

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 1, 2024**

CASE No. 24137

BOLL WEEVIL 27-34 FED COM #3H

LEA COUNTY, NEW MEXICO



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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24137

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24137	APPLICANT'S RESPONSE
Date	February 1, 2024
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	Devon Energy Production Company, L.P. (OGRID No. 6137)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	N/A
Well Family	Boll Weevil
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Jabalina; Wolfcamp, Southwest [96776]
Well Location Setback Rules:	Statewide oil rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	235.93
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2 W/2 of Section 27 and the NE/4 NW/4 and Lot 3 of irregular Section 34 (E/2 NW/4 equivalent), Township 26 South, Range 34 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	Exhibit C-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: <i>Received by OCD: 1/29/2024 11:20:40 AM</i>	Boll Weevil 27-35 Fed Com 3H well SHL: 225' FNL, 1,191' FWL (Unit D) of Section 27 BHL: 20' FSL, 940' FWL (Lot 3) of Section 34 Target: Wolfcamp Orientation: North-South Completion: Non-Standard Location; Devon has filed a C-103, along with the examiner required materials, attesting to uniform ownership. See 19.15.16.15.C.7 NMAC.
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
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)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	

Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-4
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
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):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	1/24/2024

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24137

APPLICATION

Devon Energy Production Company, L.P. ("Devon" or "Applicant") (OGRID No. 6137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Wolfcamp formation underlying a 235.93-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 27 and the NE/4 NW/4 and Lot 3 of irregular Section 34 (E/2 NW/4 equivalent), Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. In support of this application, Devon states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Boll Weevil 27-34 Fed Com 3H**, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 27, with a first take point in the same and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 34.
3. Lot 3 of irregular Section 34 borders the Texas state line.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

69: CF9'H<9'C=@7 CBG9FJ5HCB'8-J-G-CB
GubHJ: YZBYk 'A YI jWt
91\ jV]hBc"6
Gi Va jHtX'Vm'8 Yj cb'9bYf[mDfcXi Wjcb'7 ca dUbnz @D"
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7 UgY'Bc"& % +

5. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 1, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the proposed horizontal spacing unit;
- B. Approving the initial well in the horizontal well spacing unit;
- C. Designating Applicant as the operator of the horizontal spacing unit and the well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin
Paula M. Vance
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Santa Fe, NM 87504
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505-983-6043 Facsimile
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**ATTORNEYS FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

CASE _____: **Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 235.93-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 27 and the NE/4 NW/4 and Lot 3 of irregular Section 34 (E/2 NW/4 equivalent), Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Boll Weevil 27-34 Fed Com 3H**, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 27, with a first take point in the same and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 34. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 17 miles southwest of Jal, New Mexico.

**STATE OF NEW MEXICO
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LEA COUNTY, NEW MEXICO.**

CASE NO. 24137

SELF-AFFIRMED STATEMENT OF DANIEL BRUNSMAN

1. My name is Daniel Brunsman. I work for Devon Energy Production Company, L.P. (“Devon”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Devon in this case, and I am familiar with the status of the lands in the subject area.
4. None of the uncommitted parties in this case have indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.
5. Under **Case No. 24137**, Devon seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 235.93-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 27 and the NE/4 NW/4 and Lot 3 of irregular Section 34 (E/2 NW/4 equivalent), Township 26, Range 34 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the **Boll Weevil 27-34 Fed Com 3H**, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 27, with a first take point in the same and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 34.
6. Lot 3 of irregular Section 34 borders the Texas state line.

7. **Devon Exhibit C-1** contains a draft Form C-102 for the well. The exhibit shows that the well will be assigned to the Jabalina; Wolfcamp [96776].

8. The completed interval for the well will be at a non-standard location; therefore, because the lateral is located wholly within an area of uniform ownership as to the mineral estate, Devon has filed a C-103, along with the examiner required materials, attesting to said uniform ownership. *See* 19.15.16.15.C.7 NMAC.

9. **Devon Exhibit C-2** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of federal lands. The parties Devon seeks to pool are highlighted in yellow.

10. **Devon Exhibit C-3** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Devon and other operators have incurred for drilling similar horizontal wells in the area in this formation.

11. Devon requests that the overhead and administrative costs for drilling and producing the proposed well be set at \$10,000 per month while drilling and \$1,000 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

12. **Devon Exhibit C-4** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Devon has made a good faith effort to locate and has had communications with the with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Devon has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

13. Devon has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Devon seeks to pool and instructed that they be notified of this hearing. Devon has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

14. **Devon Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Daniel Brunsman

January 23, 2024

Date

Exhibit No. C-1

Submitted by: Devon Energy Production Company, L.P.

Hearing Date: February 1, 2024

Case No. 24137

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-47950	Pool Code 96776	Pool Name JABALINA;WOLFCAMP, SOUTHWEST
Property Code 329772	Property Name BOLL WEEVIL 27-34 FED COM	Well Number 3H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3254.2'

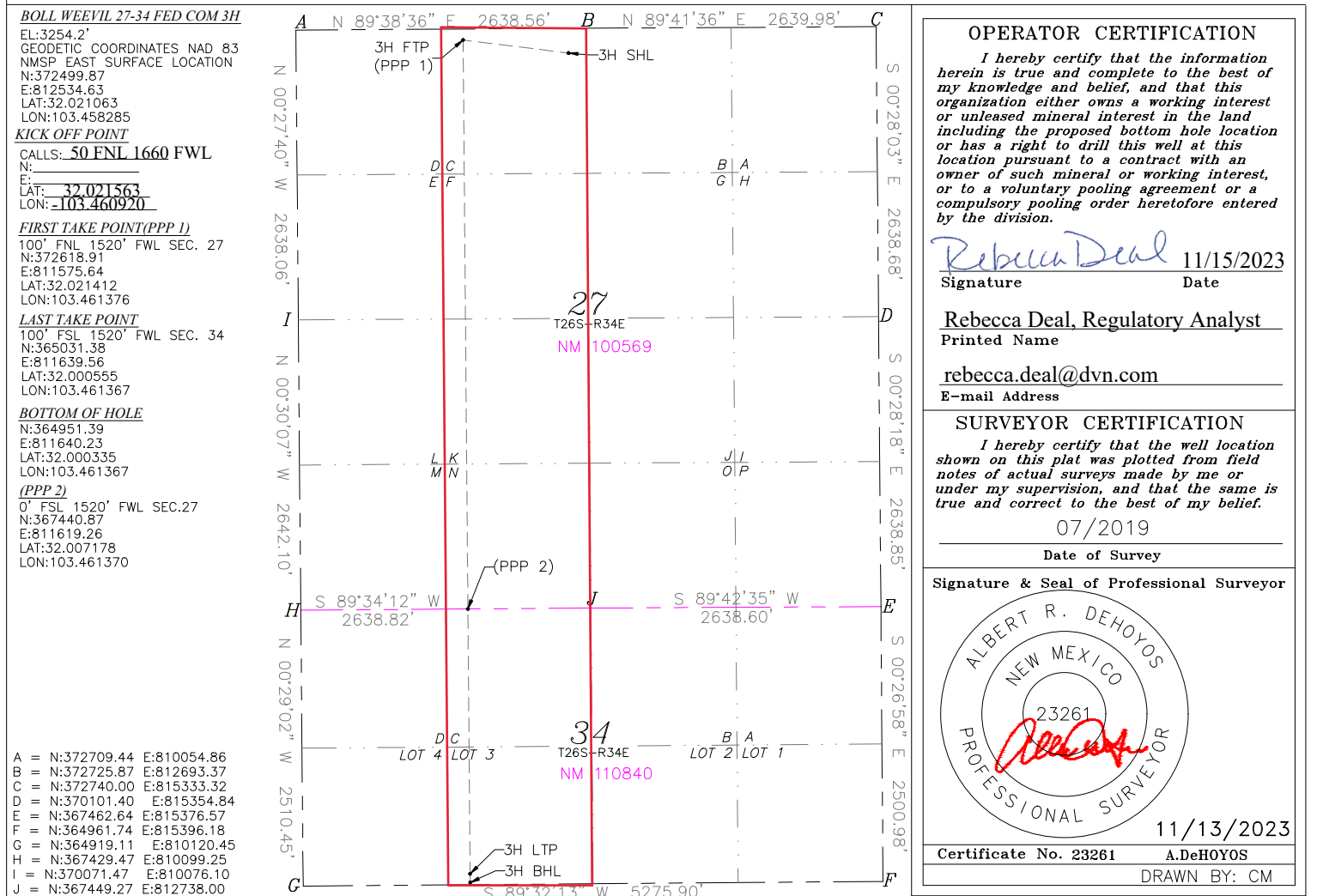
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	27	26-S	34-E		225	NORTH	2478	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	34	26-S	34-E		20	SOUTH	1520	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
235.93			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

[illegible]

11/11/2016

Released to Imaging: 1/29/2024 1:39:11 PM

E/2W/2 of Section 27 & E/2W/2 of Section 34, T26S-R34E
Lea County, New Mexico

Tract 1 WI E/2W/2 Sec. 27, Township 26 South, Range 34 East
50.00% Devon Energy Production Company, L.P.
50.00% Chevron U.S.A. Inc.

Total Committed Interest 100.00% Total Uncommitted Interest 00.00%

Tract 1 ORRI Devon Energy Production Company, L.P.

Tract 2 WI NE/4NW/4 and Lot 3 of Section 34, Township 26 South, Range 34 East
45.00% Devon Energy Production Company, L.P.
15.00% OXY USA Inc.
10.00% Allar Development, LLC
20.00% Chevron U.S.A. Inc.
10.00% Chief Capital (O&G) II, LLC

100.00% Total Committed Interest 55.00% Total Uncommitted Interest 45.00%

Tract 2 ORRI John Kyle Thomas, Successor Trustee of the Cornerstone Family Trust
Crownrock Minerals, L.P.
Allar Development LLC
The Allar Company
Ameredev New Mexico, LLC
Apollo Investment Corporation
Strategic Energy Income Fund
Shepherd Royalty, LLC
Constitution Resources II, LP

KEY: Parties highlighted in yellow are being pooled.



Devon Energy Production Company LP
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 552 3316 Phone
www.devonenergy.com

November 16, 2023

VIA EMAIL: Matthew_Cole@oxy.com

Oxy Y-1 Company
5 Greenway Plaza, Suite 110
Houston, TX 77046

RE: Well Proposal(s):

Boll Weevil 27-34 Fed Com 1H, Boll Weevil 27-34 Fed Com 2H, Boll Weevil 27-34 Fed Com 3H, Boll Weevil 27-34 Fed Com 4H, Boll Weevil 27-34 Fed Com 5H, Boll Weevil 27-34 Fed Com 6H, and Boll Weevil 27-34 Fed Com 10H; Sections: 27 & 34, T26S, R34E, 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 seven (7) wells, collectively, the ("Wells"):

- Boll Weevil 27-34 Fed Com 1H as a horizontal well to an approximate landing TVD of 12,600', bottom hole TVD of 12,600', and approximate TMD of 20,100' into the Bone Springs formation at an approximate SHL of 225' FNL and 1,161' FWL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 360' FWL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Boll Weevil 27-34 Fed Com 2H as a horizontal well to an approximate landing TVD of 12,850', bottom hole TVD of 12,850', and approximate TMD of 20,350' into the Wolfcamp formation at an approximate SHL of 225' FNL and 1,191' FWL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 940' FWL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Boll Weevil 27-34 Fed Com 3H as a horizontal well to an approximate landing TVD of 13,030', bottom hole TVD of 13,030', and approximate TMD of 20,530' into the Wolfcamp formation at an approximate SHL of 225' FNL and 2,478' FWL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 1,520' FWL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Boll Weevil 27-34 Fed Com 4H as a horizontal well to an approximate landing TVD of 12,600', bottom hole TVD of 12,600', and approximate TMD of 20,100' into the Bone Spring formation at an approximate SHL of 225' FNL and 2,508' FWL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 2,100' FWL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Boll Weevil 27-34 Fed Com 5H as a horizontal well to an approximate landing TVD of 12,750', bottom hole TVD of 12,750', and approximate TMD of 20,250' into the Wolfcamp formation at an approximate SHL of 225' FNL and 1,814' FEL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 2,600' FEL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.

- Boll Weevil 27-34 Fed Com 6H as a horizontal well to an approximate landing TVD of 13,030', bottom hole TVD of 13,030', and approximate TMD of 20,530' into the Wolfcamp formation at an approximate SHL of 225' FNL and 1,784' FEL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 2,020' FEL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.
- Boll Weevil 27-34 Fed Com 10H as a horizontal well to an approximate landing TVD of 12,850', bottom hole TVD of 12,850', and approximate TMD of 20,350' into the Wolfcamp formation at an approximate SHL of 225' FNL and 1,754' FEL of Section 27-T26S-R34E and an approximate BHL of 20' FSL and 1,440' FEL of Section 34-T26S-R34E, Lea County, New Mexico. Enclosed for your review is Devon's AFE, indicating drilling costs, completion costs, and overall completed well costs.

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 Well under the terms of the modified 2015 AAPL form of Operating Agreement ("JOA"). The JOA will be supplied to those parties interested in participating. The JOA will have the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract area of Section 27 and 34, T26S-34E, being approximately 943.60 acres
- 100/300% Non-Consenting Penalty
- Overhead rates of \$10,000 DWR/\$1,000 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 405.228.2896 or via email at Daniel.Brunzman@dvn.com should you have questions concerning this proposal.

Regards,

Devon Energy Production Company, L.P.



Daniel Brunzman
Advising Landman

Oxy Y-1 Company:

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 1H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 1H

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 2H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 2H

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 3H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 3H

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 4H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 4H

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 5H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 5H

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 6H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 6H

_____ To Participate in the proposal of the Boll Weevil 27-34 Fed Com 10H

_____ Not To Participate in the proposal of the Boll Weevil 27-34 Fed Com 10H

Agreed to and Accepted this _____ day of _____, 2023.

Oxy Y-1 Company:

By: _____

Title: _____



Authorization for Expenditure

AFE # XX-134304.01

Well Name: BOLL WEEVIL 27-34 FED COM 3H

Cost Center Number: 1094090601

Legal Description:

Revision: ☐

AFE Date:

State:

County/Parish:

Explanation and Justification:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010130	COMPANY LABOR-ADJ	5,513.35	0.00	0.00	5,513.35
6040110	CHEMICALS - OTHER	0.00	107,224.95	0.00	107,224.95
6060100	DYED LIQUID FUELS	192,354.52	268,047.42	0.00	460,401.94
6060130	GASEOUS FUELS	0.00	85,565.39	0.00	85,565.39
6080100	DISPOSAL - SOLIDS	134,770.68	5,262.50	0.00	140,033.18
6080110	DISP-SALTWATER & OTH	0.00	13,430.00	0.00	13,430.00
6080115	DISP VIA PIPELINE SW	0.00	216,000.00	0.00	216,000.00
6090100	FLUIDS - WATER	28,383.52	37,176.02	0.00	65,559.54
6090120	RECYC TREAT&PROC-H2O	0.00	186,602.54	0.00	186,602.54
6100100	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
6100110	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
6110120	ROAD&SITE PREP M&S	31,166.67	0.00	0.00	31,166.67
6110130	ROAD&SITE PREP SVC	62,333.33	30,866.25	0.00	93,199.58
6120100	I & C SERVICES	0.00	62,487.50	0.00	62,487.50
6130170	COMM SVCS - WAN	4,083.96	0.00	0.00	4,083.96
6130360	RTOC - ENGINEERING	0.00	3,237.02	0.00	3,237.02
6130370	RTOC - GEOSTEERING	11,230.89	0.00	0.00	11,230.89
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	251,344.12	0.00	251,344.12
6160100	MATERIALS & SUPPLIES	10,005.70	0.00	0.00	10,005.70
6170100	PULLING&SWABBING SVC	0.00	6,750.00	0.00	6,750.00
6170110	SNUBBG&COIL TUBG SVC	0.00	107,355.00	0.00	107,355.00
6190100	TRCKG&HL-SOLID&FLUID	101,486.41	0.00	0.00	101,486.41
6190110	TRUCKING&HAUL OF EQP	49,620.11	37,093.75	0.00	86,713.86
6200130	CONSLT & PROJECT SVC	134,362.29	72,496.21	0.00	206,858.50
6230120	SAFETY SERVICES	42,064.79	2,478.62	0.00	44,543.41
6300270	SOLIDS CONTROL SRVCS	78,820.43	0.00	0.00	78,820.43
6310120	STIMULATION SERVICES	0.00	934,547.30	0.00	934,547.30
6310190	PROPPANT PURCHASE	0.00	631,408.49	0.00	631,408.49
6310200	CASING & TUBULAR SVC	120,272.62	0.00	0.00	120,272.62
6310250	CEMENTING SERVICES	185,000.00	0.00	0.00	185,000.00
6310280	DAYWORK COSTS	772,727.27	0.00	0.00	772,727.27
6310300	DIRECTIONAL SERVICES	325,491.62	0.00	0.00	325,491.62
6310310	DRILL BITS	116,188.66	0.00	0.00	116,188.66
6310330	DRILL&COMP FLUID&SVC	298,537.48	16,629.50	0.00	315,166.98
6310370	MOB & DEMOBILIZATION	550,000.00	0.00	0.00	550,000.00
6310380	OPEN HOLE EVALUATION	26,545.74	0.00	0.00	26,545.74
6310480	TSTNG-WELL, PL & OTH	0.00	131,760.75	0.00	131,760.75
6310600	MISC PUMPING SERVICE	0.00	39,047.32	0.00	39,047.32
6320100	EQPMNT SVC-SRF RNTL	172,547.31	208,487.20	0.00	381,034.51
6320110	EQUIP SVC - DOWNHOLE	96,789.85	32,403.84	0.00	129,193.69
6320160	WELDING SERVICES	2,858.77	0.00	0.00	2,858.77
6320190	WATER TRANSFER	0.00	105,617.40	0.00	105,617.40
6350100	CONSTRUCTION SVC	0.00	157,793.53	0.00	157,793.53

Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.



Authorization for Expenditure

AFE # XX-134304.01

Well Name: BOLL WEEVIL 27-34 FED COM 3H

Cost Center Number: 1094090601

Legal Description:

Revision: ☐

AFE Date:

State:

County/Parish:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6520100	LEGAL FEES	1,000.00	0.00	0.00	1,000.00
6550100	MISCS COSTS & SERVS	0.00	8,900.30	0.00	8,900.30
6550110	MISCELLANEOUS SVC	42,677.38	0.00	0.00	42,677.38
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	11,435.09	35,818.86	0.00	47,253.95
6740340	TAXES OTHER	0.00	38,256.36	0.00	38,256.36
	Total Intangibles	3,623,768.44	3,839,088.14	0.00	7,462,856.58

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	83,429.23	0.00	83,429.23
6120120	MEASUREMENT EQUIP	0.00	32,937.88	0.00	32,937.88
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	296,789.03	0.00	296,789.03
6300220	STORAGE VESSEL&TANKS	0.00	48,457.50	0.00	48,457.50
6300230	PUMPS - SURFACE	0.00	11,289.00	0.00	11,289.00
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	110,794.50	0.00	110,794.50
6310460	WELLHEAD EQUIPMENT	45,000.00	181,568.75	0.00	226,568.75
6310530	SURFACE CASING	44,000.00	0.00	0.00	44,000.00
6310540	INTERMEDIATE CASING	562,500.00	0.00	0.00	562,500.00
6310550	PRODUCTION CASING	630,000.00	0.00	0.00	630,000.00
6310580	CASING COMPONENTS	35,530.45	0.00	0.00	35,530.45
6330100	PIPE,FIT,FLANG,CPLNG	0.00	279,538.54	0.00	279,538.54
	Total Tangibles	1,342,030.45	1,086,054.43	0.00	2,428,084.88

TOTAL ESTIMATED COST	4,965,798.89	4,925,142.57	0.00	9,890,941.46
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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.

E/2W/2 of Section 27 & E/2W/2 of Section 34, T26S-R34E
Lea County, New Mexico

Chronology of Contacts with All Working Interest owners:

Chevron U.S.A. Inc.

11/16/23 – Mailed Well Proposals to Chevron
11/16/23 – Email communication with Scott Sabrsula
11/29/23 – Email communication with Diane Whitcomb

Chief Capital (O&G) II, LLC

11/16/23 – Mailed Well proposals to Chief
11/16/23 – Email communication with Jace McKenzie
12/05/23 – Email communication with Jace McKenzie

OXY USA Inc.

11/16/23 – Mailed Well proposals to OXY
11/16/23 – Email communication with 11/16/23
12/5/23 – Email communication with Matthew Cole

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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24137

SELF-AFFIRMED STATEMENT OF MATTHEW MYERS

1. My name is Matthew Myers. I work for Devon Energy Production Company, L.P. ("Permian") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Devon in this case, and I have conducted a geologic study of the lands in the subject area.
4. Devon is targeting the lower Wolfcamp A interval of the Wolfcamp formation in this case.
5. **Devon Exhibit D-1** is a general locator map.
6. **Devon Exhibit D-2** is a subsea structure map that I prepared for the Wolfcamp A. The contour intervals are 50 feet. The area comprising the proposed spacing unit is outlined in red with the approximate location and orientation of the initial well noted with a black line. The structure map shows the targeted formation gently dipping to the northeast. The structure appears consistent across the proposed spacing unit, and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Devon Energy Production Company, L.P.
Hearing Date: February 1, 2024
Case No. 24137

7. Devon Exhibit D-2 also shows a line of cross-section through the proposed horizontal spacing unit from A to A'. I chose the logs from these wells to create the cross section because they penetrate the targeted interval, are of good quality and have been subjected to petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

8. Also, included with Devon Exhibit D-2 is an isopach map.

9. **Devon Exhibit D-3** is a stratigraphic cross-section that I prepared using the logs from the representative wells shown in Exhibit D-2. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed well is marked on the cross section with brown shading. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

10. **Devon Exhibit D-4** is a gun barrel diagram showing the proposed development for this area, including the spacing between wells and target landing zone in each formation.

11. In my opinion, standup orientation of the proposed wells is the appropriate orientation for horizontal well development in this area because it is more near perpendicular to the maximum horizontal stress of the area.

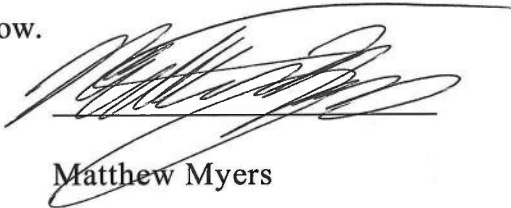
12. Based on my geologic study, the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

13. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery,

and that approving Devon's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

14. **Devon Exhibits D-1 through D-4** were either prepared by me or compiled under my direction and supervision.

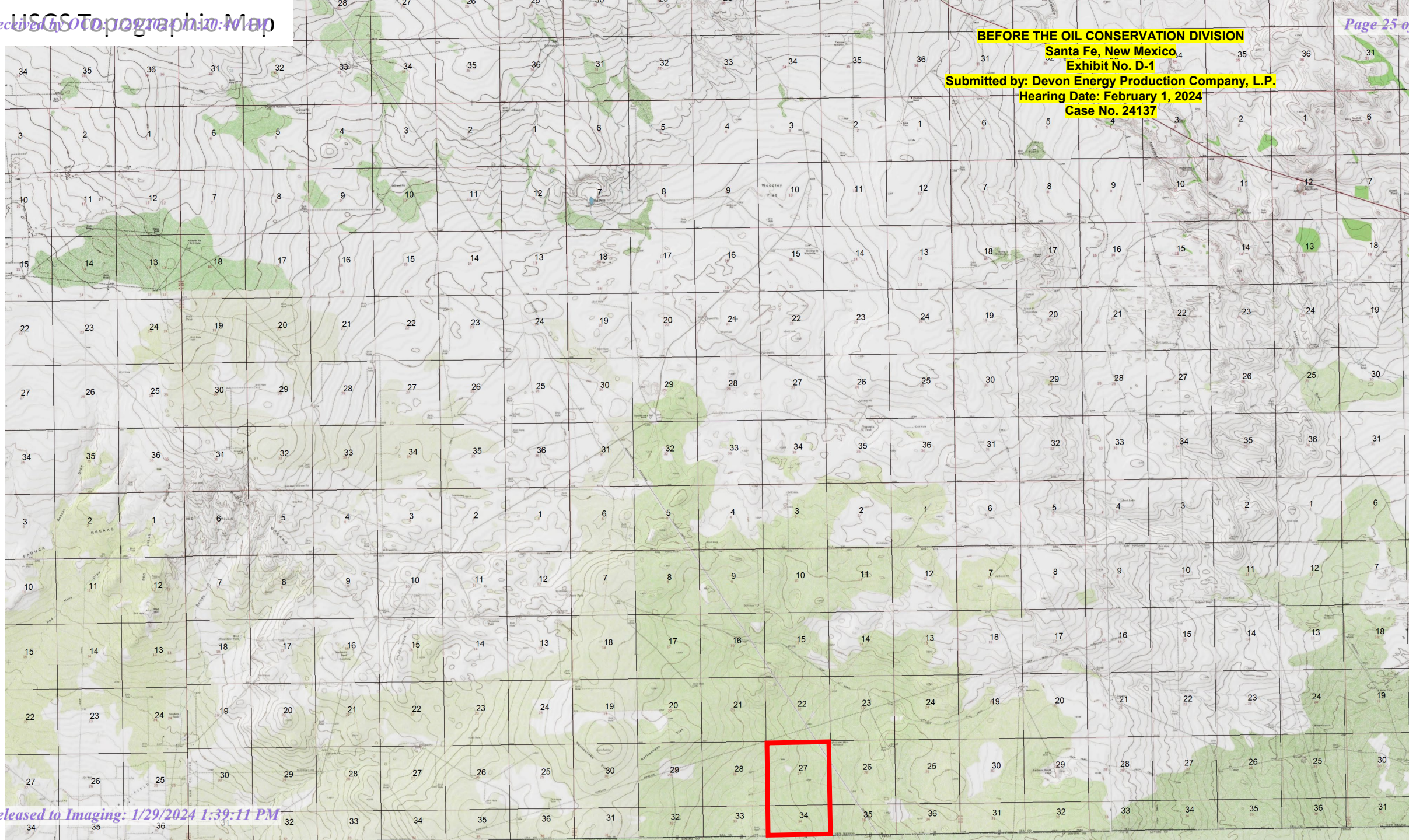
15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Matthew Myers

1-23-2024
Date

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-1
Submitted by: Devon Energy Production Company, L.P.
Hearing Date: February 1, 2024
Case No. 24137



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

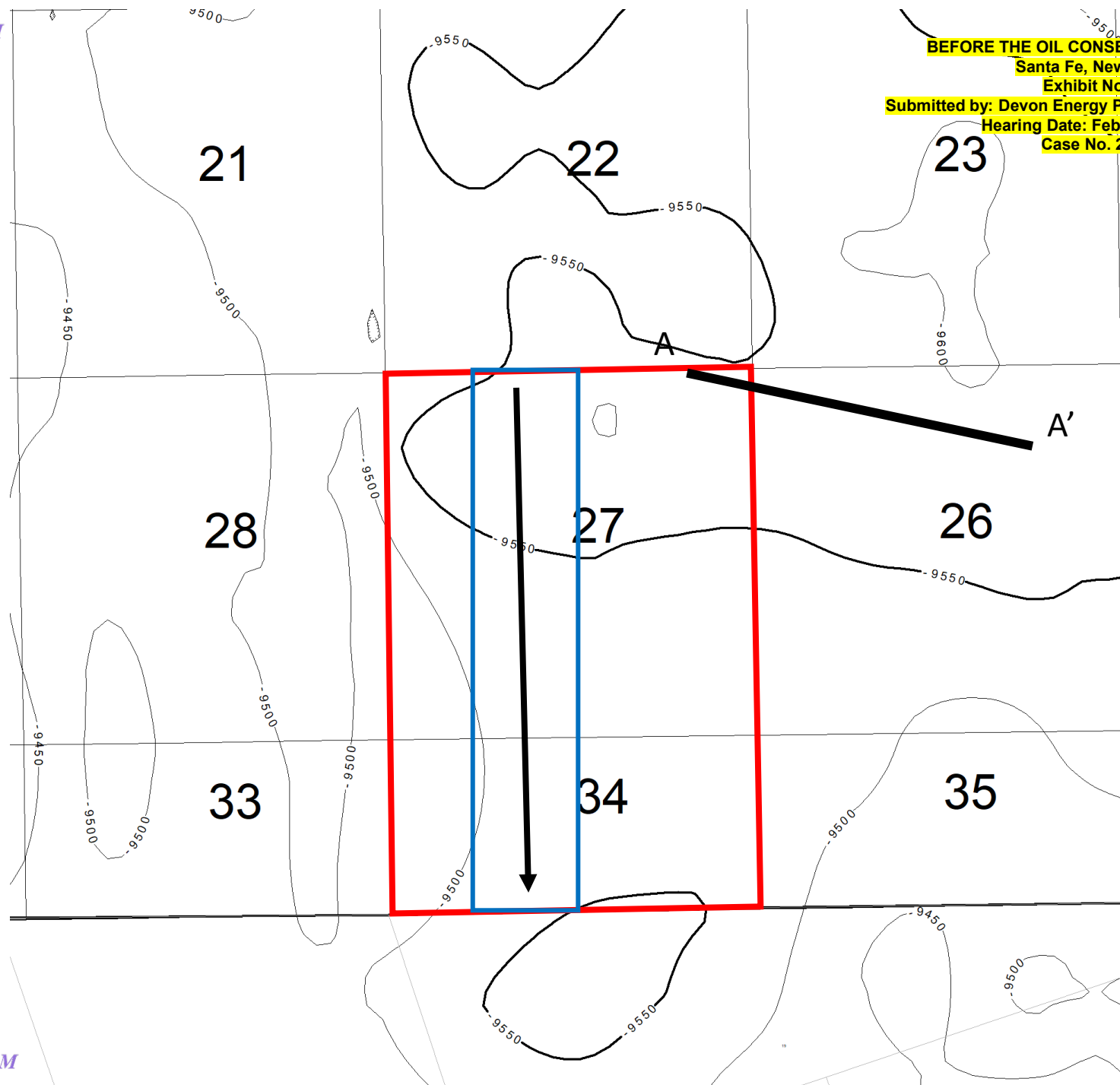
Exhibit No. D-2

Submitted by: Devon Energy Production Company, L.P.

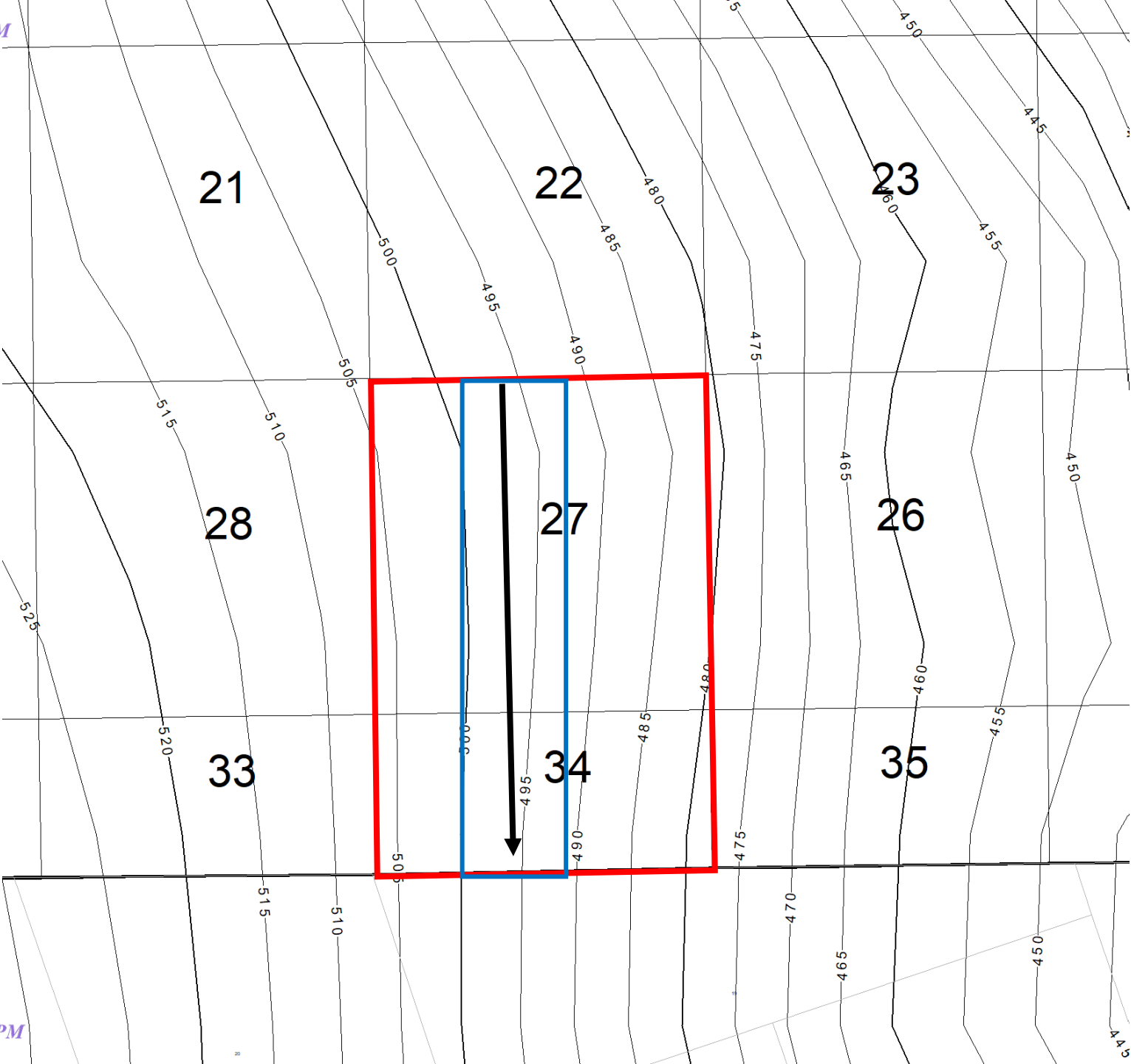
Hearing Date: February 1, 2024

Case No. 24137

WFMP A
SSTVD

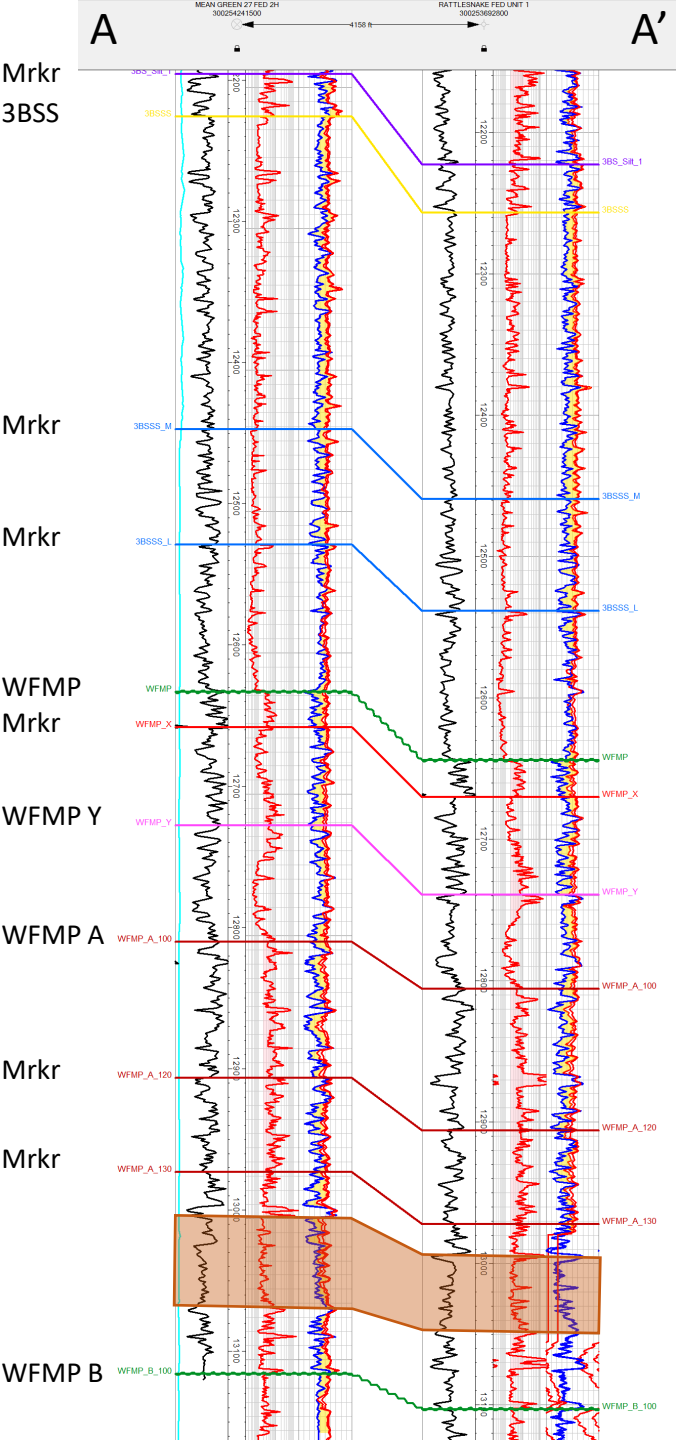


WFMP A
Isopach



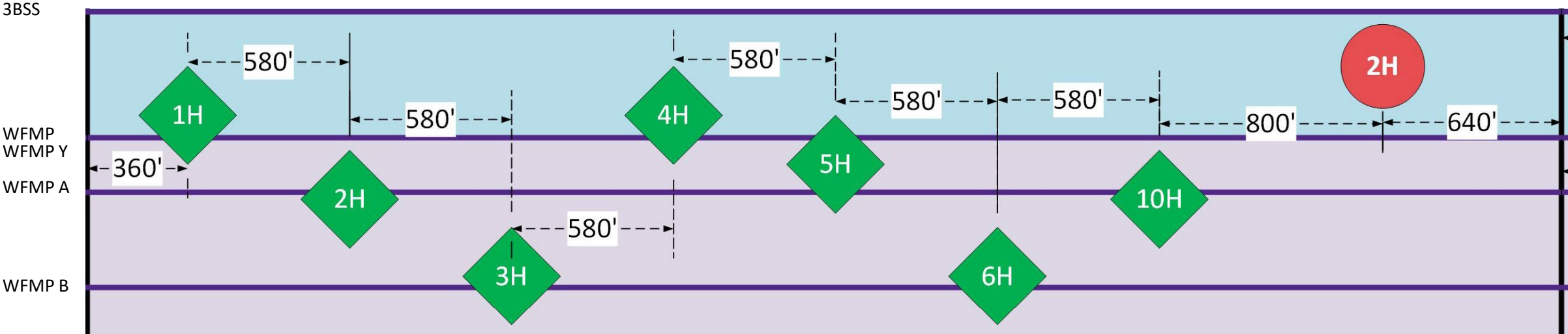
E-W structural cross section

Boll Weevil 3H



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-3
Submitted by: Devon Energy Production Company, L.P.
Hearing Date: February 1, 2024
Case No. 24137

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D-4
Submitted by: Devon Energy Production Company, L.P.
Hearing Date: February 1, 2024
Case No. 24137



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

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24137

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Devon Energy Production Company, L.P. ("Devon"), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of January 26, 2024.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication's legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Devon Energy Production Company, L.P.
Hearing Date: February 1, 2024
Case No. 24137**



Paula M. Vance

1/26/2024

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

January 12, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico: *Boll Weevil 27-34 Fed Com 3H*

Ladies & Gentlemen:

This letter is to advise you that Devon Energy Production Company, L.P. has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on February 1, 2024, and the status of the hearing can be monitored through the Division's website at <https://www.emnrd.nm.gov/ocd/>.

The State of New Mexico Oil Conservation Division hearing will be held in a hybrid format with both in-person and virtual participation options. The hearing will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Ave., Santa Fe, New Mexico, starting at 8:15 a.m. Virtual access to the Division's public hearing is available as follows: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You 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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Daniel Brunsman at (405) 228-2896 Daniel.Brunsman@dvn.com.

Sincerely,

A handwritten signature in blue ink that reads "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Devon - Boll Weevil 3H well - Case no. 24137
Postal Delivery Report

9414811898765493435654	Chevron U S A Inc.	PO Box 740436	Dallas	TX	75374	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493435326	Cornerstone Family Trust	PO Box 558	Peyton	CO	80831-0558	Your item was delivered to a parcel locker at 9:22 am on January 16, 2024 in PEYTON, CO 80831.
9414811898765493435395	Strategic Energy Income Fund IV LP	1521 N Cooper St Ste 400	Arlington	TX	76011-5537	Your item was delivered to the front desk, reception area, or mail room at 12:02 pm on January 16, 2024 in
9414811898765493435623	Chevron U S A Inc.	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 11:35 am on January 17, 2024 in MIDLAND, TX 79706.
9414811898765493435692	Allar Development LLC	PO Box 1567	Graham	TX	76450-7567	Your item was delivered to an individual at the address at 10:18 am on January 16, 2024 in GRAHAM, TX 76450.
9414811898765493435685	Chief Capital O&G II LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered to the front desk, reception area, or mail room at 11:29 am on January 20, 2024 in
9414811898765493435678	OXY Y-1 Company	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493435159	OXY USA Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765493435197	Shepherd Royalty LLC	5949 Sherry Ln Ste 1175	Dallas	TX	75225-8075	Your item was delivered to the front desk, reception area, or mail room at 2:09 pm on January 22, 2024 in

Devon - Boll Weevil 3H well - Case no. 24137

Postal Delivery Report

9414811898765493435135	Allar Development LLC	PO Box 1567	Graham	TX	76450-7567	Your item was delivered to an individual at the address at 10:18 am on January 16, 2024 in GRAHAM, TX 76450.
9414811898765493435319	Crownrock Minerals LP	PO Box 51933	Midland	TX	79710-1933	Your item was picked up at a postal facility at 12:18 pm on January 18, 2024 in MIDLAND, TX 79705.

Affidavit of Publication


STATE OF NEW MEXICO
COUNTY OF LEA

I, Blake Ovard, Editor 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
January 16, 2024
and ending with the issue dated
January 16, 2024.


Editor

Sworn and subscribed to before me this
16th day of January 2024.


Business Manager

My commission expires

January 29, 2027

(Seal)

STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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 publication has been made.

LEGAL NOTICE
January 16, 2024

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform (sign-in information below) on Thursday, February 1, 2024, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than January 22, 2024.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mebd90f968526fc5f785d1ce1df6f8879>

Webinar number: 2480 175 1754

Join by video system: Dial 24801751754@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your webinar number.

Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll

Access code: 2480 175 1754

Panelist password: JQJGcxpM862 (57542976 from phones and video systems)

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Chevron U S A Inc.; Allar Development LLC; Chief Capital O&G II LLC; OXY Y-1 Company; OXY USA Inc.; Shepherd Royalty LLC; Crownrock Minerals LP; Cornerstone Family Trust, and Strategic Energy Income Fund IV LP.

Case No. 24137: Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 235.93-acre standard horizontal spacing unit comprised of the E/2 W/2 of Section 27 and the NE/4 NW/4 and Lot 3 of Irregular Section 34 (E/2 NW/4 equivalent), Township 26 South, Range 34 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Boll Weevil 27-34 Fed Com 3H**, to be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 27, with a first take point in the same and a last take point in Lot 3 (SE/4 NW/4 equivalent) of irregular Section 34. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling the well. Said area is located approximately 17 miles southwest of Jal, New Mexico.
#00286543

67100754

00286543

HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F

Submitted by: Devon Energy Production Company, L.P.
Hearing Date: February 1, 2024
Case No. 24137