

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

**APPLICATION OF DEVON ENERGY
PRODUCTION COMPANY, L.P.
TO AMEND ORDER R-22941
EDDY COUNTY, NEW MEXICO**

**CASE NO. 24031
ORDER NO. R-22941-A**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on December 7, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On October 31, 2023, OCD issued Order R-22941 to Devon Energy Production Company, L.P. (“Operator”) to pool the uncommitted oil and gas interests within the specified spacing unit.
2. Subsequent to the above Order, Operator has revised its development plans and seeks to amend Order R-22941 unit so that it consists of a 639.2-acre more or less, standard horizontal spacing unit comprised of the E/2 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 2 (NW/4 NE/4 equivalent), Lot 1 (NE/4 NE/4 equivalent), the S/2 NE/4, and the SE/4 of Section 2, Township 24 South, Range 29 East, NMPM in Eddy County (“Unit”).
3. On November 7, 2023, Operator filed an application (“Application”) with OCD to amend Order R-22941.
4. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.
11. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

12. The uncommitted interests in the Unit are pooled as set forth in Exhibit A attached to this Order which replaces Exhibit A attached to Order R-22941.
13. The Unit shall be dedicated to the Well(s) set forth in Exhibit A
14. Operator is designated as operator of the Unit and the Well(s).
15. Order R-22941, as previously amended, shall remain in full force and effect.
16. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



DYLAN M FUGE
DIRECTOR (ACTING)
DMF/hat

Date: 2/14/2024

Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24031 to Reopen Case No. 23788	APPLICANT'S RESPONSE
Date	December 7, 2023
Applicant	DEVON ENERGY PRODUCTION COMPANY, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., TO RE-OPEN CASE 23788 AND AMEND ORDER R-22941, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Tater Tot
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Purple Sage; Wolfcamp formation: See Exhibit A, Paras 4-8
Pool Name and Pool Code:	PURPLE SAGE; WOLFCAMP [Pool Code 98220]
Well Location Setback Rules:	Special field rules, see Order No. R-14262
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	639.2-acre, more or less
Building Blocks:	160 acre building blocks (quarter sections)
Orientation:	South-North
Description: TRS/County	Lot 2 (NW/4 NE/4 equivalent), Lot 1 (NE/4 NE/4 equivalent), the S/2 NE/4, and the SE/4 of Section 2, Township 24 South, Range 29 East, NMPM, and the E/2 of Section 35, Township 23 South, Range 29 East, NMPM, and, all in Eddy 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, N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit D-2, revised from original Exhibit A-2
Well(s)	

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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	Tater Tot 2-35 Fed Com 622H Well (API No. 30-015-49052), SHL: Unit O, 200' FSL, 2065' FEL, Section 2, T24S-R29E; BHL: Unit G, 1350' FNL, 2310' FEL, Section 35, T23S-R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 622H Well: FTP 100' FSL, 2310' FEL, Section 2; LTP 1430' FNL, 2310' FEL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 622H Well: TVD approx. 10,250', TMD 18,750'; Wolfcamp formation, See Exhibit A & B-2
Well #2	Tater Tot 2-35 Fed Com 624H Well (API No. 30-015-49050), SHL: Unit P, 240' FSL, 785' FEL, Section 2, T24S-R29E; BHL: Unit A, 20' FNL, 600' FEL, Section 35, T23S-R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 624H Well: FTP 100' FSL, 600' FEL, Section 2; LTP 100' FNL, 600' FEL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 624H Well: TVD approx. 10,390', TMD 20,345'; Wolfcamp formation, See Exhibit A & B-2
Well #3	Tater Tot 2-35 Fed Com 713H Well (API No. 30-015-49067), SHL: Unit P, 240' FSL, 815' FEL, Section 2, T24S-R29E; BHL: Unit A, 20' FNL, 1170' FEL, Section 35, T23S-R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 713H Well: FTP 100' FSL, 1170' FEL, Section 2; LTP 100' FNL, 1170' FEL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 713H Well: TVD approx. 10,563', TMD 20,569'; Wolfcamp formation, See Exhibit A & B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, Exhibit A, para 20; Exhibit A-3
Production Supervision/Month \$	\$800, Exhibit A, para 20; Exhibit A-3
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)	See Exhibit D-2, revised from 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.	N/A

Pooled Parties (including ownership type)	Exhibit D-2, revised from original Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A: Para. 11
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit D-2, revised from Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	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	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Geologist believes Exhibits B-1 and B-2 provide accurate evaluation
Well Orientation (with rationale)	Exhibit B-1
Target Formation	Exhibit B-2
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit D-1, revised from Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	See Exhibit D-1, revised from Exhibit A-1
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-2
Additional Information	
Special Provisions/Stipulations	Respacing includes 40 acres of unleased federal acreage; Exhibits for Case 24031 are Exhibits D, E, and F, and Exhibits D-1 and D-2 are applicable to this CP list. Original Exhibits A, B and C from Case 23788 still apply if not revised and are listed herein.
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):	<i>Darin C. Savage</i>
Date:	12/5/23