#### **BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING DECEMBER 15, 2022**

#### APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR HORIZONTAL SPACING UNITS AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23192:

Arena Roja 28-33 Fed Com 701H Well Arena Roja 28-33 Fed Com 801H Well

Case No. 23193:

Arena Roja 28-33 Fed Com 702H Well Arena Roja 28-33 Fed Com 802H Well

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

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# **TAB 1**

Reference for Case No. 23192 Application Case No. 23192: Arena Roja 28-33 Fed Com 701H Well Arena Roja 28-33 Fed Com 801H Well NMOCD Checklist Case No. 23192

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

#### APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. \_\_\_\_\_

#### **APPLICATION**

Devon Energy Production Company, L.P. ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 233.58-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying said unit. Section 33 is an irregular section with correction lots along the New Mexico-Texas state line.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

2. Devon dedicates to the HSU the Arena Roja 28-33 Fed Com 701H Well and the Arena Roja 28-33 Fed Com 801H Well, as initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.

3. Devon proposes the Arena Roja 28-33 Fed Com 701H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in Lot 4 of Section 33.

4. Devon proposes the Arena Roja 28-33 Fed Com 801H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in Lot 4 of Section 33.

5. The proposed wells are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. Devon has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Devon requests that all uncommitted interests in this HSU be pooled and that Devon be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on December 1, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 233.58-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU;

C. Approving the Arena Roja 28-33 Fed Com 701H Well and the Arena Roja 28-33 Fed Com 801H Well as the wells for the HSU;

D. Designating Devon as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Devon in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky Andrew D. Schill 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com

Attorneys for Devon Energy Production Company, L.P.

Application of Devon Energy Production Company, L.P., for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the abovestyled cause seeks an order from the Division: (1) establishing a standard 233.58-acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation, designated as an oil pool, underlying the unit. Section 33 is an irregular section with correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Arena Roja 28-33 Fed Com 701H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in Lot 4 of Section 33; and the Arena Roja 28-33 Fed Com 801H Well, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 28 to a bottom hole location in Lot 4 of Section 33. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 12.5 miles southwest of Jal City, New Mexico, and adjacent to the New Mexico state line.

# **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION MU	JST BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 23192	APPLICANT'S RESPONSE
Date	December 15, 2022
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of Devon Energy Production Company, L.P., for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Tap Rock Operating, LLC
Well Family	Arena Roja
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Ex. A, Paras. 7 & 8; 701H Well: TVD apprx. 12,530'; 802H Well: TVD apprx. 12,900'
Pool Name and Pool Code:	Jabalina; Wolfcamp, Southwest [Code: 96776]
Well Location Setback Rules:	Statewide Division Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	233.58
Building Blocks:	quarter-quarter sections (40 ac tracts)
Orientation:	north-south
Description: TRS/County	W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit</u> requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Landman Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	Arena Roja 28-33 Fed Com 701H Well (API No. 30-015- pending), SHL: Unit D, 250' FNL, 318' FWL, Section 28,
	T26S-R35E, NMPM, BHL: Lot 4, 20' FSL, 1030' FWL, Section
	33, T26S-R35E, standup, standard location
Horizontal Well First and Last Take Points	Arena Roja 28-33 Fed Com 701H Well: FTP 100' FNL,
	1030' FWL, Section 28; LTP 100' FSL, 1030 FWL, Section 33
Completion Target (Formation, TVD and MD)	Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD:
	apprx. 12,530'; TMD: apprx. 20,030'.
Well #2	Arena Roja 28-33 Fed Com 801H Well (API No. 30-015-
	pending), SHL: Unit D, 250' FNL, 288' FWL, Section 28, T26S-R35E, NMPM, BHL: Lot 4, 20' FSL, 380' FWL, Section
	33, T26S, R35E, standup, standard location
Horizontal Well First and Last Take Points	Arena Roja 28-33 Fed Com 801H Well: FTP 100' FNL, 380'
	FWL, Section 28; LTP 100' FSL, 380' FWL, Section 33
Completion Target (Formation, TVD and MD)	Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD:
	apprx. 12,900'; TMD: apprx. 20,400'.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$6,000, Exhibit A
Production Supervision/Month \$	\$600, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C, C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
If approval of Non-Standard Spacing Unit is requested,	
Tract List (including lease numbers and owners) of	
Tracts subject to notice requirements. Pooled Parties (including ownership type)	N/A Exhibit A-2
Unlocatable Parties to be Pooled	
Ownership Depth Severance (including percentage	Exhibit A, Para. 13
above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interest	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3

Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibits B-1, B-2, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5
Well Orientation (with rationale)	Exhibits B, B-1, B-2, B-3
Target Formation	Exhibits B, B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibits A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibits A-1, B-1, B-4, B-5
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibits B-4, B-5
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darin C. Savage
Date:	12.13.2022

# **TAB 2**

#### Case No. 23192

- Exhibit A: Self-Affirmed Statement of Andrew Wenzel, Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2: Ownership and Sectional Map
- Exhibit A-3: Well Proposal Letters and AFEs
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

#### APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23192

#### SELF-AFFIRMED STATEMENT OF ANDREW WENZEL

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-affirmed Statement, which is based on my personal knowledge.

2. I am employed as a Senior Landman with Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the lands involved.

3. I graduated from the University of Oklahoma with a bachelor's degree in Energy Management in 2014, etc. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness as a petroleum landman. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

4. This affidavit is submitted in connection with the filing by Devon of the above-referenced spacing and compulsory pooling application pursuant to 19.15.4.12.A(1).

5. Devon seeks an order pooling all uncommitted mineral interest in the Wolfcamp formation (JABALINA WOLFCAMP, SOUTHWEST; Pool Code: [96776]) underlying a standard 233.58acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. Section 33 is an irregular section with correction lots along the New



Mexico-Texas state line.

6. Under <u>Case No. 23192</u>, Devon seeks to dedicate to the unit two initial oil wells, the **Arena Roja 28-33 Fed Com 701H Well** and the **Arena Roja 28-33 Fed Com 801H Well**.

7. The Arena Roja 28-33 Fed Com 701H Well, an oil well, API No. pending, is to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) (250' FNL, 318' FWL) of Section 28 to a bottom hole location in Lot 4 (20' FSL, 1,030' FWL) of Section 33; approximate TVD of 12,530'; approximate TMD of 20,030'; FTP in Section 28: 100' FNL, 1,030' FWL; LTP in Section 33: 100' FSL, 1,030' FWL.

8. The Arena Roja 28-33 Fed Com 801H Well, an oil well, API No. pending, is to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) (250' FNL, 288' FWL) of Section 28 to a bottom hole location in Lot 4 (20' FSL, 380' FWL) of Section 33; approximate TVD of 12,900'; approximate TMD of 20,400'; FTP in Section 28: 100' FNL, 380' FWL; LTP in Section 33: 100' FSL, 380' FWL.

9. The proposed C-102s for the wells are attached as Exhibit A-1.

10. A general location plat and a plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which shows the location of the proposed wells within the unit. The locations of the wells are orthodox and meet the Division's offset requirements.

11. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest (WI) owners, overriding royalty interest (ORRI) owners, and record title (RT) owners.

12. There are no depth severances in the Wolfcamp formation in this acreage.

13. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Lea County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All of the working interest owners were locatable. Two of the mailings to working interest owners are listed as in-transit: Chanas Partners, LLC (f/k/a TLW Investments, LLC) and Tap Rock Resources, LLC. Both parties have been in ongoing communications and negotiations with Devon, as described in the Chronology of Communications, Exhibit A-4. There were four parties with unlocatable addresses all of whom were overriding interest owners: Thomas James Waller & Barbara Decareaux Waller, Trustees of the Thomas & Barbara Waller Revocable Trust, Larry Frank & Mildred Lawrence Roden, Van T. Tettleton and Cornerstone Family Trust.

14. Devon submitted notice by publication to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice. Notice by publication was timely.

15. Devon has made a good faith effort to negotiate with the interest owners but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

16. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and

Devon 3 Public

another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division may deem it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

17. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

18. Devon requests overhead and administrative rates of \$6,000/month for drilling each well and \$600/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

19. Devon requests the maximum costs recoverable, plus a 200% risk charge be assessed against the working interest owners who elect not to participate in the wells.

20. Devon requests that it be designated operator of the unit and wells.

21. The Exhibits to this Self-affirmed Statement were prepared by me or compiled from Devon's company business records under my direct supervision.

22. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

23. The foregoing is correct and complete to the best of my knowledge and belief.

#### [Signature page follows]

### Signature page of Self-Affirmed Statement of Andrew Wenzel:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23192 and affirm that my testimony herein is true and correct, to the best of my knowledge, belief and intent, and made under penalty of perjury under the laws of the State of New Mexico.

Andrew Wenzel 12/4/22

Date Signe

Devon5Public

STRICT II 1 S. FIRST ST., AI 575) 748-1283 STRICT III 50 RIO BRAZOS RI 50ne: (505) 334-6176	D., AZTEC, M	VM 87410			Fe, New Me	RANCIS DR. xico 87505		Distri	ct Offic
STRICT IV 0 s. st. francis df one: (505) 476-3460	R., SANTA FE, 0 Fax: (505)	NM 87505 476-3462						□ AMEND	ED REPOR
	Number			CATION	AND ACREA	AGE DEDICATI	ON PLAT Pool Name		
AFT	vuinber			oor code			roor Name		
Property Code			11	ARENA	Property Nam ROJA 28-3			Well Num	
<b>ogrid n₀</b> . 6137	•		DEVON	ENERGY	<sup>Operator Nam</sup> Y PRODUCTI	<sup>ne</sup> ION COMPANY	, L.P.	Elevation 3168	
					Surface Loc	ation		·	
L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	26-S	35-E		250	NORTH	318	WEST	LEA
			Bottom	Hole Loo	cation If Diffe	erent From Sur	face		
L or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4 edicated Acres	33	26-S	35-E		20 der No.	SOUTH	1030	WEST	LEA
<u>FED COM 701H</u> LAT:32.020816 LON:103.379884 N:372615.41 E:836834.73 <u>IRST TAKE POINT</u> 100' FNL 1030' FN		N:372862.95 E:836514.66	89'33'32" E 26	N:372	NIT HAS BEEN	2641.09' N:372904.21 E:841797.65	OPERAT I hereby herein is true my knowledge organization ei or unleased m. including the or has a right	COR CERTIFICA certify that the inf and complete to th and belief, and tha ther owns a working ineral interest in th proposed bottom hoi to drill this well a control control or	<i>formation</i> e best of t this g interest e land le location t this
FED. COM. 701H LAT-32.020816 LAT-32.020816 IN:103.379884 N:372615.41 E:836834.73 IRST TAKE POINT 100' FNL 1030' F1 LON:103.77586 N:372770.89 E:837545.60 AST TAKE POINT 100' FSL 1030' F1 LAT-32.000576 LON:103.377568 N:366258.81 E:837617.59 BOTTOM OF HOLE LAT-32.000376 LON:103.377568	WL SEC. 28	E:836514.66	•••••	. <u>42.05</u> ' <u>E:836</u> IH FTP	2883.29	2641.09' N:372904.21 E:841797.65	OPERAT I hereby herein is true my knowledge organization ei or unleased m. including the or has a right location pursu owner of such or to a volunt	certify that the inf and complete to the and belief, and that ther owns a working ineral interest in the proposed bottom hol to drill this well a and to a contract w mineral or working ary pooling agreeme oling order heretofor	ormation e best of t this g interest e land le location t this ith an interest, nt or a re entered
LAT:32.020816 LON:103.379884 N:372615.41 E:836834.73 FIRST TAKE POINT 100' FNL 1030' FI LAT:32.021226 LON:103.377586 N:372770.89 E:837545.60 LAST TAKE POINT 100' FSL 1030' FI LAT:32.000576 LON:103.377568 N:362258.81 E:837617.59 BOTTOM OF HOLE LAT:32.000356	WL SEC. 28	E:836514.66 Z G G G G G G G G G G G G G G G G G G	5 89'30'09' Lot 4 L	.42.05'8.37 11 FTP 	2883.29 9156.64 N 89'32'46" E 8 8 8 8 8 8 8 8 8 8 8 8 8	_2641.09' N:372904.21 E:841797.65 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	OPERAT I hereby herein is true my knowledge organization ei or unleased m. including the or has a right location pursu. owner of such or to a volunt. compulsory por by the division Signature Printed Nam E-mail Addres SURVEYO I hereby shown on this notes of actua under my supe true and corre	certify that the inf and complete to the and complete to the and belief, and that ther owns a working ineral interest in the proposed bottom hol to drill this well at ant to a contract with mineral or working ary pooling agreeme. Joing order heretofor on working ary pooling agreeme. Ding order heretofor is working and the contract of plat was plotted from 1 surveys made by 1 revision, and that the to to the best of m 1/12/2022 Date of Survey ieal of Professional and Survey and the set of Survey and the set of Survey and the set of Survey and Su	ormation e best of t this g interest e land le location t this interest, nt or a re entered tte MON Il location om field ne or e same is y belief.

Intent	Х	As Drilled	

API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	ARENA ROJA 28-33 FED COM	701H

#### Kick Off Point (KOP)

UL D	Section 28	Township 26S	Range 35E	Lot	Feet 65	From N/S NORTH	Feet 1029	From E/W WEST	County LEA
Latitude					Longitude		NAD		
32.0	32.0212			-103.3777	7			83	

#### First Take Point (FTP)

UL D	Section 28	Township 26-S	Range 35-E	Lot	Feet 100	From N/S	Feet 1030	From E/W	County LEA
Latitu	Latitude						NAD		
32.					103.37	7586			83

#### Last Take Point (LTP)

UL	Section 33	Township 26-S	Range 35-E	Lot <b>4</b>	Feet 100	From N/S	Feet 1030	From E/W	County LEA
Latitu <b>32</b> .	de 0005	76			Longitud	اء 377568	8		NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

N

Y

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

DISTRICT I 1625 N. FRENCH DR., F Phone: (575) 393-6161 F DISTRICT II 811 S. FIRST ST., AI Phone: (575) 748-1283 DISTRICT III 1000 RIO BRAZOS RI DD(555) 262 617	RTESIA, NM Fax: (575) 74 D., AZTEC, N	88210 88-9720	DIL C	ONS 1220 S	& Natu ERV2 OUTH (	ıral H ATIC ST. FI	w Mexico Resources DN DIV RANCIS DI xico 8750	VIS R.	ION	Revised Au Submit one copy t	form C-102 ugust 1, 2011 o appropriate ct Office
Phone: (505) 334-6176 DISTRICT IV 1220 S. ST. FRANCIS DI Phone: (505) 476-3466										□ AMEND	ED REPORT
	lumber			CATION	AND	ACREA	GE DEDIC	ATIO	N PLAT Pool Name		
	umber			5776			JABALINA	; WC	OLFCAMP, SO	OUTHWEST	
Property C	ode				-	erty Nam 28–3:	B FED CO	M		Well Num 80	
<b>OGRID No</b> 6137	•		DEVON	ENERG		<sup>ator Nam</sup> DUCTI	ON COMPA	ANY,	L.P.	Elevation 3168	
					Surfa	ce Loca	ation				
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro	om the	North/South 1	ine	Feet from the	East/West line	County
D	28	26-S	35-E		25	50	NORTH		288	WEST	LEA
			Bottom	Hole Lo	cation 1	f Diffe	rent From	Surfa	ace		
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro		North/South 1		Feet from the	East/West line	County
4 Dedicated Acres	33	26-S or Infill C	35-E onsolidation		der No.	0	SOUTH		380	WEST	LEA
233.58 NO ALLO <i>ARENA ROJA 28–3</i> <i>FED COM 801H</i> LAT:32.020816 LON:103.379981 N:372615.18				IDARD UI			UNTIL ALL IN APPROVED 1		HE DIVISION OPERATO I hereby herein is true my knowledge	EN CONSOLID OR CERTIFICA certify that the inf and complete to th and belief, and that	TION formation e best of t this
E:836804.73 FIRST TAKE POINT 100 <sup>°</sup> FNL 380 <sup>°</sup> FW LAT:32.021228 LON:103.379683 N:372765.88 E:836895.62 <u>LAST TAKE POINT</u> 100 <sup>°</sup> FSL 380 <sup>°</sup> FW LAT:32.000576 LON:103.379664 N:365252.90 E:836967.62 <u>BOTTOM OF HOLE</u> LAT:32.000356 LON:103.379664 N:365172.91 E:836968.40	ed herein	N:372862.95 E:836514.66 Z 0033'19" W 2942.54 S 0033'19" W 2942.54 S 10033'19" W 2942.54 W	N 89'33'32" E 2 	642.05' _ [ E:83 2 2 2 2 2 2 2 726 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8			E:841797 S 00'31'47" E 2643.31 I 47" E 2643.31 I N:37026 E:84182 S 00'33'18" E 2643.60 N:36761	1.02 2.08	organization eit or unleased min including the p or has a right location pursua owner of such or to a volunta compulsory poo by the division.	her owns a working meral interest in the horoposed bottom hol to drill this well at int to a contract with mineral or working gry pooling agreeme ling order heretofor <u>Sum</u> 12/ Da Green green@dvn.co.	r interest e land le location t this ith an interest, nt or a re entered (3/22
are based on the New State Plane Coordinate NAD 83,New Mexico Ea 3001, US Survey Feet, distances are grid.	System, st Zone								Certificate No	1 1 p. 22404 B.L.	/14/22 LAMAN BY: CM

Intent	Х	As oo	
mileni	^	AS 00	

API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	ARENA ROJA 28-33 FED COM	801H

Kick Off Point (KOP)

UL D	Section 28	Township 26S	Range 35E	Lot	Feet 49	From N/S	Feet 379	From E/W	County LEA
Latitu	de				Longitude				NAD
32.0213			10.98	10.98			83		

First Take Point (FTP)

UL D	Section 28	Township <b>26-S</b>	Range 35-E	Lot	Feet 100	From N/S	Feet <b>380</b>	From E/W	County LEA
Latitude				Longitude			NAD		
			103.37	103.379683			83		

Last Take Point (LTP)

UL	Section 33	Township <b>26-S</b>	Range 35-E	Lot <b>4</b>	Feet 100	From N/S	Feet <b>380</b>	From E/W	County LEA
Latitu <b>32</b> .	<sup>ide</sup> 0005	76				Longitude 103.379665			NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

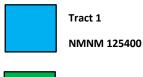
Is this well an infill well?

Υ

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #			
Operator Name: DEVON ENERGY P LP	RODUCTION CO,	Property Name: ARENA ROJA 28-33 FED COM	Well Number 701H

KZ 06/29/2018







28		
33		

<b>Tract 1 WI</b> 50.00% 50.00%	W/2 W/2 Sec. 28, Township 2 Devon Energy Production Con Chevron U.S.A. Inc.	•		Committed Committed		
100.00%		otal Uncommitted hterest	50.00%			
Tract 1 ORRI	W/2 W/2 Sec. 28, Township 2	26 South, Range 35 East				
	C. Mark Wheeler Paul R. Barwis Jareed Partners, Ltd. Cornerstone Family Trust, John Kyle Thoma Successor Trustee Crownrock Minerals LP Penwell Employee Royalty Pool Devon Energy Production Company, L.P.					
Tract 1 RT	W/2 W/2 Sec. 28, Township 2 Devon Energy Production Con	· · · ·				



Tract 2 WI/RT	NW/4 NW/4 & Lot 4 Sec. 33, Towns East	hip 26 South, Range 35	
50.22%	Devon Energy Production Company,	L.P.	Committed
48.47%	Chevron U.S.A. Inc.	Uncommitted	
00.80%	McCombs Energy, LLC		Uncommitted
00.40%	Tap Rock Resources, LLC		Uncommitted
00.11%	NHPP Permian, LLC (f/k/a Chanas Pa	rtners, LLC, f/k/a TLW	Uncommitted
	Investments, LLC)		
100.00%	Total 50.22%	Total 49.78%	
	Committed	Uncommitted	
	Interest	Interest	
Tract 2 ORRI	NW/4 NW/4 & Lot 4 Sec. 33, Towns East Margaret Ann Mitchell Van T. Tettleton Sean K. Roden Richard W. Fairchild, Jr. Thomas James Waller & Barbara Dee Trustees of the Thomas & Larry Fran Lawrence Roden Marium Roden Gerald J. Hertel, Trustee of the Willia u/w/o William F. Roden, Deceased		
Tract 2 RT	NW/4 NW/4 & Lot 4 Sec. 33, Towns East Devon Energy Production Company, Chevron U.S.A. Inc. (45%) McCombs Energy, LLC (10%)		
Unit WI	W/2 W/2 Sec. 28, NW/4 NW/4 & Lo	-	
	South, Range 35 East (Recapitulatio	-	
50.07%	Devon Energy Production Company,	L.P.,	Committed
49.52%	Chevron U.S.A. Inc.		Uncommitted
00.25%	McCombs Energy, LLC		Uncommitted
00.13%	Tap Rock Resources, LLC		Uncommitted
00.03%	NHPP Permian, LLC (f/k/a Chanas Pa	rtners, LLC, f/k/a TLW	Uncommitted
	Investments, LLC)		
100.00%	Total 50.07%	Total 49.93	%
	Committed	Uncommitted	
	Interest	Interest	



Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City, OK 73102 405 552 8002 Phone www.devonenergy.com

September 29, 2022

Sent via email to bw@leggettventures.com

Chanas Partners, LLC

RE: Well Proposals- Arena Roja 28-33 701H, 702H, 801H, 802H

W2 of Section 28, N/2 NW/4 and Lots 3 & 4 of Section 33 Township 26 South, Range 35 East Lea County, New Mexico

To whom it may concern,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill and complete the following four (4) wells:

- Arena Roja 28-33 Fed Com 701H as a horizontal well to an approximate landing TVD of 12,530', bottom hole TVD' of 12,530', and approximate TMD of 20,030' into the Wolfcamp formation at an approximate SHL of 250' FNL and 288' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Arena Roja 28-33 Fed Com 702H as a horizontal well to an approximate landing TVD of 12,530', bottom hole TVD' of 12,530', and approximate TMD of 20,030' into the Wolfcamp formation at an approximate SHL of 250' FNL and 1,385' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 1,650' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Arena Roja 28-33 Fed Com 801H as a horizontal well to an approximate landing TVD of 12,900', bottom hole TVD' of 12,900', and approximate TMD of 20,400' into the Wolfcamp formation at an approximate SHL of 250' FNL and 318' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 990' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Arena Roja 28-33 Fed Com 802H as a horizontal well to an approximate landing TVD of 12,900', bottom hole TVD' of 12,900', and approximate TMD of 20,400' into the Wolfcamp formation at an approximate SHL of 250' FNL and 1,415' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 2,310' FWL of Section 33-T26S-R35E , Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.



Devon - Public

Page 2

Devon reserves the right to modify the locations and drilling plans described above in order to address surface and subsurface concerns. Devon will advise of any such modifications.

Devon is proposing to drill the Wells under an amended version of the modified 610-1982 AAPL form of Operating Agreement ("JOA") dated effective as of March 1, 2005, between Devon Energy Production Company, LP, as Operator, and Chesapeake Exploration Limited Partnership, as Non-Operator. A copy of the proposed Amendment, which adds the W/2 of Sec. 28 to the Contract Area of the JOA is enclosed with this letter. The JOA will be supplied to those parties interested in participating and contains the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract Area: W/2 of Section 28 and the N/2 NW/4 and Lots 3 & 4 of T26S-R35E, Lea County
- 100%/400% Non-Consenting Penalty
- Overhead rates of \$6,000 DWR/\$600 PWR

Please indicate your election to participate in the drilling and completion of the Wells in the spaces provided below, within 30 days of receipt, by signing and returning one (1) copy of this letter and AFE, along with your well data requirements sheet. A Communization Agreement for said Wells will be supplied for your review and execution at a later date.

If your election is to participate, a cash call invoice will be sent following receipt of a timely election.

If an agreement cannot be reached within 30 days of receipt of this letter by all parties, Devon will apply to the New Mexico Oil Conversation Division for compulsory pooling of your interest into a spacing unit for the Wells, if uncommitted at such time.

Please do not hesitate to contact me at (405) 228-4218 or via email at Andrew.Wenzel@dvn.com if you have any questions concerning this proposal.

Very truly yours,

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

12-

Andrew Wenzel Senior Landman

Page 3

## **Chanas Partners, LLC:**

<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 701H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 701H
<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 702H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 702H
<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 801H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 801H
<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 802H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 802H
Agreed to and Accepted this day of, 2022.
Chanas Partners, LLC:

By:				

Title:



AFE # XX-149189.01 Well Name: ARENA ROJA 28-33 FED COM 701H Cost Center Number: 1094669401 Legal Description: 28-26S-35E Revision:

AFE Date:9-6-2022State:NMCounty/Parish:LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 701H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	114,125.00	417,338.00	0.00	531,463.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	103,412.00	2,124.87	0.00	105,536.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	4,669.00	0.00	0.00	4,669.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
6130370	RTOC - GEOSTEERING	5,796.00	0.00	0.00	5,796.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.00
6160100	MATERIALS & SUPPLIES	6,225.00	0.00	0.00	6,225.00
6170100	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
6170110	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.80
6190100	TRCKG&HL-SOLID&FLUID	102,500.00	0.00	0.00	102,500.00
6190110	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.75
6200130	CONSLT & PROJECT SVC	109,000.00	79,974.70	0.00	188,974.70
6230120	SAFETY SERVICES	31,125.00	0.00	0.00	31,125.00
6300270	SOLIDS CONTROL SRVCS	61,500.00	0.00	0.00	61,500.00
6310120	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.00
6310190	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.00
6310200	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
6310250	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
6310280	DAYWORK COSTS	524,750.00	0.00	0.00	524,750.00
6310300	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.00
6310310	DRILL BITS	94,500.00	0.00	0.00	94,500.00
6310330	DRILL&COMP FLUID&SVC	264,554.00	8,366.67	0.00	272,920.67
6310380	OPEN HOLE EVALUATION	11,000.00	0.00	0.00	11,000.00
6310480	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.90
6310600	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.80
6320100	EQPMNT SVC-SRF RNTL	102,388.00	149,719.00	0.00	252,107.00
6320110	EQUIP SVC - DOWNHOLE	98,210.00	27,490.50	0.00	125,700.50
6320160	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
6320190	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
6350100	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.33
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	11,242.15	0.00	11,242.15



AFE # XX-149189.01 Well Name: ARENA ROJA 28-33 FED COM 701H Cost Center Number: 1094669401 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	6,225.00	36,223.90	0.00	42,448.90
6740340	TAXES OTHER	331.00	33,656.58	0.00	33,987.58
	Total Intangibles	2,374,910.00	3,668,753.79	0.00	6,043,663.79

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	4,669.00	0.00	0.00	4,669.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	150,101.11	0.00	150,101.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	851,875.00	0.00	0.00	851,875.00
6310550	PRODUCTION CASING	780,840.00	0.00	0.00	780,840.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,203,105.15	626,510.85	0.00	2,829,616.00

 TOTAL ESTIMATED COST
 4,578,015.15
 4,295,264.64
 0.00
 8,873,279.79

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



AFE # XX-149251.01 Well Name: ARENA ROJA 28-33 FED COM 702H Cost Center Number: 1094669601 Legal Description: 28-26S-35E Revision:

AFE Date:9-6-2022State:NMCounty/Parish:LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 702H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	114,125.00	417,338.00	0.00	531,463.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	103,412.00	2,124.87	0.00	105,536.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	4,669.00	0.00	0.00	4,669.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
6130370	RTOC - GEOSTEERING	5,796.00	0.00	0.00	5,796.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.00
6160100	MATERIALS & SUPPLIES	6,225.00	0.00	0.00	6,225.00
6170100	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
6170110	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.80
6190100	TRCKG&HL-SOLID&FLUID	102,500.00	0.00	0.00	102,500.00
6190110	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.75
6200130	CONSLT & PROJECT SVC	109,000.00	79,974.70	0.00	188,974.70
6230120	SAFETY SERVICES	31,125.00	0.00	0.00	31,125.00
6300270	SOLIDS CONTROL SRVCS	61,500.00	0.00	0.00	61,500.00
6310120	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.00
6310190	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.00
6310200	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
6310250	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
6310280	DAYWORK COSTS	524,750.00	0.00	0.00	524,750.00
6310300	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.00
6310310	DRILL BITS	94,500.00	0.00	0.00	94,500.00
6310330	DRILL&COMP FLUID&SVC	264,554.00	8,366.67	0.00	272,920.67
6310380	OPEN HOLE EVALUATION	11,000.00	0.00	0.00	11,000.00
6310480	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.90
6310600	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.80
6320100	EQPMNT SVC-SRF RNTL	102,388.00	149,719.00	0.00	252,107.00
	EQUIP SVC - DOWNHOLE	98,210.00	27,490.50	0.00	125,700.50
6320160	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
6320190	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
6350100	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.33
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	11,242.15	0.00	11,242.15



AFE # XX-149251.01 Well Name: ARENA ROJA 28-33 FED COM 702H Cost Center Number: 1094669601 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

8,873,279.79

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	6,225.00	36,223.90	0.00	42,448.90
6740340	TAXES OTHER	331.00	33,656.58	0.00	33,987.58
	Total Intangibles	2,374,910.00	3,668,753.79	0.00	6,043,663.79

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	4,669.00	0.00	0.00	4,669.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	150,101.11	0.00	150,101.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	851,875.00	0.00	0.00	851,875.00
6310550	PRODUCTION CASING	780,840.00	0.00	0.00	780,840.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,203,105.15	626,510.85	0.00	2,829,616.00

#### TOTAL ESTIMATED COST 4,578,015.15 4,295,264.64 0.00

|--|

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



AFE # XX-149250.01 Well Name: ARENA ROJA 28-33 FED COM 801H Cost Center Number: 1094669501 Legal Description: 28-26S-35E Revision:

AFE Date:9-6-2022State:NMCounty/Parish:LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 801H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	176,000.00	417,338.00	0.00	593,338.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	104,794.00	2,124.87	0.00	106,918.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.0
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	40,070.63	0.00	40,070.63
	COMM SVCS - WAN	7,200.00	0.00	0.00	7,200.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
6130370	RTOC - GEOSTEERING	10,350.00	0.00	0.00	10,350.00
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.0
	MATERIALS & SUPPLIES	9.600.00	0.00	0.00	9,600.00
	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.8
	TRCKG&HL-SOLID&FLUID	140,000.00	0.00	0.00	140,000.0
6190110	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.7
	CONSLT & PROJECT SVC	165,250.00	79,974.70	0.00	245,224.7
6230120	SAFETY SERVICES	48,000.00	0.00	0.00	48,000.0
6300270	SOLIDS CONTROL SRVCS	84,000.00	0.00	0.00	84,000.0
	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.0
	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.0
	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.0
	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.0
6310280	DAYWORK COSTS	809,300.00	0.00	0.00	809,300.0
	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.0
	DRILL BITS	94,500.00	0.00	0.00	94,500.0
6310330	DRILL&COMP FLUID&SVC	264,756.00	8,366.67	0.00	273,122.6
	MOB & DEMOBILIZATION	462,000.00	0.00	0.00	462,000.0
6310380	OPEN HOLE EVALUATION	17,050.00	0.00	0.00	17,050.0
	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.9
	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.8
	EQPMNT SVC-SRF RNTL	150,325.00	149,719.00	0.00	300,044.0
	EQUIP SVC - DOWNHOLE	124,460.00	27,490.50	0.00	151,950.5
	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.3
	LEGAL FEES	10,000.00	0.00	0.00	10,000.00



AFE # XX-149250.01 Well Name: ARENA ROJA 28-33 FED COM 801H Cost Center Number: 1094669501 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550100	MISCS COSTS & SERVS	0.00	11,364.15	0.00	11,364.15
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	9,600.00	36,223.90	0.00	45,823.90
6740340	TAXES OTHER	510.00	33,802.98	0.00	34,312.98
	Total Intangibles	3,412,295.00	3,669,022.19	0.00	7,081,317.19

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	7,200.00	0.00	0.00	7,200.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	152,541.11	0.00	152,541.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	877,250.00	0.00	0.00	877,250.00
6310550	PRODUCTION CASING	800,120.00	0.00	0.00	800,120.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,250,291.15	628,950.85	0.00	2,879,242.00

TOTAL ESTIMATED COST	5,662,586.15	4,297,973.04	0.00	9,960,559.19
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



AFE # XX-149252.01 Well Name: ARENA ROJA 28-33 FED COM 802H Cost Center Number: 1094669701 Legal Description: 28-26S-35E Revision:

AFE Date:9-6-2022State:NMCounty/Parish:LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 802H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	176,000.00	417,338.00	0.00	593,338.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	104,794.00	2,124.87	0.00	106,918.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.0
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	7,200.00	0.00	0.00	7,200.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
6130370	RTOC - GEOSTEERING	10,350.00	0.00	0.00	10,350.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.0
6160100	MATERIALS & SUPPLIES	9,600.00	0.00	0.00	9,600.00
6170100	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.8
6190100	TRCKG&HL-SOLID&FLUID	140,000.00	0.00	0.00	140,000.0
6190110	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.7
6200130	CONSLT & PROJECT SVC	165,250.00	79,974.70	0.00	245,224.7
6230120	SAFETY SERVICES	48,000.00	0.00	0.00	48,000.00
6300270	SOLIDS CONTROL SRVCS	84,000.00	0.00	0.00	84,000.00
6310120	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.0
6310190	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.0
6310200	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
6310250	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.0
6310280	DAYWORK COSTS	809,300.00	0.00	0.00	809,300.0
6310300	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.0
6310310	DRILL BITS	94,500.00	0.00	0.00	94,500.00
6310330	DRILL&COMP FLUID&SVC	264,756.00	8,366.67	0.00	273,122.6
6310370	MOB & DEMOBILIZATION	462,000.00	0.00	0.00	462,000.0
6310380	OPEN HOLE EVALUATION	17,050.00	0.00	0.00	17,050.00
	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.9
6310600	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.8
6320100	EQPMNT SVC-SRF RNTL	150,325.00	149,719.00	0.00	300,044.0
6320110	EQUIP SVC - DOWNHOLE	124,460.00	27,490.50	0.00	151,950.5
6320160	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
6350100	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.3
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00



AFE # XX-149252.01 Well Name: ARENA ROJA 28-33 FED COM 802H Cost Center Number: 1094669701 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550100	MISCS COSTS & SERVS	0.00	11,364.15	0.00	11,364.15
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	9,600.00	36,223.90	0.00	45,823.90
6740340	TAXES OTHER	510.00	33,802.98	0.00	34,312.98
	Total Intangibles	3,412,295.00	3,669,022.19	0.00	7,081,317.19

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	7,200.00	0.00	0.00	7,200.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	152,541.11	0.00	152,541.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	877,250.00	0.00	0.00	877,250.00
6310550	PRODUCTION CASING	800,120.00	0.00	0.00	800,120.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,250,291.15	628,950.85	0.00	2,879,242.00

TOTAL ESTIMATED COST	5,662,586.15	4,297,973.04	0.00	9,960,559.19
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City, OK 73102 405 552 8002 Phone www.devonenergy.com

November 21, 2022

Sent via email to bw@leggettventures.com

Chanas Partners, LLC

Re: Supplement to Well Proposal dated September 29, 2022 Arena Roja 28-33 Fed Com Wells Sections 28 & 33, T26S-R35E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") is providing this Supplemental Letter ("Supplement") to be incorporated into the Well Proposal for the Arena Roja 28-33 Fed Com Wells dated September 29, 2022 ("Well Proposal"), in order to update the wells with certain adjustments pursuant the sixth paragraph of the Well Proposal in which Devon reserved the right to modify locations and drilling plans.

Devon adjusts the specifications of the wells as follows:

- Arena Roja 28-33 Fed Com 701H at an approximate SHL of 250' FNL and 318' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 1030' FWL of Section 33-T26S-R35E, Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 702H at an approximate SHL of 250' FNL and 1,415' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 2,330' FWL of Section 33-T26S-R35E, Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 801H at an approximate SHL of 250' FNL and 288' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 380' FWL of Section 33-T26S-R35E, Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 802H at an approximate SHL of 250' FNL and 1,385' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 1,680' FWL of Section 33-T26S-R35E, Lea County, New Mexico.

The SHLs & BHLs remain in the same quarter-quarter sections as originally described in the Well Proposal. This change, and no other change, is made to the Well Proposal to optimize the development in the proposed horizontal spacing unit and prevent waste. The estimated depths, Authority for Expenditure, and all other specifications remain unchanged for the wells proposed, and the original Well Proposal dated September 29, 2022, remains in effect subject to this Supplement.

Page 2

Please do not hesitate to contact me at (405) 228-4218 or via email at Andrew.Wenzel@dvn.com if you have any questions concerning this Supplement or the Well Proposal.

Very truly yours,

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

Jw-

Andrew J. Wenzel Senior Landman

Devon - Public



Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City, OK 73102 405 552 8002 Phone www.devonenergy.com

December 8, 2022

Tap Rock Resources LLC 523 Park Point Dr., STE 200 Golden, CO 80401

Re: Second Supplement to Well Proposal dated September 14, 2022 Arena Roja 28-33 Fed Com Wells Sections 28 & 33, T26S-R35E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") is providing this Second Supplemental Letter ("Supplement") to be incorporated into the Well Proposal for the Arena Roja 28-33 Fed Com Wells dated September 14, 2022 and supplemented by letter dated November 21, 2022("Well Proposal"), in order to update the wells with certain adjustments pursuant the sixth paragraph of the Well Proposal in which Devon reserved the right to modify locations and drilling plans.

Devon adjusts the SHL specifications of the following wells as follows:

- Arena Roja 28-33 Fed Com 702H at an approximate SHL of 250' FNL and 1,385' FWL of Section 28-T26S-R35E Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 802H at an approximate SHL of 250' FNL and 1,415' FWL of Section 28-T26S-R35E, Lea County, New Mexico.

The SHLs & BHLs remain in the same quarter-quarter sections as originally described in the Well Proposal. This change, and no other change, is made to the Well Proposal to optimize the development in the proposed horizontal spacing unit and prevent waste. The estimated depths, Authority for Expenditure, and all other specifications remain unchanged for the wells proposed, and the original Well Proposal dated September 14, 2022 and November 21, 2022, remains in effect subject to this Supplement.

Please do not hesitate to contact me at (405) 228-4218 or via email at Andrew.Wenzel@dvn.com if you have any questions concerning this Supplement or the Well Proposal.

Very truly yours,

Devon Energy Production Company, L.P.

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Andrew J. Wenzel Senior Landman

Devon - Public

### **Chronology of Contact with Non-Joined Working Interests**

#### Chevron U.S.A. Inc.

9/6/22 – Emailed Scott Sabrsula to discuss need to discuss JOA options ahead of upcoming well proposals

9/14/22 - Emailed well proposals to Scott Sabrsula & discussed need for agreement on JOA

9/15/22 – Discussed well proposals with Scott Sabrsula via e-mail and agreed to set time to discuss over the phone.

9/16/22 – Received e-mail from Scott Sabrsula setting out general JOA terms Chevron would be agreeable to

9/26/22 – Spoke with Candace LaBron-Howard over the phone about proposed wells & JOA terms

9/27/22 – Discussed well proposals with Chevron representatives at a regular monthly collaboration meeting held between representatives of Devon & Chevron

10/3/22 – Provided Candace LaBron-Howard with additional paperwork/title information related to well proposals via online shared folder

10/12/22 – Followed up with Candace LaBron-Howard to see if Chevron had reviewed the documentation provided

10/13/22 - Phone call with Candace LaBron-Howard to discuss well proposals and JOA

10/14/22 – Emailed Candace LaBron-Howard a proposed form of Agreement for Operations to outline JOA for proposed wells

11/1/22 – Discussed well proposals with Chevron representatives at a regular monthly collaboration meeting held between representatives of Devon & Chevron

11/4/22 – Received email from Candace LaBron-Howard requesting a call to discuss outstanding questions regarding JOA

11/8/22 – Held phone call with Candace LaBron-Howard to discuss Chevron's requested changes to the proposed JOA & received summary of requested changes via e-mail from Chevron same day

11/14/22 – Provided written follow up to Chevron's requested JOA changes by e-mail and discussed over the phone with Candace LaBron-Howard

11/21/22 – Provided Candace LaBron-Howard with revised well proposals reflecting minor change to location footages via e-mail

12/2/22 - Received questions about the proposal via e-mail from Candace LaBron-Howard

12/5/22 – Responded with additional information regarding well proposals to Candace LaBron-Howard via e-mail.



12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Candace LaBron-Howard via e-mail

#### McCombs Energy, LLC

9/19/22 – Received e-mail from Sarah O'Shaughnessy indicating receipt of well proposals & requesting WI/NRI information

9/26/22 – Received follow up e-mail from Sarah O'Shaughnessy regarding WI/NRI information & provided estimated WI/NRI same day

9/28/22 – Received e-mail from Sarah O'Shaughnessy regarding commercial options in lieu of an election to participate in the proposed wells

9/28/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

9/29/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

9/30/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/3/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/12/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/17/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/27/22 – Informed Sarah O'Shaughnessy via e-mail that Devon would not be able to proceed with commercial option in lieu of election to participate and provided list of additional options

10/31/22 – Received e-mail from Sarah O' Shaughnessy requesting additional information regarding proposed wells.

11/1/22 – Provided additional information regarding proposed wells via e-mail to Sarah O'Shaughnessy

11/4/22 – Provided additional information regarding proposed wells via e-mail to Sarah O'Shaughnessy

11/21/22 – Provided proposed Agreement for Operations to outline JOA for proposed wells along with revised well proposals reflecting minor change to location footages via e-mail

11/28/22 – 11/28/29 – Discussed estimated WI/NRI with Sarah O' Shaughnessy via e-mail

12/6/22 – Followed up with Sarah O'Shaughnessy via e-mail to see if any additional information was necessary to review the well proposals

12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Sarah O'Shaughnessy via e-mail

#### **Tap Rock Resources, LLC**

9/14/22 - Provided digital copies of well proposals via e-mail to Taylor Ford McVean

9/30/22 – Followed with Tap Rock via e-mail with Taylor Ford McVean to confirm receipt of well proposals & discussed general information regarding the proposed wells, estimated WI/NRI, and JOA

10/3/22 – Confirmed additional via e-mail to Taylor Ford McVean that additional hard copies of the well proposals were mailed to Tap Rock

11/18/22 – Received e-mail correspondence from Taylor Ford McVean requesting proposed Agreement for Operations to JOA & additional information related to the hearing. Provided copy of the proposed Agreement for Operations and responses to hearing questions same day.

11/21/22 – Discussed well proposals over the phone and provided Taylor Ford McVean with revised well proposals reflecting minor change to location footages via e-mail. Provided additional details regarding timing/well plans via e-mail as well.

11/22/22 – Notified Taylor Ford McVean via e-mail that Devon would seek to continue the hearing to December 15<sup>th</sup>

11/29/22 – 11/30/22 – Discussed the well proposals and proposed Agreement for Operations via e-mail with Taylor Ford McVean

12/5/22 – Received questions and proposed changes to Agreement for Operations via e-mail from Taylor Ford

12/6/22 - Provided Taylor Ford McVean with additional details requested regarding the well proposals

12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Taylor Ford McVean via e-mail

12/12/22 – E-mail correspondence with Taylor Ford McVean regarding Agreement for Operations

#### NHPP Permian, LLC (f/ka Chanas Partners, LLC and f/k/a TLW Investments LLC)

9/29/22 – Received notice via e-mail from Brian Weinberg that Chanas Partners, LLC had acquired all interest formerly owned by TLW Investments LLC. Provided updated well proposals addressed to Chanas Partners, LLC and WI/NRI information same day.

10/7/22– Received e-mail from Brian Weinberg seeking direction on how to indicate election to participate

10/11/22 - Responded to Brian via e-mail to request signed copies of well proposal AFEs

10/14/22 – Received signed AFEs indicating Chanas Partners, LLCs intent to participate via e-mail.

11/21/22 – Provided Brian with proposed Agreement for Operations to outline JOA for proposed wells along with revised well proposals reflecting minor change to location footages via e-mail. Received notice same day from Aaron Tenenholz that NHPP Permian, LLC had just acquired all interest previously owned by Chanas Partners, LLC in the proposed wells.

11/22/22 – Provided Aaron Tenenholz with copies of the well proposals, AFEs, and the proposed Agreement for Operations and discussed the proposals via e-mail

11/28/22 – Discussed well proposals with Aaron Tenenholz over the phone

12/6/22 – Followed up with Aaron Tenenholz to see if any additional information was necessary to review the well proposals

12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Aaron Tenenholz via e-mail

.

### **TAB 3**

### Case No. 23192

Exhibit B:	Self-Affirmed Statement of Derek Ohl, Geologist
Exhibit B-1:	Structure Map
Exhibit B-2:	Isochore Maps
Exhibit B-3:	Base Map
Exhibit B-4:	Cross Section A-A
Exhibit B-5:	Gunbarrel Diagram & Lateral Trajectory

### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

### APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR HORIZONTAL SPACING UNITS AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23192 & 23193

### SELF-AFFIRMED STATEMENT OF DEREK OHL

Derek Ohl, of lawful age and being first duly sworn, declares as follows:

1. My name is Derek Ohl, and I am employed by Devon Energy Production Company,

L.P. ("Devon") as a petroleum geologist.

2. I have previously testified before the Oil Conservation Division ("Division") as an expert witness in petroleum geology. My credentials have been made a matter of record and I have been recognized by the Division as an expert witness.

3. I am familiar with the applications filed by Devon in these consolidated cases, and I have conducted a geologic study of the Wolfcamp formation underlying the subject area.

4. The initial targets for Devon's proposed Arena Roja wells in Sections 28 and 33 of T26S-R35E are intervals within the Wolfcamp formation.

5. Devon Exhibit B-1 is a structure map at the top of the Wolfcamp formation with

subsea depths marked by contour intervals every 25 feet. I have outlined the proposed spacing units and identified the orientation of the initial wellbores in the Wolfcamp formation. This exhibit shows that the Wolfcamp formation is gently dipping to the west in this area. I do not observe any faulting, pinch outs, or other geologic impediments to developing the targeted Wolfcamp intervals with horizontal wells.



6. **Devon Exhibit B-2** are isochore thickness maps for the Wolfcamp Formation targeted intervals with 10' contour intervals. This exhibit shows that the reservoir intervals targeted by Devon's development plan is of consistent thickness across the proposed unit.

7. **Devon Exhibit B-3** identifies the wells penetrating the Wolfcamp formation that I have used to create a stratigraphic cross-section. I utilized these well logs because they penetrate the targeted intervals and are of good quality. In my opinion, these well logs are representative of the geology in the area.

8. **Devon Exhibit B-4** is a stratigraphic cross-section for the Wolfcamp formation using the representative wells depicted on Exhibit B-3. Each well log contains gamma ray, resistivity, and porosity logs. The target intervals for the initial wells are depicted on the exhibit. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

9. **Devon Exhibit B-5** is a west-to-east cross-section view with wellbore placement identified ("gunbarrel diagram") and a north-south lateral trajectory cross-section.

10. In my opinion, the north-south orientation of the proposed wells is the preferred orientation for horizontal well development in the targeted intervals in this area. This standup orientation will efficiently and effectively develop the subject acreage.

11. In my opinion, the granting of Devon's applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Devon Exhibits B-1** through **B-5** were either prepared by me or compiled under my direction and supervision.

13. The foregoing is true to the best of my knowledge and belief.

[Signature page follows]

2

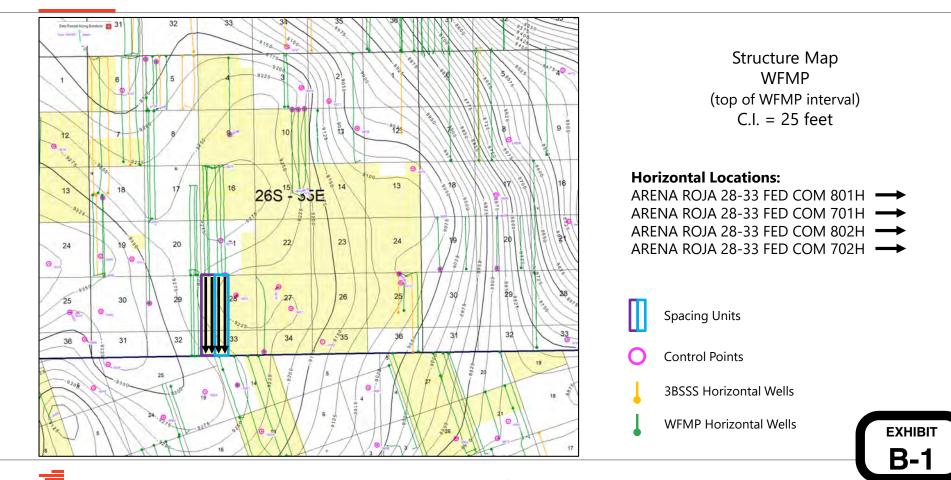
### Signature page of Self-Affirmed Statement of Derek Ohl:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23192 & 23193 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Duch Ohl Derek Ohl

12-6-2022 Date Signed

# Structure Map



Devon - General

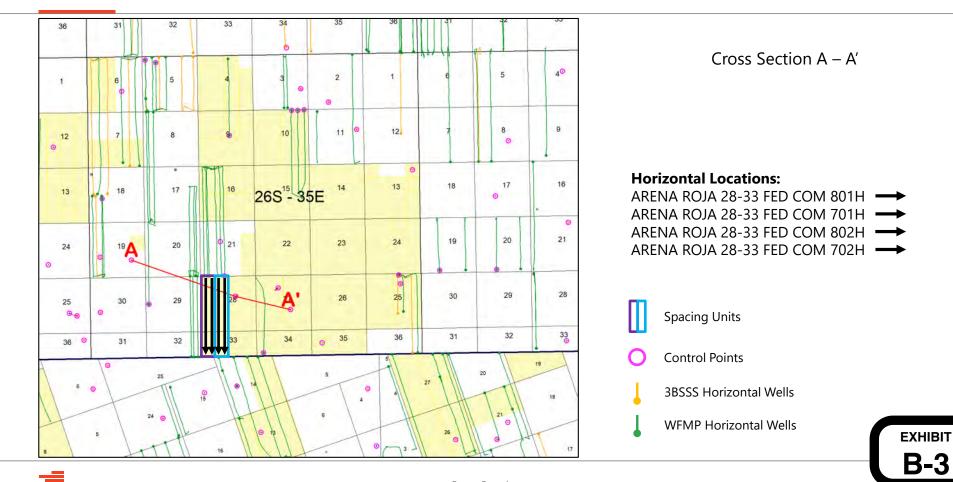


 $\bigcirc$ 

## Isochore Maps

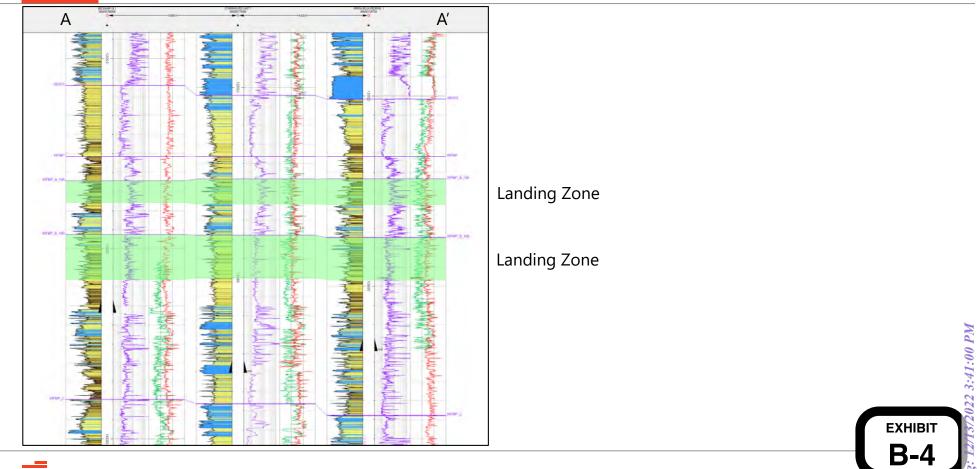


## Base Map



Devon - General

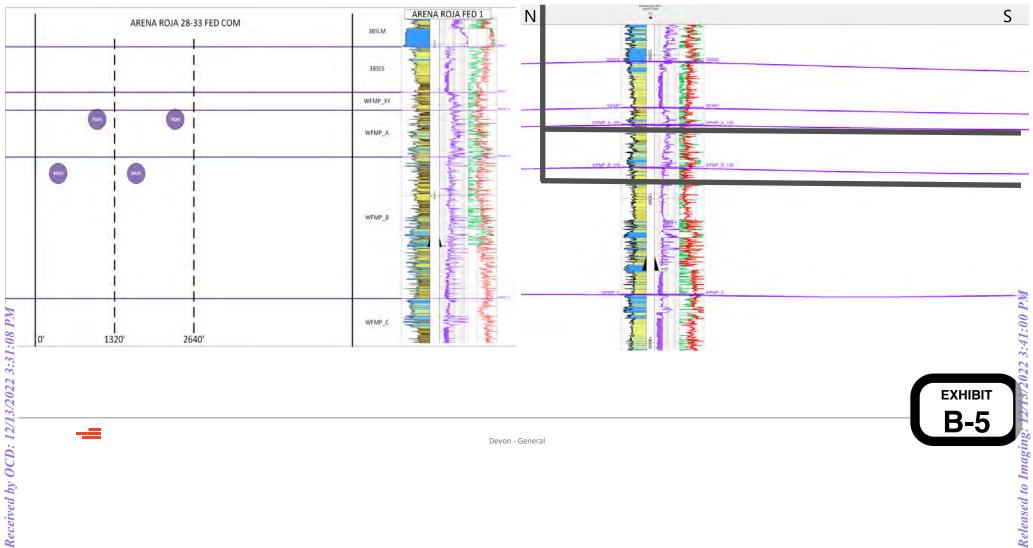
## Cross Section A-A'



Devon - General

**Released to Imaging** 

## Gunbarrel Diagram & Lateral Trajectory



### **TAB 4**

Case No. 23192

Exhibit C:	Affidavit of Notice, Darin C. Savage
Exhibit C-1:	Notice Letters
Exhibit C-2:	Mailing List
Exhibit C-3:	Affidavit of Publication

### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

### APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR HORIZONTAL SPACING UNITS AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23192 & 23193

#### AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO ) ) ss. COUNTY OF SANTA FE )

I, Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P. ("Devon"), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on November 10, 2022, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

 Notice was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, and timely published in said newspaper on November 11, 2022. See Exhibit C-3.

3. It is my understanding that Devon has made a reasonably diligent effort to find the names and addresses for the interest owners entitled to receive notice of the application and case herein.

Darin C. Savage

SUBSCRIBED AND SWORN to before me this 13th day of December, 2022, by Darin C. Savage.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO NOTARY PUBLIC MARSHA DALTON COUCH COMMISSION #1077509 COMMISSION EXPIRES 02/10/2026 Received by OCD: 12/13/2022 3:31:08 PM





### ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

EXHIBIT

November 10, 2022

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico
 <u>Arena Roja 28-33 Fed Com 701H Well</u> (Case No. 23192)
 Arena Roja 28-33 Fed Com 801H Well (Case No. 23192)

Case Nos. 23192:

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P. ("Devon") has filed the enclosed application, Case No. 23192, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units in the Wolfcamp formation.

In Case No. 23192, Devon seeks to pool the Wolfcamp formation underlying the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, a standard unit encompassing 233.58 acres, more or less, dedicated to the above-referenced 701H and 801H Wells.

A hearing has been requested before a Division Examiner on December 1, 2022, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 You are being notified as an owner of Record Title (subject to title examination), not a Working Interest owner with operating rights, and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andrew J. Wenzel at (405) 228-4218 or at andrew.wenzel@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P. Received by OCD: 12/13/2022 3:31:08 PM





### ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

November 10, 2022

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

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a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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If you have any questions about this matter, please contact Andrew J. Wenzel at (405) 228-4218 or at andrew.wenzel@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

			Mailed from User	y Report - CertifiedPro.net 11/1/2022 to 12/12/2022 Name: abadieschill : 12/12/2022 6:59:53 AM							
USPS Article Number	Date Mailed	Туре	Name 1	Name 2	Address 1	Address 2		State	Zip	Mailing Status	Service Options
9314869904300101375490	11/10/2022	WI/RT	Chevron U.S.A., Inc.		1400 Smith St		Houston	TX	73102	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375506	11/10/2022	WI	McCombs Energy, LLC		750 E. Mulberry Ave	Suite 403	San Antonio	TX	78212	Delivered	Return Receipt - Electronic, Certified Mail
	11/10/2022	WI		(f/k/a TLW Investments, LLC)		Suite 110-541	Houston	TX	77057	In Transit	Return Receipt - Electronic, Certified Mail
	11/10/2022	WI	Tap Rock Resources, LLC			Suite 200	Golden	CO	80401	In Transit	Return Receipt - Electronic, Certified Mail
9314869904300101375537	11/10/2022	ORRI	C. Mark Wheeler		PO Box 248		Round Rock	TX	78680	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375551	11/10/2022	ORRI	Crownrock Minerals LP		PO Box 51933		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail
		ORRI	Jareed Partners, Ltd.		PO BOX 51451		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375582	11/10/2022	ORRI	Penwell Employee Royalty Pool		2201 Winfield Rd		Midland	TX	79705-8672	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375636	11/10/2022	ORRI	Thomas James Waller & Barbara Decareaux Waller,	Thomas & Barbara Waller Revocable Trust	600 Chippewa Way		Aubrey	TX	76227	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail
		ORRI	Larry Frank & Mildred Lawrence Roden		4213 Bamford Dr		Austin	TX			Return Receipt - Electronic, Certified Mail
		ORRI	Marium Roden		4240 Prescott Ave	Apt 3B	Dallas	TX	75219	Delivered	Return Receipt - Electronic, Certified Mail
		ORRI		William F. Roden Bypass Trust	16737 Marsala Springs Dr		Round Rock		78681	Delivered	Return Receipt - Electronic, Certified Mail
	11/10/2022		Bureau of Land Management		414 W Taylor St		Hobbs	NM	88240	Delivered	Return Receipt - Electronic, Certified Mail
		ORRI	Van T. Tettleton		PO Box 10909		Midland	TX	79702-7909		Return Receipt - Electronic, Certified Mail
		ORRI		John Kyle Thomas Successor Trustee	PO Box 558		Peyton	CO	80831		Return Receipt - Electronic, Certified Mail
		ORRI	Paul R. Barwis		PO Box 230		Midland	ТΧ	79702	Delivered	Return Receipt - Electronic, Certified Mail
		ORRI	Margaret Ann Mitchell		8523 Thackery St	#6202	Dallas	ТΧ	75225	Delivered	Return Receipt - Electronic, Certified Mail
		ORRI	Sean K. Roden			#130-470	League City	ТΧ	77573	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375629	11/10/2022	ORRI	Richard W. Fairchild, Jr.		131 Bootlegger Ln		Kerrville	ТΧ	78028	Delivered	Return Receipt - Electronic, Certified Mail



November 16, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 98**.

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	November 15, 2022, 11:18 a.m.
Location:	HOBBS, NM 88240
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Bureau of Land Management
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	414 W TAYLOR ST
City, State ZIP Code:	HOBBS, NM 88240-6054
Recipient Signature	
Signature of Recipient:	96- Jon 51/101
Address of Recipient:	414 W TAYLOR ST HOBBS, NM 88240

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November 15, 2022

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Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	November 14, 2022, 02:22 p.m.
Location:	ROUND ROCK, TX 78681
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Gerald J Hertel Trustee William F Roden Bypas
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	16737 MARSALA SPRINGS DR
City, State ZIP Code:	ROUND ROCK, TX 78681-5322
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

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November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 50**.

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Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	November 14, 2022, 01:11 p.m.
Location:	DALLAS, TX 75219
Postal Product:	First-Class Mail <sup>®</sup>
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Marium Roden
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	4240 PRESCOTT AVE APT 3B
City, State ZIP Code:	DALLAS, TX 75219-2377
Recipient Signature	
Signature of Recipient:	NG rtio
Address of Recipient:	r+10 Covid-19

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November 22, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 29**.

Item Details				
Status:	Delivered, Individual Picked Up at Post Office			
Status Date / Time:	November 21, 2022, 02:06 p.m.			
Location:	KERRVILLE, TX 78028			
Postal Product:	First-Class Mail®			
Extra Services:	Certified Mail™			
	Return Receipt Electronic			
Recipient Name:	Richard W Fairchild Jr			
Shipment Details				
Weight:	3.0oz			
Destination Delivery Address				
Street Address:	131 BOOTLEGGER LN			
City, State ZIP Code:	KERRVILLE, TX 78028-7597			
Recipient Signature				
	Rufermi			
Signature of Recipient:	RWFellins Richard Edisan			
	131 BOOTLEGGER LI			
Address of Recipient:	KERRVILLE, TX 78028-7597			
· ·				

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Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 12**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	November 14, 2022, 11:29 a.m.
Location:	LEAGUE CITY, TX 77573
Postal Product:	First-Class Mail <sup>®</sup>
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Sean K Roden
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	2951 MARINA BAY DR
City, State ZIP Code:	LEAGUE CITY, TX 77573-2735
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

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Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



November 23, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 99**.

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	November 14, 2022, 08:41 p.m.
Location:	DALLAS, TX 75225
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Margaret Ann Mitchell
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	8523 THACKERY ST
City, State ZIP Code:	DALLAS, TX 75225-3903
Recipient Signature	
Signature of Recipient:	A.P
Address of Recipient:	3523 Thacking Dr

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**UNITED STATES POSTAL SERVICE** 

November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 82**.

Item Details	
Status:	Delivered to Agent for Final Delivery
Status Date / Time:	November 14, 2022, 02:17 p.m.
Location:	MIDLAND, TX 79705
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Penwell Employee Royalty Pool
Shipment Details	
Weight:	2.0oz
Recipient Signature	
Signature of Recipient: (Authorized Agent)	JBergran Dwfr skrime 2201 Willfull
Address of Recipient:	220) Vinful

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 75**.

Item Details	
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	November 14, 2022, 11:42 a.m.
Location:	MIDLAND, TX 79701
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Paul R Barwis
Shipment Details	
Weight:	2.0oz
Recipient Signature	
Signature of Recipient:	Detroy Section X MANNANCIA Prince New M HERMINTLEP
Address of Recipient:	PD BON 221

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**UNITED STATES POSTAL SERVICE** 

November 16, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 68**.

Item Details	
Status:	Delivered
Status Date / Time:	November 15, 2022, 10:56 a.m.
Location:	MIDLAND, TX 79705
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Jareed Partners Ltd
Shipment Details	
Weight:	2.0oz
Recipient Signature	
Signature of Recipient:	Agustan X Present Namo Davive la Puvellu
Address of Recipient:	adaman VYO BOX 51451 Adaman V Midlund H. 79910

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



November 18, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 51**.

Item Details	
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	November 17, 2022, 11:19 a.m.
Location:	MIDLAND, TX 79705
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Crownrock Minerals LP
Shipment Details	
Weight:	2.0oz
Recipient Signature	
Signature of Recipient:	Appelar X EMMP Prime Filence Richard Sur
Address of Recipient:	Doliny Actives 53310 51933

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

POSTAL SERVICE

November 24, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 37**.

Item Details	
Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	November 23, 2022, 03:03 p.m.
Location:	ROUND ROCK, TX 78681
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	C Mark Wheeler
Shipment Details	
Weight:	2.0oz
Recipient Signature	
Signature of Recipient:	Ad
Address of Recipient:	PO BOX 248 ROUND ROCK, TX 78680-6248

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



November 16, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 06**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	November 15, 2022, 08:13 a.m.
Location:	SAN ANTONIO, TX 78212
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	McCombs Energy LLC
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	750 E MULBERRY AVE STE 403
City, State ZIP Code:	SAN ANTONIO, TX 78212-3105
Recipient Signature	
Signature of Recipient:	11 On
	Bally and
Address of Recipient:	15° WW M

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



November 18, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3754 90**.

Item Details	
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	November 17, 2022, 02:55 p.m.
Location:	HOUSTON, TX 77002
Postal Product:	First-Class Mail <sup>®</sup>
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Chevron U S A Inc
Shipment Details	
Weight:	4.0oz
Destination Delivery Address	
Street Address:	1400 SMITH ST
City, State ZIP Code:	HOUSTON, TX 77002-7327
Recipient Signature	
Signature of Recipient:	Signature X Prited Name
Address of Recipient:	Lohny / / /

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

### **Affidavit of Publication**

STATE OF NEW MEXICO COUNTY OF LEA

I. Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 11, 2022 and ending with the issue dated November 11, 2022.

Publisher

Sworn and subscribed to before me this 11th day of November 2022.

**Business Manager** 

My commission expires January 29, 2023 (Seal)

**GUSSIE BLACK** Notary Public - State of New Mexico Commission # 1087526 My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE November 11, 2022

LEGAL NOTICE Normation is consistent of the series and persons having and right, title, interest or claim to this case, including owners of working as the known and unknown heirs, devisees, assigns and successor of CHVPNON U.S.A., INC., MCCOMBS ENERGY, LLC, CHANAS PARTNERS, LLC (FXKIA TLW INVESTIMENTS, LLC), TAP HOCK RESOURCES, LLC, GA WARK WHEELER, CORNERSTONE FAMILY HUST, JOHNT KY, ET MARD PARTNERS, LTD., PAUL R. BARWIS, PENWELL EMPLOYEE ROVARD NARK WHEELER, CORNERSTONE FAMILY AND STANK ROVER & BARBARA PARTNERS, LTD., PAUL R. BARWIS, PENWELL EMPLOYEE ROVARD NARK WHEELER, CORNERSTONE FAMILY THUST, JOHNT KY, ET MARD PARTNERS, LTD., PAUL R. BARWIS, PENWELL EMPLOYEE ROVARD NARK WHEELER, CORNERSTONE FAMILY THUST, JOHNT KY, ET MARD PARTNERS, LTD., PAUL R. BARWIS, PENWELL EMPLOYEE ROVARD NARK WHEELER, CORNERSTONE FAMILY THUST, JOHNT KY, ET MARD PARTNERS, LTD., PAUL R. BARWIS, PENWELL EMPLOYEE ROVARD NARK WHEELER, CORNERSTONE SOFTHE THOMAS & BARBARA DECAREAUX WALLER, CO-TRUSTEES OF THE THOMAS & BARBARA DECAREAUX WALLER, CO-TRUSTE, LSC SOFT THE THOMAS & BARBARA DECAREAUX WALLER, CO-TRUST, LSC SOFT THE THOMAS & BARBARA DECAREAUX WALLER, CO-TRUSTE, LSC SOFT THE THOMAS & BARBARA DECAREAUX WALLER, CO-TRUST, LSC SOFT THE THOMAS & BARBARA DECAREAUX WALLER, AND THE AND THE DIVISION CONTANT, AND THE AND THE DIVISION CONTANT, AND TH miles southwest of Jal City, New Mexico, and adjacent to the state line. #38241

00272975

67115820

KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE 84-180 **DURANGO, CO 81301** 

### **TAB 1**

Reference for Case No. 23193 Application Case No. 23193: Arena Roja 28-33 Fed Com 702H Well Arena Roja 28-33 Fed Com 802H Well NMOCD Checklist Case No. 23193

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

#### APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. \_\_\_\_\_\_\_\_\_

#### **APPLICATION**

Devon Energy Production Company, L.P. ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 233.54-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying said unit. Section 33 is an irregular section with correction lots along the New Mexico-Texas state line.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

2. Devon dedicates to the HSU the Arena Roja 28-33 Fed Com 702H Well and the Arena Roja 28-33 Fed Com 802H Well, as initial wells, to be drilled to a sufficient depth to test the Wolfcamp formation.

3. Devon proposes the Arena Roja 28-33 Fed Com 702H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 28 to a bottom hole location in Lot 3 of Section 33.

4. Devon proposes the **Arena Roja 28-33 Fed Com 802H Well**, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 28 to a bottom hole location in Lot 3 of Section 33.

5. The proposed wells are orthodox in their location, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. Devon has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

7. The pooling of all interests in the Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Devon requests that all uncommitted interests in this HSU be pooled and that Devon be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on December 1, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 233.54-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

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B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU;

C. Approving the Arena Roja 28-33 Fed Com 702H Well and the Arena Roja 28-33 Fed Com 802H Well as the wells for the HSU;

D. Designating Devon as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Devon in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky Andrew D. Schill 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com

Attorneys for Devon Energy Production Company, L.P.

3

Application of Devon Energy Production Company, L.P., for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the abovestyled cause seeks an order from the Division: (1) establishing a standard 233.54-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Wolfcamp formation, designated as an oil pool, underlying the unit. Section 33 is an irregular section with correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Arena Roja 28-33 Fed Com 702H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 28 to a bottom hole location in Lot 3 of Section 33; and the Arena Roja 28-33 Fed Com 802H Well, an oil well, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 28 to a bottom hole location in Lot 3 of Section 33. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 12.5 miles southwest of Jal City, New Mexico, and adjacent to the New Mexico state line.

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# **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION M	UST BE SUPPORTED BY SIGNED AFFIDAVITS
Case: 23193	APPLICANT'S RESPONSE
Date	December 15, 2022
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of Devon Energy Production Company, L.P., for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Tap Rock Operating, LLC
Well Family	Arena Roja
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Ex. A, Paras. 7&8; 702H Well: TVD apprx. 12,530'; 802H Well: TVD apprx. 12,900'
Pool Name and Pool Code:	Jabalina; Wolfcamp, Southwest [Code: 96776]
Well Location Setback Rules:	Statewide Division Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	233.54
Building Blocks:	quarter-quarter sections (40 ac. tracts).
Orientation:	north-south
Description: TRS/County	E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Landman Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

•

pending, SHL: Unit C, 250' FNL, 1385' FWL, Section 28, 1265-R355, MMPM, BHL: Lot 3, 20' FSL, 1560' FWL, Section 33         Horizontal Well First and Last Take Points       Arena Roja 28-33 Fed Com 702H Well: FTP 100' FNL, 1650' FWL, Section 33         Completion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 20,030'.         Well #2       Arena Roja 28-33 Fed Com 802H Well (API No. 30-015-pending), SHL: Unit C, 250' FNL, 1415' FWL, Section 28, 17265-R355, MMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28, 172 56-R355, MMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28, 172 56-R355, MMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 33, 7265, R355, MMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28, 172 50' FNL, 1415' FWL, Section 28, 172 50' FNL, 1415' FWL, Section 28, 172 100' FSL, 2310' FWL, Section 28, 172 154, 73 10' FWL, Section 28, 172 154, 73 10' FSL, 2310' FWL, Section 28, 172 10' FWL, Section 28, 172 100' FSL, 2310' FWL, Section 28, 172 10' FSL, 2310' FWL, Section 28, 172 10' FWL, S	Well #1	Arena Roja 28-33 Fed Com 702H Well (API No. 30-015-
T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 1650' FWL, Section         Horizontal Well First and Last Take Points       Arena Roja 28:33 Fed Com 702H Well: FTP 100' FNL,         1650' FWL, Section 28; LTP 100' FSL, 1650 FWL, Section 33         Completion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD:         appr. 12,530'; TMD: appr. 20,030'.       appr. 12,530'; TMD: appr. 20,030'.         Well #2       Arena Roja 28: 33 Fed Com 802H Well (API No. 30-015-         pending), SHL: Unit C, 250' FNL, 1415' FWL, Section 28,       T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,         T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,       T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,         T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,       T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,         T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,       T265-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 28,         T20' FWL, Section 28, LTP 100' FSL, 2310' FWL, Section 28, T210' FWL, Section 28, TP 100' FSL, 2310' FWL, Section 28, T210' FWL, Section 28, T210' FWL, Section 28, TP 100' FSL, 2310' FWL, Section 28, TP 100' FSL, 200', TADE 30, T200', TADE 30, T200', TADE 30, T200', TADE 30		-
Horizontal Well First and Last Take Points       Arena Roja 28-33 Fed Com 702H Well: FTP 100' FNL, 1650' FWL, Section 33         Completion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,530'; TMD: apprx. 22,530'; TMD: apprx. 22,530'; TMD: apprx. 22,530'; TMD: apprx. 22,530'; TMD: apprx. 20,30'.         Well #2       Arena Roja 28-33 Fed Com 802H Well (API No. 30-015-pending), SHL: Unit C, 250' FNL, 1415' FWL, Section 28, TZ65-R35E, NMPM, BHL: Lot 3, 20' FSL, 2310' FWL, Section 33, T265, R35E, standup, standard location         Horizontal Well First and Last Take Points       Arena Roja 28-33 Fed Com 802H Well: FTP 100' FNL, 2310' FWL, Section 33, T265, R35E, Standup, standard location         Borneletion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,900'; TMD: apprx. 20,400'.         AFE Capex and Operating Costs       Exhibit A         Drilling Supervision/Month \$       \$6,000, Exhibit A         Production Supervision/Month \$       \$6,000, Exhibit A         Proof of Mailed Notice of Hearing       Exhibit C, C-1         Proof of Mailed Notice of Hearing (20 days before hearing Exhibit C-2       Proof of Non-Standard Spacing Unit         Proof of Published Notice of Hearing (10 days before hearing Exhibit A-2       Commership Schematic of the Spacing Unit         If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.       N/A         Pooled Parties (including ownership type)		
1650' FWL, Section 28; LTP 100' FSL, 1650 FWL, Section 33         Completion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,530; TMD: apprx. 20,030'.         Well #2       Arena Roja 28-33 Fed Com 802H Well (API No. 30-015- pending), ShtL: Unit C, 250' FML, 1415' FWL, Section 28, T265, R355, standup, standard location         Horizontal Well First and Last Take Points       Arena Roja 28-33 Fed Com 802H Well: FTP 100' FNL, 2310' FWL, Section 28, LTP 100' FSL, 2310' FWL, Section 33         Completion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,900'; TMD: apprx. 20,400'.         AFE Capex and Operating Costs       FXhibit A         Profling Supervision/Month \$       S6,000, Exhibit A         Production Supervision/Month \$       S600, Exhibit A         Proposed Notice of Hearing       Exhibit C-1         Proof of Published Notice of Hearing (10 days before hearing Exhibit C-2         Proof of Published Notice of Hearing (10 days before hearing Exhibit C-3         Ownership Determination       Exhibit A-2         Land Ownership Schematic of the Spacing Unit       Exhibit A-2         Tract List (including lease numbers and owners) of Tracts ubject to notice requirements.       N/A         Pooled Parties to be Pooled       Exhibit A-2         Unicatable Parties to be Pooled       Exhibit A-3         Unicatable Parties to be Pooled       Exhibit A-3		33, T26S-R35E, standup, standard location
Completion Target (Formation, TVD and MD) Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,530'; TMD: apprx. 20,030'. Well #2 Arena Roja 28-33 Fed Com 8021 Well (API No. 30-015- pending), SHL: Unit C, 250' FNL, 1415' FWL, Section 83, T265, R35E, Standup, Standard Location 78, T265, R35E, Standup, Standard Location 78, 2310' FWL, Section 28, T210' FWL, Section 33, T265, R35E, Standup, Standard Location Horizontal Well First and Last Take Points Arena Roja 28-33 Fed Com 8021 Well: FTP 100' FNL, 2310' FWL, Section 28, LTP 100' FSL, 2310' FWL, Section 33 Completion Target (Formation, TVD and MD) Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,900'; TMD: apprx. 20,400'. <b>AFE Capex and Operating Costs</b> Drilling Supervision/Month \$ S6,000, Exhibit A Production Supervision/Month \$ S600, Exhibit A Production Supervision Costs Exhibit A Netice of Hearing Proposed Notice of Hearing (20 days before hearin Exhibit C, C-1 Proof of Mailed Notice of Hearing (10 days before hearin Exhibit C-2 Proof of Mailed Notice of Hearing (10 days before hearin Exhibit C-3 <b>Ownership Determination</b> Land Ownership Schematic of the Spacing Unit Exhibit A-2 It (including lease numbers and owners) of Tracts subject to notice requirements. N/A Pooled Parties to be Pooled Exhibit A Ownership Dettermination Land Ownership Dettermination Land Ownership Dettermination Land Ownership Depth Severance (including percentage above & below) N/A Joinder Sample Copy of Proposal Letter Exhibit A-2 Chronology of Contact with Non-Joined Working Interest Exhibit A-3 List of Interest Owners (ie Exhibit A of JOA) Exhibit A-3 List of Interest Owners (ie Exhibit A of JOA) Exhibit A-3	Horizontal Well First and Last Take Points	-
apprx. 12,530; TMD: apprx. 20,030'.Well #2Arena Roja 28-33 Fed Com 802H Well API No. 30-015- pending), SHL: Unit C, 250° FNL, 1415' FWL, Section 28, T265, R35E, NMPM, BHL: Lot 3, 20° FNL, 1415' FWL, Section 33, T265, R35E, NMPM, BHL: Lot 3, 20° FNL, 1415' FWL, Section 33, T265, R35E, Standup, standard locationHorizontal Well First and Last Take PointsArena Roja 28-33 Fed Com 802H Well: FTP 100' FNL, 2310' FWL, Section 28; LTP 100' FSL, 2310' FWL, Section 33Completion Target (Formation, TVD and MD)Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,900'; TMD: apprx. 20,400'.AFE Capex and Operating CostsExhibit AProduction Supervision/Month \$\$6,000, Exhibit AProduction Supervision/Month \$\$600, Exhibit ANatification for Supervision CostsExhibit ARequested Risk Charge200%, Exhibit AProopsed Notice of HearingExhibit C, C-1Proof of Mailed Notice of Hearing (10 days before hearin Exhibit C-2Proof of Published Notice of Hearing (10 days before hearing Exhibit C-3Ownership DeterminationExhibit A-2Land Ownership Schematic of the Spacing UnitExhibit A-2Irract List (including lease numbers and owners) of Tracts subject to notice requirements.N/APooled Parties (including ownership type)Exhibit A-2Unlocatable Parties to be PooledExhibit A-2Unlocatable Parties to be PooledExhibit A-3List of Interest Owners (ie Exhibit A of JOA)Exhibit A-3List of Interest Owners (ie Exhibit A of JOA)Exhibit A-4Overhead Rates In Proposal LetterExhibit A-3		1650' FWL, Section 28; LTP 100' FSL, 1650 FWL, Section 33
Well #2       Arena Roja 28-33 Fed Com 802H Well (API No. 30-015-pending), SHL: Unit C, 250' FNL, 145' FVL, Section 28, T265-R35E, NPMP, BHL: Lot 3, 20' FSL, 2310' FVL, Section 33, T265, R35E, Standup, standard location         Horizontal Well First and Last Take Points       Arena Roja 28-33 Fed Com 802H Well: FTP 100' FNL, 2310' FWL, Section 33, T265, R35E, standup, standard location         Gompletion Target (Formation, TVD and MD)       Jabalina; Wolfcamp, Southwest [Code: 96776]; TVD: apprx. 12,900'; TMD: apprx. 20,400'.         AFE Capex and Operating Costs       Exhibit A         Drilling Supervision/Month \$       \$6,000, Exhibit A         Production Supervision/Month \$       \$6,000, Exhibit A         Production for Supervision Costs       Exhibit A         Requested Risk Charge       200%, Exhibit A         Proposed Notice of Hearing       Exhibit C, C-1         Proof of Mailed Notice of Hearing (10 days before hearing Exhibit C, C-2       Proof of Published Notice of Hearing (10 days before hearing Exhibit C-2         Proof of Non-standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.       N/A         Pooled Parties (including ownership type)       Exhibit A-2       Exhibit A-2         Unlocatable Parties to be Pooled       Exhibit A-3       Exhibit A-3         Sample Copy of Proposal Letter       Exhibit A-3       Exhibit A-3         Chrenonlogy of Contact with Non-Joined Working Interest Exhi	Completion Target (Formation, TVD and MD)	-
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Cost Estimate to Drill and Complete Exhibit A-3	Overhead Rates In Proposal Letter	Exhibit A-3
	Cost Estimate to Drill and Complete	Exhibit A-3

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Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibits B-1, B-2, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5
Well Orientation (with rationale)	Exhibits B, B-1, B-2, B-3
Target Formation	Exhibits B, B-4
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibits A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibits A-1, B-1, B-4, B-5
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibits B-4,B-5
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darin C. Savage
Date:	12.13.2022

## **TAB 2**

#### Case No. 23193

- Exhibit A: Self-Affirmed Statement of Andrew Wenzel, Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2: Ownership and Sectional Map
- Exhibit A-3: Well Proposal Letters and AFEs
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

#### APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23193

#### SELF-AFFIRMED STATEMENT OF ANDREW WENZEL

I, being duly sworn on oath, state the following:

1. I am over the age of eighteen years and have the capacity to execute this Self-affirmed Statement, which is based on my personal knowledge.

2. I am employed as a Senior Landman with Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the lands involved.

3. I graduated from the University of Oklahoma with a bachelor's degree in Energy Management in 2014, etc. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness as a petroleum landman. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

4. This affidavit is submitted in connection with the filing by Devon of the above-referenced spacing and compulsory pooling application pursuant to 19.15.4.12.A(1).

5. Devon seeks an order pooling all uncommitted mineral interest in the Wolfcamp formation (JABALINA WOLFCAMP, SOUTHWEST; Pool Code: [96776]) underlying a standard 233.54acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. Section 33 is an irregular section with correction lots along the New



Devon - Public

Mexico-Texas state line.

 Under <u>Case No. 23193</u>, Devon seeks to dedicate to the unit two initial oil wells, the Arena Roja 28-33 Fed Com 702H Well and the Arena Roja 28-33 Fed Com 802H Well.

7. The Arena Roja 28-33 Fed Com 702H Well, an oil well, API No. pending, is to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) (250' FNL, 1,385' FWL) of Section 28 to a bottom hole location in Lot 3 (20' FSL, 1,650' FWL) of Section 33; approximate TVD of 12,530'; approximate TMD of 20,030'; FTP in Section 28: 100' FNL, 1,650' FWL; LTP in Section 33: 100' FSL, 1,650' FWL.

8. The Arena Roja 28-33 Fed Com 802H Well, an oil well, API No. pending, is to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) (250' FNL, 1,415' FWL) of Section 28 to a bottom hole location in Lot 3 (20' FSL, 2,310' FWL) of Section 33; approximate TVD of 12,900'; approximate TMD of 20,400'; FTP in Section 28: 100' FNL, 2,310' FWL; LTP in Section 33: 100' FSL, 2,310' FWL.

9. The proposed C-102s for the wells are attached as Exhibit A-1.

10. A general location plat and a plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which shows the location of the proposed wells within the unit. The locations of the wells are orthodox and meet the Division's offset requirements.

11. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest (WI) owners, overriding royalty interest (ORRI) owners, and record title (RT) owners.

12. There are no depth severances in the Wolfcamp formation in this acreage.

13. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Lea County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All of the working interest owners were locatable. Two of the mailings to working interest owners are listed as in-transit: Chanas Partners, LLC (f/k/a TLW Investments, LLC) and Tap Rock Resources, LLC. Both parties have been in ongoing communications and negotiations with Devon, as described in the Chronology of Communications, Exhibit A-4. There were three parties with unlocatable addresses all of whom were overriding interest owners: Thomas James Waller & Barbara Decareaux Waller, Trustees of the Thomas & Barbara Waller Revocable Trust, Larry Frank & Mildred Lawrence Roden and Van T. Tettleton.

14. Devon submitted notice by publication to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice. Notice by publication was timely.

15. Devon has made a good faith effort to negotiate with the interest owners but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

16. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and

Devon 3 Public

another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division may deem it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

17. Exhibit A-3 is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

18. Devon requests overhead and administrative rates of \$6,000/month for drilling each well and \$600/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

19. Devon requests the maximum costs recoverable, plus a 200% risk charge be assessed against the working interest owners who elect not to participate in the wells.

20. Devon requests that it be designated operator of the unit and wells.

21. The Exhibits to this Self-affirmed Statement were prepared by me or compiled from Devon's company business records under my direct supervision.

22. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

23. The foregoing is correct and complete to the best of my knowledge and belief.

#### [Signature page follows]

#### Signature page of Self-Affirmed Statement of Andrew Wenzel:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23193 and affirm that my testimony herein is true and correct, to the best of my knowledge, belief and intent, and made under penalty of perjury under the laws of the State of New Mexico.

Andrew Wenzel  $\frac{12/ce/22}{Date Signed}$ 

Devon5Public

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STRICT II S. FIRST ST., A) ne: (575) 748-1283 STRICT III 10 RIO BRAZOS RI 10 DRAZOS RI 10 934-6174	D., AZTEC, N	88210 8-9720 VM 87410	OIL C	ONSI 1220 sc	ERVA DUTH S	ATIC ST. FI	Resources De DN DIVIS RANCIS DR. xico 87505	SION	Revised A Submit one copy t	°orm C–10 ugust 1, 20 o appropria ct Offic
STRICT IV 0 S. ST. FRANCIS DI 0 DE: (505) 476-346			WELL LC	OVATION	AND .	ACREA	.GE DEDICATI	ባለ ወገልጥ	🗆 AMEND	ED REPOR
API 1	Number			Pool Code		101057	GE DEDICATI	Pool Name		
			967	76			ABALINA; WO	OLFCAMP, SC	UTHWEST	
Property C				ARENA	ROJA		B FED COM		Well Nun 702	2H
<b>ogrid n₀</b> 6137	•		DEVON	ENERGY		tor Nam	On company	Γ.P.	Elevation 3160	
0107								,	010	J. I
L or lot No.	Section	Townshi	Pape	Lot Idn	Feet fro	e Loca	North/South line	Feet from the	East/West line	County
C I or lot No.	28	Township		LOT IGH	25		NORTH	1385	WEST	LEA
									VYLJI	LLA
T				1	1		rent From Sur		I	1
L or lot No.	Section	Township		Lot Idn	Feet fro		North/South line	Feet from the	East/West line	County
3	33	26-5			20	)	SOUTH	1650	WEST	LEA
edicated Acres	Joint o	or Infill	Consolidation	Code Or	der No.					
233.54										
LON:103.376441 IN:372623.62 E:837901.70 <i>RST_TAKE_POINT</i> 100 <sup>6</sup> FNL 1850 <sup>-</sup> FW LAT:32.021224 LON:103.375586 N:372775.66 E:838165.59 <i>IST_TAKE_POINT</i> 100 <sup>6</sup> FSL 1650 <sup>6</sup> FW LON:103.375568 <i>IST_TAKE_POINT</i> 100 <sup>7</sup> FSL 1650 <sup>7</sup> FW LON:103.375568 <i>DTOM_OF_HOLE</i> LAT:32.000357 LON:103.375568 20770 <i>M_OF_HOLE</i> LAT:32.00357 LON:103.375568 E:838238.35		N:370220.54 E:836540.27 Z S S S S S S S S S S S S S S S S S S	x 2643.5 ≤ 2640.93	  W W E:839 c	28 - R35E 205.50 25.50 33 5- R35E	B A C H C H S 89737 2642.2 Lot 2 Lot 1	S 00'30'51" 	compulsory poo by the division Signature CHELSE Printed Nam <u>chelsey.g</u> E-mail Addres SURVEYO <i>I hereby</i> shown on this notes of actua under my supe true and corre	Y GREEN e preen@dvn.con	re entered 22/22 te m CION U location m field ne or e same is y belief.
		N:365149.45 E:836588.62		-702H LTF -702H BH S 89'28'45'			N 200 18 18 18 18 18 18 18 18 18 18		22404 	

Intent	Х	As Drilled	
muunu	~	As Drilleu	

API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	ARENA ROJA 28-33 FED COM	702H

#### Kick Off Point (KOP)

UL C	Section 28	Township 26S	Range 35E	Lot	Feet 47	From N/S NORTH	Feet 1649	From E/W WEST	County LEA
	Latitude Lor			Longitude 103.375	3735			NAD 83	

#### First Take Point (FTP)

UL C	Section 28	Township 26-S	Range 35-E	Lot	Feet 100	From N/S	Feet 1650	From E/W	County LEA
Latitude				Longitude		NAD			
32.021224			103.37	5586	83				

Last Take Point (LTP)

UL	Section 33	Township 26-S	Range 35-E	Lot 3	Feet 100	From N/S	Feet <b>1650</b>	From E/W	County LEA
	Latitude				Longitud	<sup>اه</sup> 37556	8		NAD 83

Is this well the defining well for the Horizontal Spacing Unit? YES

Is this well an infill well?

NO

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	 Property Name:	Well Number

KZ 06/29/2018

DISTRICT II 811 S. FIRST ST., ARTESIA, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III 1000 RIO BRAZOS RD., AZTEC, NM 87410	1220 S Santa 1		esources De DN DIVIS RANCIS DR.	SION	Revised Au Submit one copy to	form C-102 1gust 1, 2011 o appropriate ct Office
Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462					AMEND	ED REPORT
	WELL LOCATION	AND ACREA	GE DEDICATIO			
API Number	Pool Code 96776	T/	ABALINA; WO	Pool Name	TTHMEST	
Property Code	90770	Property Nam		LICAMIF, SOC	Well Num	ıber
	ARENA	ROJA 28-33	B FED COM		802	2H
<b>OGRID No.</b> 6137	DEVON ENERG	Operator Nam Y PRODUCTI		, L.P.	Elevatio 3165	
		Surface Loca	tion			
UL or lot No. Section Towns		Feet from the	North/South line	Feet from the	East/West line	County
C 28 26-		250	NORTH	1415	WEST	LEA
· · · ·	Bottom Hole Lo					,
UL or lot No. Section Towns		Feet from the	North/South line	Feet from the	East/West line	County
3 33 26-		20	SOUTH	2310	WEST	LEA
Dedicated Acres     Joint or Infill       233.54     NO ALLOWABLE WILL B		rder No.	NTIL ALL INTER	ESTS HAVE BE	EN CONSOLIDA	ATED
ARENA ROJA 28–33 FED COM 802H ELEV:3165.3' LAT:32.020812 LON:103.376344 N:3722823.85 E:837931.70         N:372862 E:836514 N:3722823.85 E:837931.70           FIRST TAKE POINT 100' FNL 2310' FWL SEC. 28 LAT:32.002577 LON:103.373456 N:35270.45 E:838897.54         N:370220 E:836540 E:838897.54           BOTTOM OF HOLE LAT:32.000357 LON:103.373439 N:365190.45 E:838898.32         N:367577 E:836564           Note: All bearings recited herein are based on the New Mexico State Plane Coordinate System, NAD 83, New Mexico Est Zone         N:372862 N:372862 N:372862 NAD:2570.45 E:836584	N     89'33'32"     E     2642.05"     E:83       Z		E:841797.65 () () () () () () () () () ()	I hereby herein is true my knowledge organization eit or unleased mil- including the p or has a right location pursu owner of such . or to a volunta compulsory poo by the division. Signature CHELSE Printed Name <u>CHELSE</u> Printed Name <u>CHELSE</u> Brinted Name <u>CHELSE</u> Brinted Name <u>CHELSE</u> SURVEYO I hereby shown on this notes of actual under my super true and correct D Signature & Su	Arem 4/2 Da Da AY GREEN e reen@dvn.con s R CERTIFICAT cortify that the well plat was plotted fro surveys made by In cortify that the well plat was plotted fro surveys made by In S/18/2022 ate of Survey eal of Professional MET 2404 MET 2002 MET 2002 MET 2002 MET 2002 MET 2002 MET 2002 MET 2002 MET 2002 MET 2002 MET 2003 MET 200 MET 200 MET 200 MET 200 MET 200 MET 200 MET 200 MET	ormation e best of this this e location this this interest, nt or a e entered 22/22 te <u>M</u> VION I location m field me or e same is y belief.

Intent	v	Ac Drillod	
ment	^	As Drilled	

API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	ARENA ROJA 28-33 FED COM	802H

#### Kick Off Point (KOP)

UL C	Section 28	Township 26S	Range 35E	Lot	Feet 51	From N/S NORTH	Feet 2309	From E/W WEST	County LEA
Latitu <b>32.0</b>	<sup>de</sup> )21263	34			Longitude	5441			NAD 83

#### First Take Point (FTP)

UL C	Section 28	Township 26-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet 2310	From E/W	County LEA
Latitude				Longitude			NAD		
32.021222				103.3734	456			83	

#### Last Take Point (LTP)

UL	Section 33	Township <b>26-S</b>	Range 35-E	Lot 3	Feet 100	From N/S	Feet 2310	From E/W	County LEA
Latitu					Longitud	de			NAD
32.	0005	77			103.3	73439			83

Is this well the defining well for the Horizontal Spacing Unit? NO

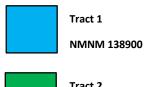
Is this well an infill well?

YES

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #			
Operator Name: DEVON ENERGY P LP	RODUCTION CO,	Property Name: AREAN ROJA 28-33 FED COM	Well Number 702H

KZ 06/29/2018





28		
33		

<b>Tract 1 WI</b> 100.00%		8, Township 26 S Production Compa	outh, Range 35 East any, L.P.		Committed
100.00%	Total	100.00%	Total	0.00%	
	Committed		Uncommitted		
	Interest		Interest		
Tract 1 ORRI	E/2 W/2 Sec. 2	8, Township 26 S	outh, Range 35 East		
	N/A				
Tract 1 RT		<b>8, Township 26 S</b> tain Energy, LLC (2	outh, Range 35 East 100.00%)		
Tract 2 WI/RT	NE/4 NW/4 & East	Lot 3 Sec. 33, Tow	vnship 26 South, Ran	ge 35	
50.22%	Devon Energy I	Production Compa	any, L.P.		Committed
48.47%	Chevron U.S.A.	Inc.			Uncommitted
00.80%	McCombs Ener	gy, LLC			Uncommitted
00.40%	Tap Rock Reso	urces, LLC			Uncommitted
00.11%	NHPP Permian, Investments, Ll		s Partners, LLC, f/k/a	TLW	Uncommitted
100.00%	Total Committed Interest	50.22%	Total Uncommitted Interest	49.78%	



•

Tract 2 ORRI	NE/4 NW/4 & Lot 3 S East Margaret Ann Mitcher Van T. Tettleton Sean K. Roden Richard W. Fairchild, J. Thomas James Waller Trustees of the Thom Lawrence Roden Marium Roden Gerald J. Hertel, Trust u/w/o William F. Rod	II Jr. & Barbara Dec as & Larry Fran tee of the Willia	areaux Waller, C k Roden & Mildro	co- ed	
Tract 2 RT	NE/4 NW/4 & Lot 3 S East Devon Energy Produc Chevron U.S.A. Inc. (4 McCombs Energy, LLC	tion Company, 5.00%)	•	ige 35	
Unit WI	E/2 W/2 Sec. 28, NE/ South, Range 35 East	-	=	hip 26	
84.33%	Devon Energy Produc	• •	•		Committed
15.26%	Chevron U.S.A. Inc.	1 <i>1</i> //			Uncommitted
00.25%	McCombs Energy, LLC	2			Uncommitted
00.13%	Tap Rock Resources, I	LLC			Uncommitted
00.03%	NHPP Permian, LLC (f	/k/a Chanas Pa	rtners, LLC, f/k/a	TLW	Uncommitted
	Investments, LLC)				
100.00%	Total 84.	.33%	Total	15.67%	
	Committed		Uncommitted		
	Interest		Interest		



Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City, OK 73102 405 552 8002 Phone www.devonenergy.com

September 29, 2022

Sent via email to bw@leggettventures.com

Chanas Partners, LLC

RE: Well Proposals- Arena Roja 28-33 701H, 702H, 801H, 802H

W2 of Section 28, N/2 NW/4 and Lots 3 & 4 of Section 33 Township 26 South, Range 35 East Lea County, New Mexico

To whom it may concern,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill and complete the following four (4) wells:

- Arena Roja 28-33 Fed Com 701H as a horizontal well to an approximate landing TVD of 12,530', bottom hole TVD' of 12,530', and approximate TMD of 20,030' into the Wolfcamp formation at an approximate SHL of 250' FNL and 288' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Arena Roja 28-33 Fed Com 702H as a horizontal well to an approximate landing TVD of 12,530', bottom hole TVD' of 12,530', and approximate TMD of 20,030' into the Wolfcamp formation at an approximate SHL of 250' FNL and 1,385' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 1,650' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Arena Roja 28-33 Fed Com 801H as a horizontal well to an approximate landing TVD of 12,900', bottom hole TVD' of 12,900', and approximate TMD of 20,400' into the Wolfcamp formation at an approximate SHL of 250' FNL and 318' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 990' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Arena Roja 28-33 Fed Com 802H as a horizontal well to an approximate landing TVD of 12,900', bottom hole TVD' of 12,900', and approximate TMD of 20,400' into the Wolfcamp formation at an approximate SHL of 250' FNL and 1,415' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 2,310' FWL of Section 33-T26S-R35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.



Devon - Public

Page 2

Devon reserves the right to modify the locations and drilling plans described above in order to address surface and subsurface concerns. Devon will advise of any such modifications.

Devon is proposing to drill the Wells under an amended version of the modified 610-1982 AAPL form of Operating Agreement ("JOA") dated effective as of March 1, 2005, between Devon Energy Production Company, LP, as Operator, and Chesapeake Exploration Limited Partnership, as Non-Operator. A copy of the proposed Amendment, which adds the W/2 of Sec. 28 to the Contract Area of the JOA is enclosed with this letter. The JOA will be supplied to those parties interested in participating and contains the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract Area: W/2 of Section 28 and the N/2 NW/4 and Lots 3 & 4 of T26S-R35E, Lea County
- 100%/400% Non-Consenting Penalty
- Overhead rates of \$6,000 DWR/\$600 PWR

Please indicate your election to participate in the drilling and completion of the Wells in the spaces provided below, within 30 days of receipt, by signing and returning one (1) copy of this letter and AFE, along with your well data requirements sheet. A Communization Agreement for said Wells will be supplied for your review and execution at a later date.

If your election is to participate, a cash call invoice will be sent following receipt of a timely election.

If an agreement cannot be reached within 30 days of receipt of this letter by all parties, Devon will apply to the New Mexico Oil Conversation Division for compulsory pooling of your interest into a spacing unit for the Wells, if uncommitted at such time.

Please do not hesitate to contact me at (405) 228-4218 or via email at Andrew.Wenzel@dvn.com if you have any questions concerning this proposal.

Very truly yours,

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

12-

Andrew Wenzel Senior Landman

Page 3

## **Chanas Partners, LLC:**

<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 701H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 701H
<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 702H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 702H
<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 801H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 801H
<b>To Participate</b> in the proposal of the Arena Roja 28-33 Fed Com 802H
Not To Participate in the proposal of the Arena Roja 28-33 Fed Com 802H
Agreed to and Accepted this day of, 2022.
Change Destances LLC:

**Chanas Partners, LLC:** 

By:					

Title:



AFE # XX-149189.01 Well Name: ARENA ROJA 28-33 FED COM 701H Cost Center Number: 1094669401 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 701H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	114,125.00	417,338.00	0.00	531,463.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	103,412.00	2,124.87	0.00	105,536.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
	& C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	4,669.00	0.00	0.00	4,669.00
	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
	RTOC - GEOSTEERING	5,796.00	0.00	0.00	5,796.00
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.00
	MATERIALS & SUPPLIES	6,225.00	0.00	0.00	6,225.00
	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.80
	TRCKG&HL-SOLID&FLUID	102,500.00	0.00	0.00	102,500.00
	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.75
	CONSLT & PROJECT SVC	109,000.00	79,974.70	0.00	188,974.70
	SAFETY SERVICES	31,125.00	0.00	0.00	31,125.00
	SOLIDS CONTROL SRVCS	61,500.00	0.00	0.00	61,500.00
	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.00
	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.00
	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
	DAYWORK COSTS	524,750.00	0.00	0.00	524,750.00
	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.00
	DRILL BITS	94,500.00	0.00	0.00	94,500.00
	DRILL&COMP FLUID&SVC	264,554.00	8,366.67	0.00	272,920.67
	OPEN HOLE EVALUATION	11,000.00	0.00	0.00	11,000.00
	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.90
	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.80
	EQPMNT SVC-SRF RNTL	102,388.00	149,719.00	0.00	252,107.00
	EQUIP SVC - DOWNHOLE	98,210.00	27,490.50	0.00	125,700.50
	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.33
	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
	MISCS COSTS & SERVS	0.00	11,242.15	0.00	11,242.15



AFE # XX-149189.01 Well Name: ARENA ROJA 28-33 FED COM 701H Cost Center Number: 1094669401 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

0.00

8,873,279.79

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	6,225.00	36,223.90	0.00	42,448.90
6740340	TAXES OTHER	331.00	33,656.58	0.00	33,987.58
	Total Intangibles	2,374,910.00	3,668,753.79	0.00	6,043,663.79

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	4,669.00	0.00	0.00	4,669.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	150,101.11	0.00	150,101.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	851,875.00	0.00	0.00	851,875.00
6310550	PRODUCTION CASING	780,840.00	0.00	0.00	780,840.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,203,105.15	626,510.85	0.00	2,829,616.00

TOTAL ESTIMATED COST 4,578,015.15 4,295,264.64

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



AFE # XX-149251.01 Well Name: ARENA ROJA 28-33 FED COM 702H Cost Center Number: 1094669601 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 702H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	114,125.00	417,338.00	0.00	531,463.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	103,412.00	2,124.87	0.00	105,536.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	4,669.00	0.00	0.00	4,669.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
6130370	RTOC - GEOSTEERING	5,796.00	0.00	0.00	5,796.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.00
6160100	MATERIALS & SUPPLIES	6,225.00	0.00	0.00	6,225.00
6170100	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
6170110	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.80
6190100	TRCKG&HL-SOLID&FLUID	102,500.00	0.00	0.00	102,500.00
6190110	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.75
6200130	CONSLT & PROJECT SVC	109,000.00	79,974.70	0.00	188,974.70
6230120	SAFETY SERVICES	31,125.00	0.00	0.00	31,125.00
6300270	SOLIDS CONTROL SRVCS	61,500.00	0.00	0.00	61,500.00
6310120	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.00
6310190	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.00
6310200	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
6310250	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
6310280	DAYWORK COSTS	524,750.00	0.00	0.00	524,750.00
6310300	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.00
6310310	DRILL BITS	94,500.00	0.00	0.00	94,500.00
6310330	DRILL&COMP FLUID&SVC	264,554.00	8,366.67	0.00	272,920.67
6310380	OPEN HOLE EVALUATION	11,000.00	0.00	0.00	11,000.00
6310480	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.90
6310600	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.80
6320100	EQPMNT SVC-SRF RNTL	102,388.00	149,719.00	0.00	252,107.00
6320110	EQUIP SVC - DOWNHOLE	98,210.00	27,490.50	0.00	125,700.50
6320160	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
6320190	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
6350100	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.33
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	11,242.15	0.00	11,242.15



AFE # XX-149251.01 Well Name: ARENA ROJA 28-33 FED COM 702H Cost Center Number: 1094669601 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

8,873,279.79

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	6,225.00	36,223.90	0.00	42,448.90
6740340	TAXES OTHER	331.00	33,656.58	0.00	33,987.58
	Total Intangibles	2,374,910.00	3,668,753.79	0.00	6,043,663.79

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	4,669.00	0.00	0.00	4,669.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	150,101.11	0.00	150,101.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	851,875.00	0.00	0.00	851,875.00
6310550	PRODUCTION CASING	780,840.00	0.00	0.00	780,840.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,203,105.15	626,510.85	0.00	2,829,616.00

#### TOTAL ESTIMATED COST 4,578,015.15 4,295,264.64 0.00

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



AFE # XX-149250.01 Well Name: ARENA ROJA 28-33 FED COM 801H Cost Center Number: 1094669501 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 801H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	176,000.00	417,338.00	0.00	593,338.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	104,794.00	2,124.87	0.00	106,918.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	7,200.00	0.00	0.00	7,200.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
6130370	RTOC - GEOSTEERING	10,350.00	0.00	0.00	10,350.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.00
6160100	MATERIALS & SUPPLIES	9,600.00	0.00	0.00	9,600.00
6170100	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
6170110	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.80
6190100	TRCKG&HL-SOLID&FLUID	140,000.00	0.00	0.00	140,000.00
6190110	TRUCKING&HAUL OF EQP	47,700.00	34,047.75	0.00	81,747.75
6200130	CONSLT & PROJECT SVC	165,250.00	79,974.70	0.00	245,224.70
6230120	SAFETY SERVICES	48,000.00	0.00	0.00	48,000.00
6300270	SOLIDS CONTROL SRVCS	84,000.00	0.00	0.00	84,000.00
6310120	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.00
6310190	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.00
6310200	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
6310250	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
6310280	DAYWORK COSTS	809,300.00	0.00	0.00	809,300.00
6310300	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.00
6310310	DRILL BITS	94,500.00	0.00	0.00	94,500.00
6310330	DRILL&COMP FLUID&SVC	264,756.00	8,366.67	0.00	273,122.67
6310370	MOB & DEMOBILIZATION	462,000.00	0.00	0.00	462,000.00
6310380	OPEN HOLE EVALUATION	17,050.00	0.00	0.00	17,050.00
6310480	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.90
6310600	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.80
6320100	EQPMNT SVC-SRF RNTL	150,325.00	149,719.00	0.00	300,044.00
6320110	EQUIP SVC - DOWNHOLE	124,460.00	27,490.50	0.00	151,950.50
6320160	WELDING SERVICES	1,500.00	0.00	0.00	1,500.00
6320190	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
6350100	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.33
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00



AFE # XX-149250.01 Well Name: ARENA ROJA 28-33 FED COM 801H Cost Center Number: 1094669501 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550100	MISCS COSTS & SERVS	0.00	11,364.15	0.00	11,364.15
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	9,600.00	36,223.90	0.00	45,823.90
6740340	TAXES OTHER	510.00	33,802.98	0.00	34,312.98
	Total Intangibles	3,412,295.00	3,669,022.19	0.00	7,081,317.19

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	7,200.00	0.00	0.00	7,200.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	152,541.11	0.00	152,541.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	877,250.00	0.00	0.00	877,250.00
6310550	PRODUCTION CASING	800,120.00	0.00	0.00	800,120.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,250,291.15	628,950.85	0.00	2,879,242.00

TOTAL ESTIMATED COST	5,662,586.15	4,297,973.04	0.00	9,960,559.19
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



AFE # XX-149252.01 Well Name: ARENA ROJA 28-33 FED COM 802H Cost Center Number: 1094669701 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Explanation and Justification:

AFE TO DRILL & COMPLETE THE ARENA ROJA 28-33 FED COM 802H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	121,597.00	0.00	121,597.00
6060100	DYED LIQUID FUELS	176,000.00	417,338.00	0.00	593,338.00
6060130	GASEOUS FUELS	0.00	71,047.80	0.00	71,047.80
6080100	DISPOSAL - SOLIDS	104,794.00	2,124.87	0.00	106,918.87
6080110	DISP-SALTWATER & OTH	0.00	10,361.91	0.00	10,361.91
6080115	DISP VIA PIPELINE SW	0.00	98,400.00	0.00	98,400.00
6090100	FLUIDS - WATER	20,400.00	36,640.10	0.00	57,040.10
6090120	RECYC TREAT&PROC-H20	0.00	180,601.00	0.00	180,601.00
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	45,000.00	36,179.20	0.00	81,179.20
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	40,070.63	0.00	40,070.63
6130170	COMM SVCS - WAN	7,200.00	0.00	0.00	7,200.00
6130360	RTOC - ENGINEERING	0.00	16,833.00	0.00	16,833.00
	RTOC - GEOSTEERING	10,350.00	0.00	0.00	10,350.00
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	225,333.00	0.00	225,333.00
	MATERIALS & SUPPLIES	9,600.00	0.00	0.00	9,600.00
	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
	SNUBBG&COIL TUBG SVC	0.00	88,415.80	0.00	88,415.80
	TRCKG&HL-SOLID&FLUID	140,000.00	0.00	0.00	140,000.00
	TRUCKING&HAUL OF EQP	47.700.00	34.047.75	0.00	81,747.75
	CONSLT & PROJECT SVC	165,250.00	79,974.70	0.00	245,224.70
	SAFETY SERVICES	48,000.00	0.00	0.00	48,000.00
6300270	SOLIDS CONTROL SRVCS	84,000.00	0.00	0.00	84,000.00
	STIMULATION SERVICES	0.00	960,192.00	0.00	960,192.00
	PROPPANT PURCHASE	0.00	579,830.00	0.00	579,830.00
	CASING & TUBULAR SVC	83,500.00	0.00	0.00	83,500.00
	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
	DAYWORK COSTS	809,300.00	0.00	0.00	809,300.00
	DIRECTIONAL SERVICES	244,000.00	0.00	0.00	244,000.00
	DRILL BITS	94,500.00	0.00	0.00	94,500.00
	DRILL&COMP FLUID&SVC	264,756.00	8,366.67	0.00	273,122.67
	MOB & DEMOBILIZATION	462,000.00	0.00	0.00	462,000.00
	OPEN HOLE EVALUATION	17,050.00	0.00	0.00	17,050.00
	TSTNG-WELL, PL & OTH	0.00	136,389.90	0.00	136,389.90
	MISC PUMPING SERVICE	0.00	26,048.80	0.00	26,048.80
	EQPMNT SVC-SRF RNTL	150,325.00	149,719.00	0.00	300,044.00
	EQUIP SVC - DOWNHOLE	124,460.00	27,490.50	0.00	151,950.50
		1,500.00	0.00	0.00	1,500.00
	WATER TRANSFER	0.00	81,754.20	0.00	81,754.20
	CONSTRUCTION SVC	0.00	146,975.33	0.00	146,975.33
	LEGAL FEES	10,000.00	0.00	0.00	140,975.33



AFE # XX-149252.01 Well Name: ARENA ROJA 28-33 FED COM 802H Cost Center Number: 1094669701 Legal Description: 28-26S-35E Revision:

AFE Date: 9-6-2022 State: NM County/Parish: LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550100	MISCS COSTS & SERVS	0.00	11,364.15	0.00	11,364.15
6550110	MISCELLANEOUS SVC	31,500.00	0.00	0.00	31,500.00
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	9,600.00	36,223.90	0.00	45,823.90
6740340	TAXES OTHER	510.00	33,802.98	0.00	34,312.98
	Total Intangibles	3,412,295.00	3,669,022.19	0.00	7,081,317.19

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	64,925.21	0.00	64,925.21
6120120	MEASUREMENT EQUIP	0.00	31,259.34	0.00	31,259.34
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6230130	SAFETY EQUIPMENT	7,200.00	0.00	0.00	7,200.00
6300150	SEPARATOR EQUIPMENT	321,501.15	0.00	0.00	321,501.15
6300220	STORAGE VESSEL&TANKS	0.00	35,864.83	0.00	35,864.83
6300230	PUMPS - SURFACE	0.00	9,430.58	0.00	9,430.58
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	152,541.11	0.00	152,541.11
6310460	WELLHEAD EQUIPMENT	50,000.00	118,473.00	0.00	168,473.00
6310530	SURFACE CASING	145,710.00	0.00	0.00	145,710.00
6310540	INTERMEDIATE CASING	877,250.00	0.00	0.00	877,250.00
6310550	PRODUCTION CASING	800,120.00	0.00	0.00	800,120.00
6310580	CASING COMPONENTS	28,510.00	0.00	0.00	28,510.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	175,206.78	0.00	175,206.78
	Total Tangibles	2,250,291.15	628,950.85	0.00	2,879,242.00

TOTAL ESTIMATED COST	5,662,586.15	4,297,973.04	0.00	9,960,559.19
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

Note: Please include/attach well requirement data with ballot.



Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City, OK 73102 405 552 8002 Phone www.devonenergy.com

November 21, 2022

Sent via email to bw@leggettventures.com

Chanas Partners, LLC

Re: Supplement to Well Proposal dated September 29, 2022 Arena Roja 28-33 Fed Com Wells Sections 28 & 33, T26S-R35E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") is providing this Supplemental Letter ("Supplement") to be incorporated into the Well Proposal for the Arena Roja 28-33 Fed Com Wells dated September 29, 2022 ("Well Proposal"), in order to update the wells with certain adjustments pursuant the sixth paragraph of the Well Proposal in which Devon reserved the right to modify locations and drilling plans.

Devon adjusts the specifications of the wells as follows:

- Arena Roja 28-33 Fed Com 701H at an approximate SHL of 250' FNL and 318' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 1030' FWL of Section 33-T26S-R35E, Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 702H at an approximate SHL of 250' FNL and 1,415' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 2,330' FWL of Section 33-T26S-R35E, Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 801H at an approximate SHL of 250' FNL and 288' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 380' FWL of Section 33-T26S-R35E, Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 802H at an approximate SHL of 250' FNL and 1,385' FWL of Section 28-T26S-R35E and an approximate BHL of 20' FSL and 1,680' FWL of Section 33-T26S-R35E, Lea County, New Mexico.

The SHLs & BHLs remain in the same quarter-quarter sections as originally described in the Well Proposal. This change, and no other change, is made to the Well Proposal to optimize the development in the proposed horizontal spacing unit and prevent waste. The estimated depths, Authority for Expenditure, and all other specifications remain unchanged for the wells proposed, and the original Well Proposal dated September 29, 2022, remains in effect subject to this Supplement.

Page 2

Please do not hesitate to contact me at (405) 228-4218 or via email at Andrew.Wenzel@dvn.com if you have any questions concerning this Supplement or the Well Proposal.

Very truly yours,

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

Jw-

Andrew J. Wenzel Senior Landman

Devon - Public



Devon Energy Production Company LP 333 West Sheridan Avenue Oklahoma City, OK 73102 405 552 8002 Phone www.devonenergy.com

December 8, 2022

Tap Rock Resources LLC 523 Park Point Dr., STE 200 Golden, CO 80401

Re: Second Supplement to Well Proposal dated September 14, 2022 Arena Roja 28-33 Fed Com Wells Sections 28 & 33, T26S-R35E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") is providing this Second Supplemental Letter ("Supplement") to be incorporated into the Well Proposal for the Arena Roja 28-33 Fed Com Wells dated September 14, 2022 and supplemented by letter dated November 21, 2022("Well Proposal"), in order to update the wells with certain adjustments pursuant the sixth paragraph of the Well Proposal in which Devon reserved the right to modify locations and drilling plans.

Devon adjusts the SHL specifications of the following wells as follows:

- Arena Roja 28-33 Fed Com 702H at an approximate SHL of 250' FNL and 1,385' FWL of Section 28-T26S-R35E Lea County, New Mexico.
- Arena Roja 28-33 Fed Com 802H at an approximate SHL of 250' FNL and 1,415' FWL of Section 28-T26S-R35E, Lea County, New Mexico.

The SHLs & BHLs remain in the same quarter-quarter sections as originally described in the Well Proposal. This change, and no other change, is made to the Well Proposal to optimize the development in the proposed horizontal spacing unit and prevent waste. The estimated depths, Authority for Expenditure, and all other specifications remain unchanged for the wells proposed, and the original Well Proposal dated September 14, 2022 and November 21, 2022, remains in effect subject to this Supplement.

Please do not hesitate to contact me at (405) 228-4218 or via email at Andrew.Wenzel@dvn.com if you have any questions concerning this Supplement or the Well Proposal.

Very truly yours,

Devon Energy Production Company, L.P.

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Andrew J. Wenzel Senior Landman

Devon - Public

## **Chronology of Contact with Non-Joined Working Interests**

#### Chevron U.S.A. Inc.

9/6/22 – Emailed Scott Sabrsula to discuss need to discuss JOA options ahead of upcoming well proposals

9/14/22 - Emailed well proposals to Scott Sabrsula & discussed need for agreement on JOA

9/15/22 – Discussed well proposals with Scott Sabrsula via e-mail and agreed to set time to discuss over the phone.

9/16/22 – Received e-mail from Scott Sabrsula setting out general JOA terms Chevron would be agreeable to

9/26/22 – Spoke with Candace LaBron-Howard over the phone about proposed wells & JOA terms

9/27/22 – Discussed well proposals with Chevron representatives at a regular monthly collaboration meeting held between representatives of Devon & Chevron

10/3/22 – Provided Candace LaBron-Howard with additional paperwork/title information related to well proposals via online shared folder

10/12/22 – Followed up with Candace LaBron-Howard to see if Chevron had reviewed the documentation provided

10/13/22 - Phone call with Candace LaBron-Howard to discuss well proposals and JOA

10/14/22 – Emailed Candace LaBron-Howard a proposed form of Agreement for Operations to outline JOA for proposed wells

11/1/22 – Discussed well proposals with Chevron representatives at a regular monthly collaboration meeting held between representatives of Devon & Chevron

11/4/22 – Received email from Candace LaBron-Howard requesting a call to discuss outstanding questions regarding JOA

11/8/22 – Held phone call with Candace LaBron-Howard to discuss Chevron's requested changes to the proposed JOA & received summary of requested changes via e-mail from Chevron same day

11/14/22 – Provided written follow up to Chevron's requested JOA changes by e-mail and discussed over the phone with Candace LaBron-Howard

11/21/22 – Provided Candace LaBron-Howard with revised well proposals reflecting minor change to location footages via e-mail

12/2/22 - Received questions about the proposal via e-mail from Candace LaBron-Howard

12/5/22 – Responded with additional information regarding well proposals to Candace LaBron-Howard via e-mail.



12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Candace LaBron-Howard via e-mail

#### McCombs Energy, LLC

9/19/22 – Received e-mail from Sarah O'Shaughnessy indicating receipt of well proposals & requesting WI/NRI information

9/26/22 – Received follow up e-mail from Sarah O'Shaughnessy regarding WI/NRI information & provided estimated WI/NRI same day

9/28/22 – Received e-mail from Sarah O'Shaughnessy regarding commercial options in lieu of an election to participate in the proposed wells

9/28/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

9/29/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

9/30/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/3/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/12/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/17/22 – Discussed general terms for commercial options via e-mail with Sarah O'Shaughnessy

10/27/22 – Informed Sarah O'Shaughnessy via e-mail that Devon would not be able to proceed with commercial option in lieu of election to participate and provided list of additional options

10/31/22 – Received e-mail from Sarah O' Shaughnessy requesting additional information regarding proposed wells.

11/1/22 – Provided additional information regarding proposed wells via e-mail to Sarah O'Shaughnessy

11/4/22 – Provided additional information regarding proposed wells via e-mail to Sarah O'Shaughnessy

11/21/22 – Provided proposed Agreement for Operations to outline JOA for proposed wells along with revised well proposals reflecting minor change to location footages via e-mail

11/28/22 – 11/28/29 – Discussed estimated WI/NRI with Sarah O' Shaughnessy via e-mail

12/6/22 – Followed up with Sarah O'Shaughnessy via e-mail to see if any additional information was necessary to review the well proposals

12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Sarah O'Shaughnessy via e-mail

#### Tap Rock Resources, LLC

9/14/22 – Provided digital copies of well proposals via e-mail to Taylor Ford McVean

9/30/22 – Followed with Tap Rock via e-mail with Taylor Ford McVean to confirm receipt of well proposals & discussed general information regarding the proposed wells, estimated WI/NRI, and JOA

10/3/22 – Confirmed additional via e-mail to Taylor Ford McVean that additional hard copies of the well proposals were mailed to Tap Rock

11/18/22 – Received e-mail correspondence from Taylor Ford McVean requesting proposed Agreement for Operations to JOA & additional information related to the hearing. Provided copy of the proposed Agreement for Operations and responses to hearing questions same day.

11/21/22 – Discussed well proposals over the phone and provided Taylor Ford McVean with revised well proposals reflecting minor change to location footages via e-mail. Provided additional details regarding timing/well plans via e-mail as well.

11/22/22 – Notified Taylor Ford McVean via e-mail that Devon would seek to continue the hearing to December 15<sup>th</sup>

11/29/22 – 11/30/22 – Discussed the well proposals and proposed Agreement for Operations via e-mail with Taylor Ford McVean

12/5/22 – Received questions and proposed changes to Agreement for Operations via e-mail from Taylor Ford

12/6/22 - Provided Taylor Ford McVean with additional details requested regarding the well proposals

12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Taylor Ford McVean via e-mail

12/12/22 – E-mail correspondence with Taylor Ford McVean regarding Agreement for Operations

#### NHPP Permian, LLC (f/ka Chanas Partners, LLC and f/k/a TLW Investments LLC)

9/29/22 – Received notice via e-mail from Brian Weinberg that Chanas Partners, LLC had acquired all interest formerly owned by TLW Investments LLC. Provided updated well proposals addressed to Chanas Partners, LLC and WI/NRI information same day.

10/7/22– Received e-mail from Brian Weinberg seeking direction on how to indicate election to participate

10/11/22 - Responded to Brian via e-mail to request signed copies of well proposal AFEs

10/14/22 – Received signed AFEs indicating Chanas Partners, LLCs intent to participate via e-mail.

11/21/22 – Provided Brian with proposed Agreement for Operations to outline JOA for proposed wells along with revised well proposals reflecting minor change to location footages via e-mail. Received notice same day from Aaron Tenenholz that NHPP Permian, LLC had just acquired all interest previously owned by Chanas Partners, LLC in the proposed wells.

11/22/22 – Provided Aaron Tenenholz with copies of the well proposals, AFEs, and the proposed Agreement for Operations and discussed the proposals via e-mail

11/28/22 – Discussed well proposals with Aaron Tenenholz over the phone

12/6/22 – Followed up with Aaron Tenenholz to see if any additional information was necessary to review the well proposals

12/8/22 – Provided 2<sup>nd</sup> Supplemental Well Proposal to Aaron Tenenholz via e-mail

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### **TAB 3**

#### Case No. 23193

Exhibit B:	Self-Affirmed Statement of Derek Ohl, Geologist
Exhibit B-1:	Structure Map
Exhibit B-2:	Isochore Maps
Exhibit B-3:	Base Map
Exhibit B-4:	Cross Section A-A
Exhibit B-5:	Gunbarrel Diagram & Lateral Trajectory

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

#### APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR HORIZONTAL SPACING UNITS AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23192 & 23193

#### SELF-AFFIRMED STATEMENT OF DEREK OHL

Derek Ohl, of lawful age and being first duly sworn, declares as follows:

1. My name is Derek Ohl, and I am employed by Devon Energy Production Company,

L.P. ("Devon") as a petroleum geologist.

2. I have previously testified before the Oil Conservation Division ("Division") as an expert witness in petroleum geology. My credentials have been made a matter of record and I have been recognized by the Division as an expert witness.

3. I am familiar with the applications filed by Devon in these consolidated cases, and I have conducted a geologic study of the Wolfcamp formation underlying the subject area.

4. The initial targets for Devon's proposed Arena Roja wells in Sections 28 and 33 of T26S-R35E are intervals within the Wolfcamp formation.

5. Devon Exhibit B-1 is a structure map at the top of the Wolfcamp formation with

subsea depths marked by contour intervals every 25 feet. I have outlined the proposed spacing units and identified the orientation of the initial wellbores in the Wolfcamp formation. This exhibit shows that the Wolfcamp formation is gently dipping to the west in this area. I do not observe any faulting, pinch outs, or other geologic impediments to developing the targeted Wolfcamp intervals with horizontal wells.



6. **Devon Exhibit B-2** are isochore thickness maps for the Wolfcamp Formation targeted intervals with 10' contour intervals. This exhibit shows that the reservoir intervals targeted by Devon's development plan is of consistent thickness across the proposed unit.

7. **Devon Exhibit B-3** identifies the wells penetrating the Wolfcamp formation that I have used to create a stratigraphic cross-section. I utilized these well logs because they penetrate the targeted intervals and are of good quality. In my opinion, these well logs are representative of the geology in the area.

8. **Devon Exhibit B-4** is a stratigraphic cross-section for the Wolfcamp formation using the representative wells depicted on Exhibit B-3. Each well log contains gamma ray, resistivity, and porosity logs. The target intervals for the initial wells are depicted on the exhibit. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing units.

9. **Devon Exhibit B-5** is a west-to-east cross-section view with wellbore placement identified ("gunbarrel diagram") and a north-south lateral trajectory cross-section.

10. In my opinion, the north-south orientation of the proposed wells is the preferred orientation for horizontal well development in the targeted intervals in this area. This standup orientation will efficiently and effectively develop the subject acreage.

11. In my opinion, the granting of Devon's applications is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

12. **Devon Exhibits B-1** through **B-5** were either prepared by me or compiled under my direction and supervision.

13. The foregoing is true to the best of my knowledge and belief.

[Signature page follows]

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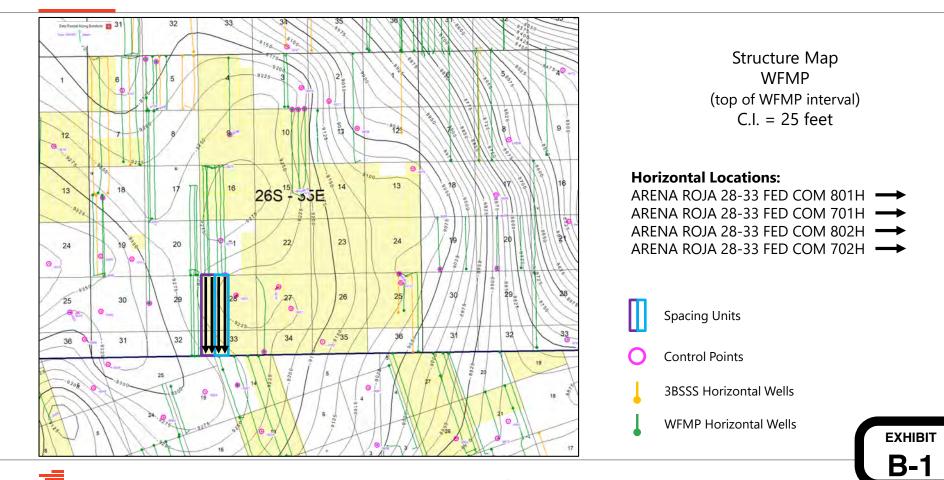
### Signature page of Self-Affirmed Statement of Derek Ohl:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23192 & 23193 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Duch Ohl Derek Ohl

12-6-2022 Date Signed

# Structure Map



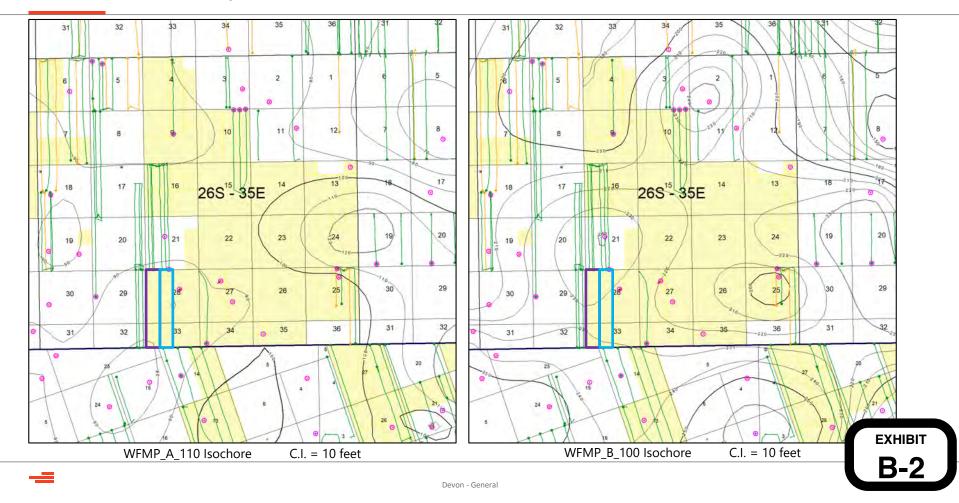
Devon - General

Released to Imaging: 12/13/2022 3:41:00 PM

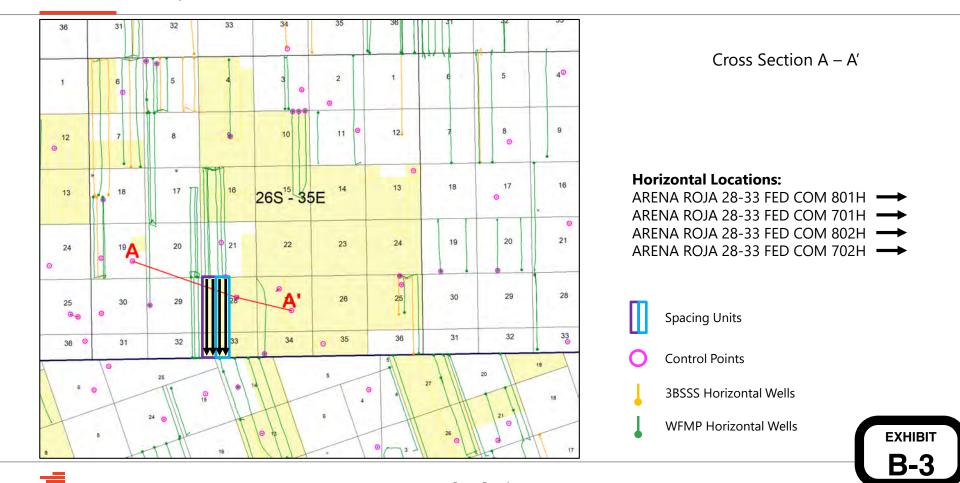




## Isochore Maps

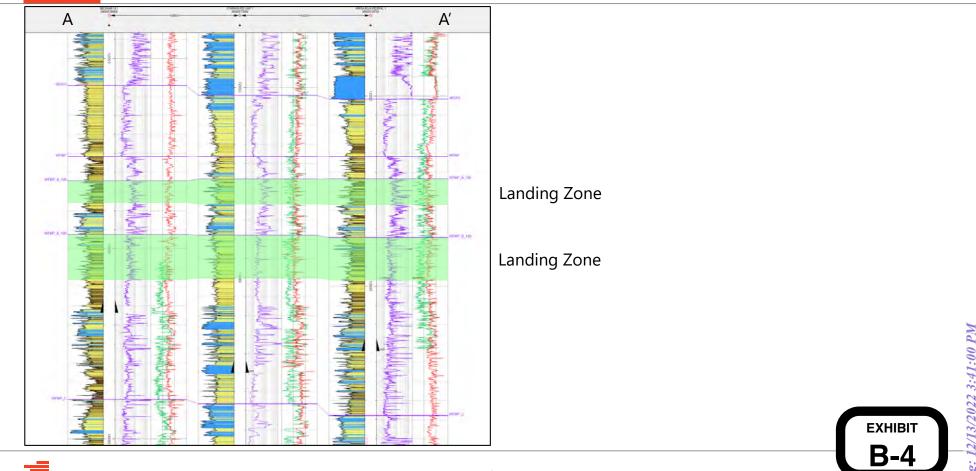


## Base Map



Devon - General

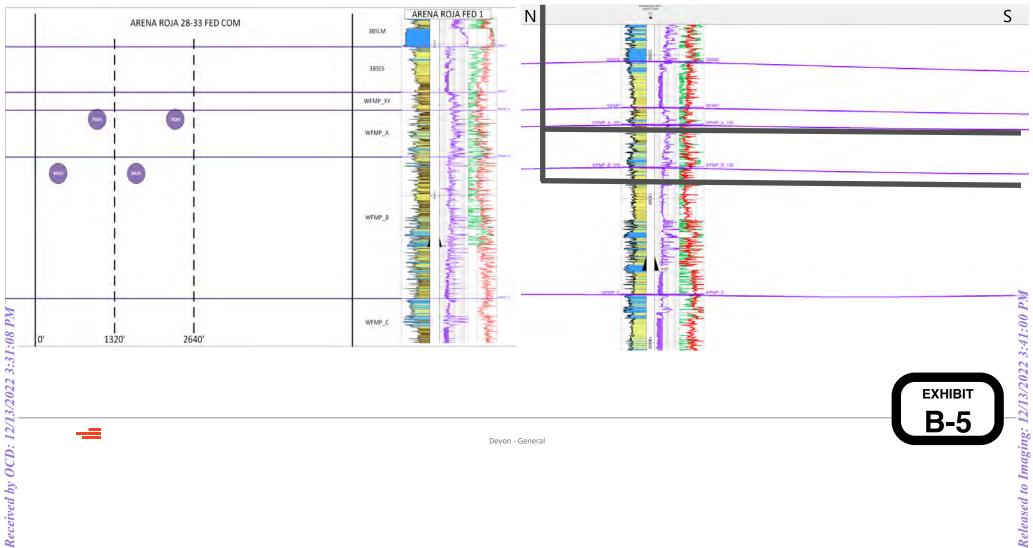
## Cross Section A-A'



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Devon - General

## Gunbarrel Diagram & Lateral Trajectory



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### **TAB 4**

Case No. 23193

Exhibit C:	Affidavit of Notice, Darin C. Savage
Exhibit C-1:	Notice Letters
Exhibit C-2:	Mailing List
Exhibit C-3:	Affidavit of Publication

EXHIBIT

#### STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

#### APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR HORIZONTAL SPACING UNITS AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23192 & 23193

#### AFFIDAVIT OF NOTICE

STATE OF NEW MEXICO ) ) ss. COUNTY OF SANTA FE )

I, Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P. ("Devon"), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on November 10, 2022, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

 Notice was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, and timely published in said newspaper on November 11, 2022. See Exhibit C-3.

3. It is my understanding that Devon has made a reasonably diligent effort to find the names and addresses for the interest owners entitled to receive notice of the application and case herein.

Darin C. Savage

SUBSCRIBED AND SWORN to before me this 13th day of December, 2022, by Darin C. Savage.

Notary Public

My Commission Expires:

STATE OF NEW MEXICO NOTARY PUBLIC MARSHA DALTON COUCH COMMISSION #1077509 COMMISSION EXPIRES 02/10/2026 Received by OCD: 12/13/2022 3:31:08 PM





#### ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

EXHIBIT

November 10, 2022

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico
 <u>Arena Roja 28-33 Fed Com 702H Well</u> (Case No. 23193)
 Arena Roja 28-33 Fed Com 802H Well (Case No. 23193)

Case Nos. 23193:

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P. ("Devon") has filed the enclosed application, Case No. 23193, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units in the Wolfcamp formation.

In Case No. 23193, Devon seeks to pool the Wolfcamp formation underlying the E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, a standard unit encompassing 233.54 acres, more or less, dedicated to the above-referenced 702H and 802H Wells.

A hearing has been requested before a Division Examiner on December 1, 2022, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andrew J. Wenzel at (405) 228-4218 or at andrew.wenzel@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P. Received by OCD: 12/13/2022 3:31:08 PM





#### ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

November 10, 2022

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

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 <u>Arena Roja 28-33 Fed Com 702H Well</u> (Case No. 23193)
 Arena Roja 28-33 Fed Com 802H Well (Case No. 23193)

Case Nos. 23193:

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a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 You are being notified as an owner of Record Title (subject to title examination), not a Working Interest owner with operating rights, and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andrew J. Wenzel at (405) 228-4218 or at andrew.wenzel@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Mail Activity Report - CertifiedPro.net Mailed from 11/1/022 to 12/12/2022 User Mane: abadieschill Generated: 12/12/2022 6:59:53 AM										
USPS Article Number	Date Mailed Type	Name 1	Name 2	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
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9314869904300101375513	11/10/2022 WI	Chanas Partners, LLC	(f/k/a TLW Investments, LLC)	1415 S. Voss	Suite 110-541	Houston	TX	77057	In transit	Return Receipt - Electronic, Certified Mail
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9314869904300101375636	11/10/2022 ORRI	Thomas James Waller & Barbara Decareaux Waller	, Thomas & Barbara Waller Revocable Trust	600 Chippewa Way		Aubrey	ТΧ	76227	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail
9314869904300101375643	11/10/2022 ORRI	Larry Frank & Mildred Lawrence Roden		4213 Bamford Dr		Austin	TX	79731-1347	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail
9314869904300101375650	11/10/2022 ORRI	Marium Roden		4240 Prescott Ave	Apt 3B	Dallas	TX	75219	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375667	11/10/2022 ORRI	Gerald J. Hertel, Trustee	William F. Roden Bypass Trust	16737 Marsala Springs Dr		Round Rock	TX	78681	Delivered	Return Receipt - Electronic, Certified Mail
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9314869904300101375681	11/10/2022 RT	Franklin Mountain Energy, LLC		PO Box 6977		Denver	CO	80206	Delivered	Return Receipt - Electronic, Certified Mail
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9314869904300101375605	11/10/2022 ORRI	Van T. Tettleton		PO Box 10909		Midland	TX	79702-7909	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail
9314869904300101375599	11/10/2022 ORRI	Margaret Ann Mitchell		8523 Thackery St	#6202	Dallas	ТΧ	75225	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375612	11/10/2022 ORRI	Sean K. Roden		2951 Marina Bay Dr	#130-470	League City	TX	77573	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300101375629	11/10/2022 ORRI	Richard W. Fairchild, Jr.		131 Bootlegger Ln		Kerrville	TX	78028	Delivered	Return Receipt - Electronic, Certified Mail



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**UNITED STATES POSTAL SERVICE** 

November 16, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 98**.

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Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Bureau of Land Management
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	414 W TAYLOR ST
City, State ZIP Code:	HOBBS, NM 88240-6054
Recipient Signature	
Signature of Recipient:	Jon Jon SLAtor
Address of Recipient:	414 W TAYLOR ST HOBBS, NM 88240

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Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.



December 1, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 81**.

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Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Franklin Mountain Energy LLC
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	PO BOX 6977
City, State ZIP Code:	DENVER, CO 80206-0977
Recipient Signature	
	2. 2/
Signature of Recipient:	Low Bosenschutz
Address of Recipient:	6177

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**UNITED STATES POSTAL SERVICE** 

November 16, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 74**.

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Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Franklin Mountain Energy LLC
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	44 COOK ST STE 1000
City, State ZIP Code:	DENVER, CO 80206-5827
Recipient Signature	
Signature of Recipient:	Hom Lepa 44 Codet Mailbox
Address of Recipient:	44 Cod(4 1000 Mai 160t

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 67**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	November 14, 2022, 02:22 p.m.
Location:	ROUND ROCK, TX 78681
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Gerald J Hertel Trustee William F Roden Bypas
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	16737 MARSALA SPRINGS DR
City, State ZIP Code:	ROUND ROCK, TX 78681-5322
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 50**.

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	November 14, 2022, 01:11 p.m.
Location:	DALLAS, TX 75219
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Marium Roden
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	4240 PRESCOTT AVE APT 3B
City, State ZIP Code:	DALLAS, TX 75219-2377
Recipient Signature	
Signature of Recipient:	NG r+10
Address of Recipient:	Covid-19

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Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

November 22, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 29**.

Item Details	
Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	November 21, 2022, 02:06 p.m.
Location:	KERRVILLE, TX 78028
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Richard W Fairchild Jr
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	131 BOOTLEGGER LN
City, State ZIP Code:	KERRVILLE, TX 78028-7597
Recipient Signature	
	Ruferin
Signature of Recipient:	Rufelin) Ruharo Edisan un
	131 BOOTLEGGER LI
Address of Recipient:	KERRVILLE, TX 78028-7597

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

November 15, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3756 12**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	November 14, 2022, 11:29 a.m.
Location:	LEAGUE CITY, TX 77573
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Sean K Roden
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	2951 MARINA BAY DR
City, State ZIP Code:	LEAGUE CITY, TX 77573-2735
Recipient Signature	
Signature of Recipient:	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

November 23, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 99**.

Item Details	
Status:	Delivered, Front Desk/Reception/Mail Room
Status Date / Time:	November 14, 2022, 08:41 p.m.
Location:	DALLAS, TX 75225
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Margaret Ann Mitchell
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	8523 THACKERY ST
City, State ZIP Code:	DALLAS, TX 75225-3903
Recipient Signature	
Signature of Recipient:	Q. Print, Detha Paris
Address of Recipient:	3523 Thacking De

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

November 16, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3755 06**.

Item Details	
Status:	Delivered, Left with Individual
Status Date / Time:	November 15, 2022, 08:13 a.m.
Location:	SAN ANTONIO, TX 78212
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	McCombs Energy LLC
Shipment Details	
Weight:	3.0oz
Destination Delivery Address	
Street Address:	750 E MULBERRY AVE STE 403
City, State ZIP Code:	SAN ANTONIO, TX 78212-3105
Recipient Signature	
	1/ On
Signature of Recipient:	Balling and
Address of Recipient:	NM ~

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

**UNITED STATES POSTAL SERVICE** 

November 18, 2022

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0101 3754 90**.

Item Details	
Status:	Delivered, Individual Picked Up at Postal Facility
Status Date / Time:	November 17, 2022, 02:55 p.m.
Location:	HOUSTON, TX 77002
Postal Product:	First-Class Mail <sup>®</sup>
Extra Services:	Certified Mail™
	Return Receipt Electronic
Recipient Name:	Chevron U S A Inc
Shipment Details	
Weight:	4.0oz
Destination Delivery Address	
Street Address:	1400 SMITH ST
City, State ZIP Code:	HOUSTON, TX 77002-7327
Recipient Signature	
Signature of Recipient:	Separative X
Address of Recipient:	Datery Kithen

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

Sincerely, United States Postal Service<sup>®</sup> 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

### Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

> Beginning with the issue dated November 11, 2022 and ending with the issue dated November 11, 2022.

Publisher

Sworn and subscribed to before me this 11th day of November 2022.

**Business Manager** 

My commission expires January 29, 2023 (Seal)

**GUSSIE BLACK** Notary Public - State of New Mexico Commission # 1087526 My Comm, Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE November 11, 2022

CASE No. 23193: Notice to all affected parties and persons having any right, title, interest or claim to this case, including owners of working interest, overriding royalty interest, and record title, among others, as well as the known and unknown heirs, devisees, assigns and successors of CHEVRON U.S.A., INC., MCCOMBS ENERGY, LLC, CHANAS PARTNERS, LLC (F/K/A TLW INVESTMENTS, LLC), TAP ROCK RESOURCES, LLC, MARGARET ANN MITCHELL, VAN T. TETTLETON, SEAN K. RODEN, RICHARD W. FAIRCHILD, JR., THOMAS JAMES WALLER & BARBARA DECAREAUX WALLER, CO- TRUSTEES OF THE THOMAS & BARBARA WALLER REVOCABLE TRUST, LARRY FRANK RODEN & MILDRED THE WILLIAM F. RODEN BYPASS TRUST U/W/O WILLIAM F. RODEN, DECEASED, FRANKLIN MOUNTAIN ENERGY, LLC, of Devon Energy Production Company, L.P.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division examiner will conduct a public hearing at 815 a.m. on December 1, 2022, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. Examiner will conduct a public hearing at 8:15 a.m. on December 1, 2022, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) establishing a standard 233.54-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 28 and the NE/4 NW/4 and Lot 3 of Section 33, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying the unit. Section 33 is an irregular section with correction lots. Said horizontal spacing unit is to be dedicated to the **Arena Roja 28-33 Fed Com 702H Well**, an oil well, to be horizontally drilled from a surface location in Lot 3 of Section 33; and the **Arena Roja 28-33 Fed Com 802H Well**, an oil well, to be horizontally drilled from a surface location in Lot 3 of Section 33; and the **Arena Roja 28-33 Fed Com 802H Well**, an oil well, to be horizontally drilled from a surface location in Lot 3 of Section 33; and the **Arena Roja 28-33 Fed Com 802H Well**, an oil well, to be horizontally drilled from a surface location in Lot 3 of Section 33; and the statewide Rules. Also to be considered will be orthodox, requirements under the statewide Rules. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 12.5 miles southwest of Jal City, New Mexico, and adjacent to the state line.

67115820

KAIYA TOOP ABADIE SCHILL 555 RIVERGATE LANE 84-180 **DURANGO, CO 81301** 

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