  
**ATTN: LEONARD LOWE**  
**SANTA FE NM 87505**

(505) 476-3200 REF: 9001002216  
INV. DEPT:  
PO

540J1KCF347ZTF



TRK# 7758 8998 6666  
0201

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**XX SAFA**

87505  
NM-US ABQ

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**Lowe, Leonard, EMNRD**

---

**From:** Allen, Cari <Cari.Allen@dmv.com>  
**Sent:** Thursday, April 07, 2016 3:00 PM  
**To:** Lowe, Leonard, EMNRD  
**Cc:** Cook, David  
**Subject:** Devon NSL applications

Hello Leonard. Sorry I missed your call.

Both the Gaucho Unit 29H and 30H will be in WC-025 G-06 S223421L; Bone Spring Pool (# 97922)

The Federal APDs should be approved in the near future and we will request API#s from the state at that time.

Thanks,

Cari

---

**From:** Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]  
**Sent:** Thursday, April 07, 2016 2:51 PM  
**To:** Allen, Cari <Cari.Allen@dmv.com>  
**Subject:** [EXTERNAL] Devon NSL applications

Cari Allen

Good afternoon

I have 2 NSL applications on my desk, (1) Gaucho Unit 29H (2) Gaucho Unit 30H.

Please verify the Pool Code for each.

Would you happen to have API numbers for either?

**Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>