

RECEIVED: <b>4/6/2017</b>	REVIEWER: <b>LRL</b>	TYPE: <b>NSL</b>	APP NO: <b>PKSC1709730771</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**4/27/17**

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**NSL-7526****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 Company, L.P. **OGRID Number:** 6137  
**Well Name:** Blue Krait 23-14 Fed 5H **API:** 30-025-43012  
**Pool:** Red Hills; Bone Spring, North **Pool Code:** 96434

**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 holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☐ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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.**

Justin Porter

Print or Type Name

Signature

4/5/2017  
Date(405) 228-8704

Phone Number

Justin.Porter@dmv.com

e-mail Address



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

405 235 3611 Phone  
www.devonenergy.com

April 5, 2017

RECEIVED OCS  
2017 APR -6 P 2:11

VIA FED EX OVERNIGHT MAIL

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attn: Mr. Leonard Lowe

Re: Application for a Non-Standard Location  
Blue Krait 23-14 Fed 5H  
W/2 W/2 Sections 23 and 14-T24S-R33E  
Lea County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. ("Devon") respectfully requests administrative approval of an unorthodox well location for the **Blue Krait 23-14 Fed 5H** well to be completed in the Red Hills; Bone Spring, North Pool (Pool Code 96434). As shown on the enclosed C-102, the permitted surface location is 200' FSL & 710' FWL Section 23-T24S-R33E with a permitted bottom hole location 330' FNL & 1,284' FWL of Section 14-T24S-R33E. The projected FTP (first take point) is expected to be approximately 330' FSL & 1,284' FWL Section 23-T24S-R33E and the projected LTP (last take point) is expected to be approximately 330' FNL & 1,284' FWL Section 14-T24S-R33E. The reason for permitting this well at an unorthodox location is to maximize recovery.

Please be advised Devon owns 100% of the leasehold interest in all of Section 23-T24S-R33E and 100% of the leasehold interest in the W/2 and W/2 E/2 Section 14-T24S-R33E. COG Operating LLC is the operator of wells located in Section 11-T24S-R33E and EOG Resources, Inc. is the operator of wells located in Section 26-T24S-R33E. Both parties are being notified of this application with notifications being sent via certified mail to the addresses shown on the enclosed list labeled "Notified Parties".

Enclosed for your review are the following:

- Form C-102 for the Blue Krait 23-14 Fed 5H;
- Land plat showing the project area for the Blue Krait 23-14 Fed 5H lateral and adjoining units;
- List of the affected parties, being COG Operating LLC and EOG Resources, Inc.;
- Administrative Application Checklist

If you have any questions concerning this application, please contact the undersigned at (405) 552-6160.

DEVON ENERGY PRODUCTION COMPANY, L.P.

Carol Glass  
Landman

Enclosures

17 OPERATOR CERTIFICATION	
<p>I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that this organization either owns a working interest or unleased 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.</p>	
	<p>06/29/2016</p>
<p>Signature</p>	<p>Date</p>
<p>David H. Cook</p>	
<p>Printed Name</p>	
<p>david.cook@dvn.com</p>	
<p>E-mail Address</p>	
18 SURVEYOR CERTIFICATION	
<p>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.</p>	
<p>JUNE 15, 2016</p>	
<p>Date of Survey</p>	
<p>Signature and Seal of Professional Surveyor</p>	
<p>Certificate Number: FILIMON F. JARAMILLO PLS 12797</p>	
<p>SURVEY NO. 3768E</p>	



24S - 33E - 12

Devon Energy Production Co.  
LP., Blue Krait 23-14 Fed 5H  
NSL Notice Plat

COG Operating, LLC

BLUE KRAIT 23-14  
FED 5H  
PROJECT AREA

EOG RESOURCES, INC.

**NOTIFIED PARTIES**  
**BLUE KRAIT 23-14 FED 5H**

<b><u>Affected Offset Operators</u></b>	<b><u>Certified Mail Tracking #</u></b>	<b><u>Date Sent</u></b>
EOG Resources, Inc. 5509 Champions Drive Midland, TX 79706 Attn: Mr. Gavin Smith 432-686-3720	9414 8149 0152 7181 2550 74	4/5/2017
COG Operating LLC 600 West Illinois Avenue Midland, TX 79701 Attn: Mike Wallace 432-221-0465	9414 8149 0152 7181 2550 81	4/5/2017



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102

405 235 3611 Phone  
www.devonenergy.com

April 5, 2016

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUEST**

COG Operating LLC  
600 West Illinois Avenue  
Midland, TX 79701  
Attn: Mr. Mike Wallace

**COPY**

RE: Application of Devon Energy Production Company, L.P. for  
Administrative Approval of an Unorthodox Well Location Blue Krait 23-14 Fed 5H  
W/2 W/2 Section 23 and W/2 W/2 Section 14-T24S-R33E,  
Lea County, New Mexico.

Dear Mr. Wallace:

Enclosed is a copy of the above referenced application which was submitted with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date the division receives this application 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 the twenty-day period, this application may be approved administratively by the division.

If you have any questions concerning this application, please contact me at (405) 552-6160 or [Carol.Glass@dvn.com](mailto:Carol.Glass@dvn.com).

Very truly yours,

**Devon Energy Production Company, L.P.**

Carol Glass  
Landman

Enclosures



Devon Energy Corporation  
333 West Sheridan Avenue  
Oklahoma City, OK 73102

405 235 3611 Phone  
www.devonenergy.com

April 5, 2016

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUEST**

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706  
Attn: Mr. Gavin Smith

**COPY**

RE: Application of Devon Energy Production Company, L.P. for  
Administrative Approval of an Unorthodox Well Location for the Blue Krait 23-14 Fed 5H  
W/2 W/2 Section 23 and W/2 W/2 Section 14-T24S-R33E,  
Lea County, New Mexico.

Dear Mr. Smith:

Enclosed is a copy of the above referenced application which was submitted with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from the date the division receives this application 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 the twenty-day period, this application may be approved administratively by the division.

If you have any questions concerning this application, please do not hesitate to contact me at (405) 552-6160 or [Carol.Glass@devon.com](mailto:Carol.Glass@devon.com).

Very truly yours,

**Devon Energy Production Company, L.P.**

Carol Glass  
Landman

Enclosures



## **Lowe, Leonard, EMNRD**

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**From:** Glass, Carol <Carol.Glass@dvn.com>  
**Sent:** Monday, May 1, 2017 6:16 AM  
**To:** Lowe, Leonard, EMNRD; Porter, Justin  
**Subject:** NSL application  
**Attachments:** Blue Krait 23 Fed 5H\_Aproved BHL and Name Change NOI 080516.pdf

Mr. Lowe,

The correct name is Blue Krait 23-14 Fed No. 5H (API-30-025-43012). The name change was submitted to and approved by the BLM last August. For your convenience, I have attached a copy of the BLM's approval of the name change.

If you have any more questions, please let me know.

Thank you.

Carol Glass  
Landman  
Devon Energy Corporation  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102  
Direct Line: 405.552.6160  
Carol.Glass@dvn.com

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**From:** Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]  
**Sent:** Friday, April 28, 2017 5:07 PM  
**To:** Porter, Justin <Justin.Porter@dvn.com>  
**Cc:** Glass, Carol <Carol.Glass@dvn.com>  
**Subject:** [EXTERNAL] NSL application  
**Importance:** High

Mr. Justin Porter,

Please clarify the correct name of this API No. 30-025-43012, in reference to your NSL application request for the Red Hills; Bone Spring, North Pool (# 96434)

Your application states the following name: Blue Krait 23 – 14 Fed No. 5H

Our records reference the following name of the well: Blue Krait 23 Fed No. 5H for that API number.

**Please clarify.**

**Leonard Lowe**  
Engineering Bureau  
Oil Conservation Division  
Energy Minerals and Natural Resources Department  
1220 South St. Frances  
Santa Fe, New Mexico 87004



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**Carlsbad Field Office**  
**Operator Copy**

<b>SUBMIT IN TRIPLICATE - Other instructions on reverse side.</b>		7. If Unit or CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. BLUE KRAIT 23 FED 5H
2. Name of Operator DEVON ENERGY PRODUCTION CO LP Contact: DAVID H COOK Email: david.cook@dvn.com		9. API Well No. 30-025-43012-00-X1
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7848	10. Field and Pool, or Exploratory RED HILLS
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T24S R33E SWSW 200FSL 710FWL		11. County or Parish, and State LEA COUNTY, NM

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Co., L.P. respectfully requests approval to change the bottom hole location from 330 FNL & 1284 FWL, Unit D, Section 23, T24S, R33E to 330 FNL & 1284 FWL, Unit D, Section 14, T24S, R33E; and change the well name from Blue Krait 23 Fed 5H to Blue Krait 23-14 Fed 5H.

Please see the attached revised C-102, Drill Plan & Directional Survey.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. <b>Electronic Submission #343591 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Hobbs Committed to AFMSS for processing by PRISCILLA PEREZ on 07/18/2016 (16PP0915SE)</b>	
Name (Printed/Typed) DAVID H COOK	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 06/30/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By (BLM Approver Not Specified) <u>Mustafa Hagve</u>	Title <b>PETROLEUM ENGINEER</b>	Date 08/05/2016
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Hobbs

**RECEIVED**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***  
**REGULATORY DEPT.**



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

405 235 3611 Phone  
www.devonenergy.com

April 24, 2017

VIA EMAIL to:

[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)

[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)

New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
Attn: Mr. Leonard Lowe and Mr. Michael McMillan

Re: Application for a Non-Standard Location  
Blue Krait 23-14 Fed **5H**  
W/2 W/2 Sections 23 and 14-T24S-R33E  
Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") respectfully requests administrative approval of an unorthodox well location for the **Blue Krait 23-14 Fed 5H** well to be completed in the Red Hills; Bone Spring, North Pool (Pool Code 96434).

Devon desires to develop Sections 14 and 23-T24S-R33E in a manner which will protect correlative rights and prevent waste. Devon's objective is to prudently produce reserves in such a manner that may not otherwise be recovered. The non-standard location allows Devon to optimize well spacing for horizontal development thereby minimizing the risk of leaving reserves behind.

If anything further is needed contact me at (405) 552-4780 or [Jaron.Lang@dvn.com](mailto:Jaron.Lang@dvn.com).

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

A handwritten signature in blue ink, appearing to read "Jaron Lang". The signature is fluid and cursive, with the first name "Jaron" and last name "Lang" clearly distinguishable.

Jaron Lang  
Reservoir Engineer

## **Lowe, Leonard, EMNRD**

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**From:** Glass, Carol <Carol.Glass@dvn.com>  
**Sent:** Thursday, April 27, 2017 10:56 AM  
**To:** McMillan, Michael, EMNRD; Lowe, Leonard, EMNRD  
**Subject:** Blue Krait 23 Fed 3H NSL and Blue Krait 23 Fed 5H NSL  
**Attachments:** BLUE KRAIT 23 FED 3H NSL.pdf; BLUE KRAIT 23 14 FED 5H.PDF

Mr. McMillan and Mr. Lowe:

Attached please find updated plat and statement from Jaron Lang, Reservoir Engineer at Devon Energy Production Company, LP regarding the Blue Krait 23 Fed 3H NSL Application.

Also attached, please find statement from Mr. Lang regarding the Blue Krait 23 14 Fed 5H NSL Application.

If anything further is needed, please advise.

Thank you and have a good day.

Carol Glass  
Landman  
Devon Energy Corporation  
333 W. Sheridan Avenue  
Oklahoma City, OK 73102  
Direct Line: 405.552.6160  
Carol.Glass@dvn.com

Confidentiality Warning: This message and any attachments are intended only for the use of the intended recipient(s), are confidential, and may be privileged. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of all or any portion of this message and any attachments is strictly prohibited. If you are not the intended recipient, please notify the sender immediately by return e-mail, and delete this message and any attachments from your system.



## **Lowe, Leonard, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, April 24, 2017 9:48 AM  
**To:** justin.porter@dmn.com  
**Cc:** Lowe, Leonard, EMNRD  
**Subject:** RE: Blue Krait 23-14 Fed Well No. 3H and 5H NSL application

Further, the OCD will require a signed statement by a landman that the units the operator is encroaching if less than 100 feet have identical ownership.

Thank You  
Mike

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**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, April 24, 2017 8:58 AM  
**To:** 'justin.porter@dmn.com' <justin.porter@dmn.com>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Subject:** Blue Krait 23-14 Fed Well No. 3H and 5H NSL application

Justin:

The OCD is requiring more substantial reasons for NSL application when the project area is less than 100 feet from the Unit boundary. Therefore, if it is for engineering reasons, a signed statement from the engineer describing the reason for the NSL application. Likewise, if it is for geologic reasons, a geologist will be required to sign a statement.

The engineering Bureau will not recommend signature by the Director until it is received..  
Thank You

### **MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448  
[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)

### **MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448  
[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)



## **Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Wednesday, May 3, 2017 9:47 AM  
**To:** 'Justin.Porter@dmn.com'  
**Cc:** Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD  
**Subject:** RE: APPROVED NSL-7526; API # 30-025-43012\_Blue Krait 23-14 Federal Well No. 5H, Lea County  
  
**Importance:** High

Corrected.

Mr. Justin Porter,

The following administrative order has been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

**NSL-7526**

Devon Energy Production Company, L.P.

API #: 30-025-43012

WELL: Blue Krait 23-14 Federal Well No. 5H, Lea County

**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

Cell: 505-930-6717

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/>