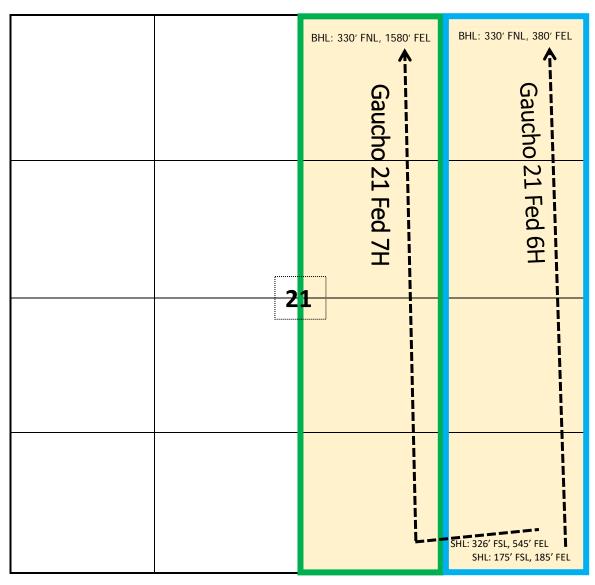
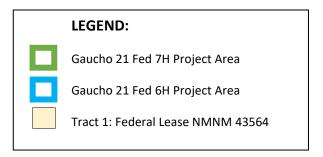


PLAT
Section 21, Township 22 South, Range 34 East, Lea County, NM





### **Devon Energy** Project: Lea County, NM (NAD-83) Site: Gaucho 21 Fed Well: 7H Wellbore: OH 3428.1' GE + 24' KB @ 3452.10usft Design: Plan #1 Ground Level: SHL (Gaucho 21 Fed 7H)

Start Build 1.00

Start Drop -1.00 7H Plan #1

Start 5009.50 hold at 3520.84 MD

2000

True Vertical Depth (2000 usft/in)

6000

8000

True Vertical Depth (1000 usft/in)

3428.10

**Azimuths to Grid North** True North: -0.46° Magnetic North: 6.32°

Magnetic Field Strength: 48148.6snT Dip Angle: 60.22° Date: 3/16/2018 Model: HDGM

#### PROJECT DETAILS: Lea County, NM (NAD-83)

Geodetic System: US State Plane 1983 Datum: North American Datum 1983

Ellipsoid: GRS 1980

Zone: New Mexico Eastern Zone

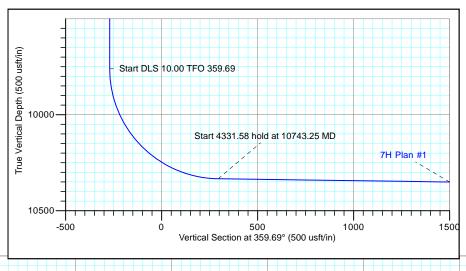


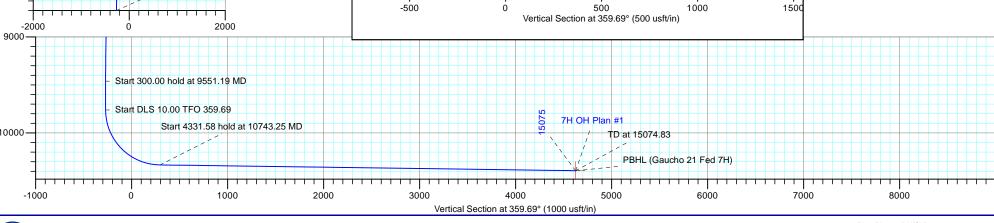


MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2500.00	0.00	0.00	2500.00	0.00	0.00	0.00	0.00	0.00	
3520.84	10.21	255.04	3515.45	-23.41	-87.63	1.00	255.04	-22.94	
8530.34	10.21	255.04	8445.65	-252.59	-945.37	0.00	0.00	-247.47	
9551.19	0.00	0.00	9461.10	-276.00	-1033.00	1.00	180.00	-270.41	
9851.19	0.00	0.00	9761.10	-276.00	-1033.00	0.00	0.00	-270.41	
10743.25	89.21	359.69	10334.00	289.01	-1036.09	10.00	359.69	294.61	
15074.83	89.21	359.69	10394.00	4620.11	-1059.78	0.00	0.00	4625.78	

#### **DESIGN TARGET DETAILS**

TVD +N/-S +E/-W Latitude PBHL (Gaucho 21 Fed 7H) 10394.00 32° 23′ 0.7717 N 103° 28′ 17.5055 W 4620.11 -1059.78 SHL (Gaucho 21 Fed 7H) 0.00 0.00 0.00 32° 22' 14.9725 N 103° 28' 5.5833 W







LEAM DRILLING SYSTEMS LLC 2010 East Davis, Conroe, Texas 77301 Phone: 936/756-7577, Fax: 936/756-7595 Plan: Plan #1 (7H/OH)

Created By: Dustin Ault Date: 11:03, March 16 2018 Date:

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

12 Dedicated Acres

160

<sup>1</sup> API Number

13 Joint or Infill

14 Consolidation Code

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

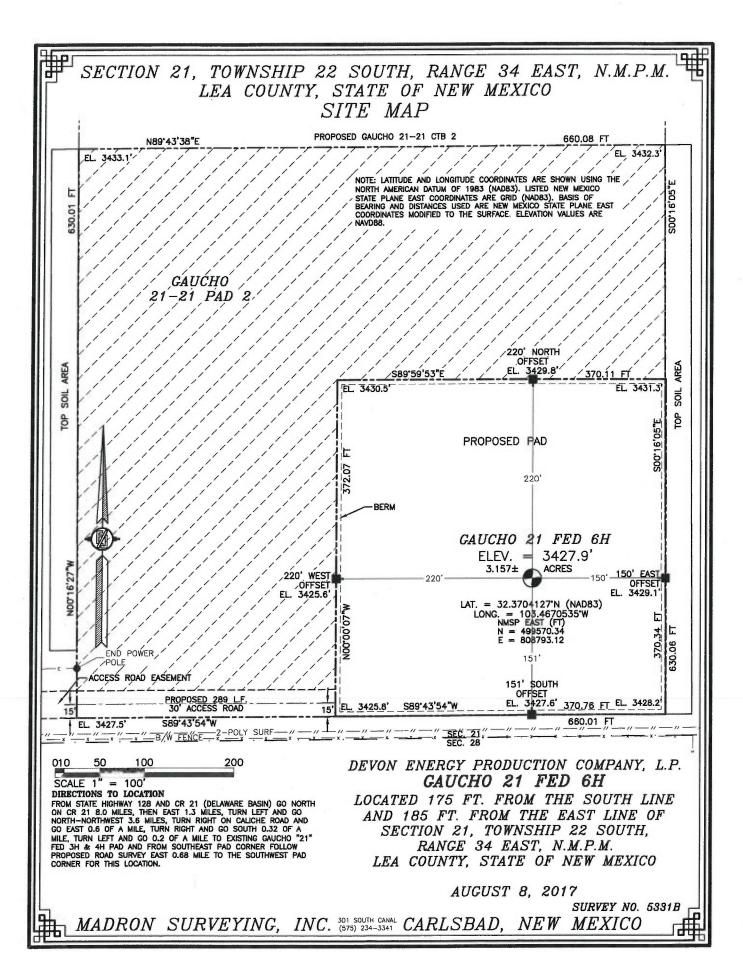
<sup>2</sup> Pool Code

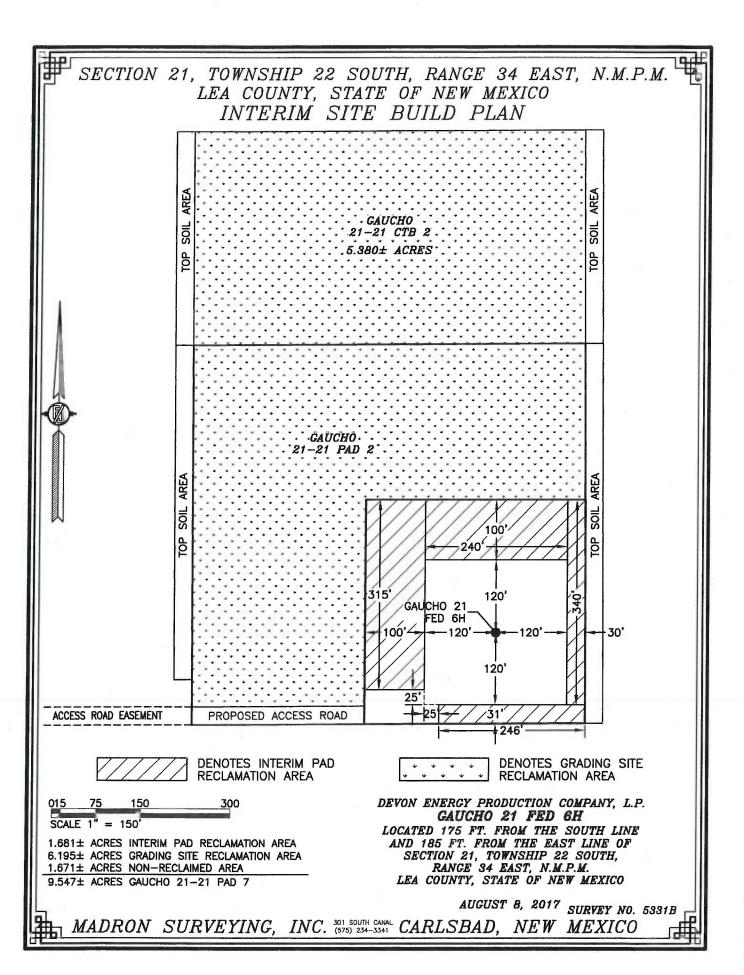
				97922	2	WC-025	G-06 S22342	1L;BONE SP	RING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name						6	<sup>6</sup> Well Number	
3088	4	GAUCHO 21 FED							<b>6H</b>	
'OGRID No.		<sup>8</sup> Operator Name						<sup>9</sup> Elevation		
6137			DEVON ENERGY PRODUCTION COMPANY, L.P.						3427.9	
					" Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
P	21	22 S	34 E		175	SOUTH	185	EAST	LEA	
			uВ	ottom Ho	ole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
A	21	22 S	34 E		330	NORTH	380	EAST	LEA	

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.

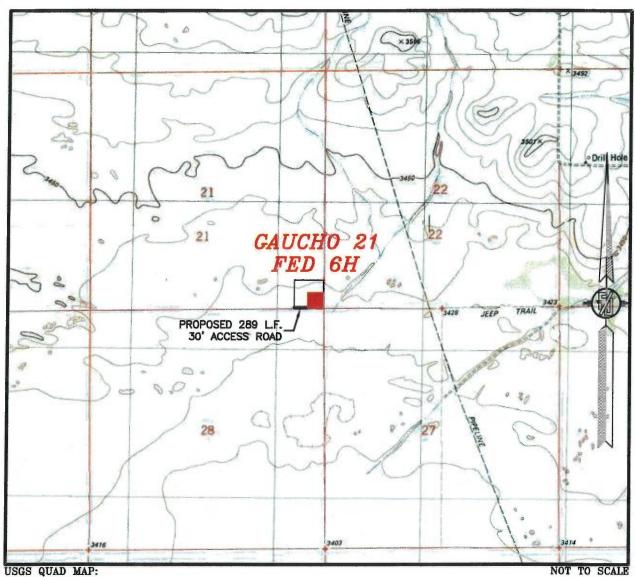
15 Order No.

N89*24'04"E	2638.77 FT	N89*40'23 <b>"</b> E	2651.63 FT	" OPERATOR CERTIFICATION
NW CORNER SEC. 21.	N/4 CORNER SEC. 2		воттом 33	I hereby certify that the information contained herein is true and complete to the
LAT. = 32.3844435'N LONG. = 103.4835441'W	LAT. = 32.3844614*N LONG. = 103.4749979*W		OF HOLE 380'	best of my knowledge and belief, and that this organization either owns a
NMSP EAST (FT)	NMSP EAST (FT)		†	working interest or unleased mineral interest in the land including the proposed
N = 504634.03	N = 504661.6° E = 806299.25		NE CORNER SEC. 21	bottom hole location or has a right to drill this well at this location pursuant to
E = 803661.09	L - 000293.20	E = 000372.43	LAT. = 32.3844443'N ic	a contract with an owner of such a mineral or working interest, or to a
2.7		İ	LONG. = 103.4664102'W C NMSP EAST (FT) 2	voluntary pooling agreement or a compulsory pooling order heretofore entered
2'59"W 2641	 	 	NMSF EAST (17) (2) (2) (2) (2) (2) (2) (2) (2) (2) (2	8/15/2017
NOG'22'	NOTE: LATITUDE AND LONG SHOWN USING THE NORTH (NAD83). LISTED NEW MED	AMERICAN DATUM OF 1983	0000	Rebecca Deal, Regulatory Analyst Printed Name
W/4 CORNER SEC. 21 LAT. = 32.3771852'N LONG. = 103.4835548'W	COORDINATES ARE GRID ( AND DISTANCES USED ARI EAST COORDINATES MODIF ELEVATION VALUES ARE N.	NAD83). BASIS OF BEARING NEW MEXICO STATE PLANE LED TO THE SURFACE.	E/4 CORNER SEC. 21 LAT. = 32.3771888'N LONG. = 103.4664274'W	rebecca.deal@dvn.com  E-mail Address
NMSP EAST (FT) N = 501993.36 E = 803678.74		  GAUCHO 21 FED 6H  ELEV. = 3427.9'	NMSP EAST (FT) N = 502037.10 E = 808966.44	18 SURVEYOR CERTIFICATION  I hereby certify that the well location shown on this plat was
E E	1 1	LAT. = 32.3704127*N LONG. = 103.4670535		
20	1	NMSP EAST (FT)	37	my supervision, and that the same is true and correct to the
2638.		N = 499570.34 E = 808793.12	640.	best of my belief
		<del></del>	SE CORNER SEC. 21 S LAT. = 32.3699327 N	best of my belief JARAMILA AUGUST & 2017
SW CORNER SEC. 21 LAT. = 32.3699343'N	   S/4 CORNER SEC. 21   LAT. = 32,3699178'N		LONG. = 103.4664562'W SAMPLE FOR STANDARD STANDA	Date of Suriety
LONG. = 103.4836025'W	LONG. = 103.4750181'W		SURFACE G	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
NMSP EAST (FT) N = 499355.33	NMSP EAST (FT) N = 499370.49		185'—	Certificate Number 1 HAMAN F ARAM LLO, PLS 12797
E = 803684.98 S89'40'20"W	E = 806335.49 2651.02 FT	S89°25'14"W	2644.03 FT	SURVEY NO. 5331B





# SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



USGS QUAD MAP: SAN SIMON SINK SAN SIMON RANCH

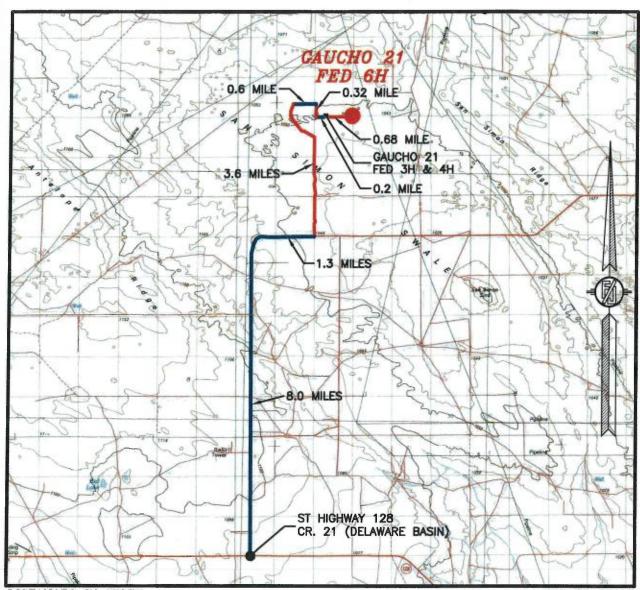
DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 6H

LOCATED 175 FT. FROM THE SOUTH LINE AND 185 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

AUGUST 8, 2017

SURVEY NO. 5331B

### SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

DIRECTIONS TO LOCATION

DIRECTIONS TO LOCATION
FROM STATE HIGHWAY 128 AND CR 21 (DELAWARE BASIN) GO NORTH
ON CR 21 B.O MILES, THEN EAST 1.3 MILES, TURN LEFT AND GO
NORTH-NORTHWEST 3.6 MILES, TURN RIGHT ON CALICHE ROAD AND
GO EAST 0.6 OF A MILE, TURN RIGHT AND GO SOUTH 0.32 OF A
MILE, TURN LEFT AND GO 0.2 OF A MILE TO EXISTING GAUCHO "21"
FED 3H & 4H PAD AND FROM SOUTHEAST PAD CORNER FOLLOW
PROPOSED ROAD SURVEY EAST 0.68 MILE TO THE SOUTHWEST PAD
CORNER FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 6H

LOCATED 175 FT. FROM THE SOUTH LINE AND 185 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

AUGUST 8, 2017

SURVEY NO. 5331B

# SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH FEB. 2017

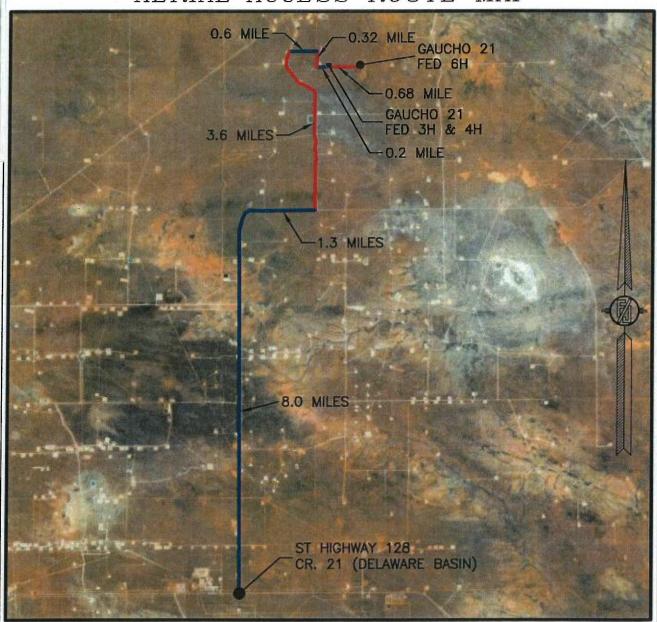
DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 6H

LOCATED 175 FT. FROM THE SOUTH LINE AND 185 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

AUGUST 8, 2017

SURVEY NO. 5331B

# SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP



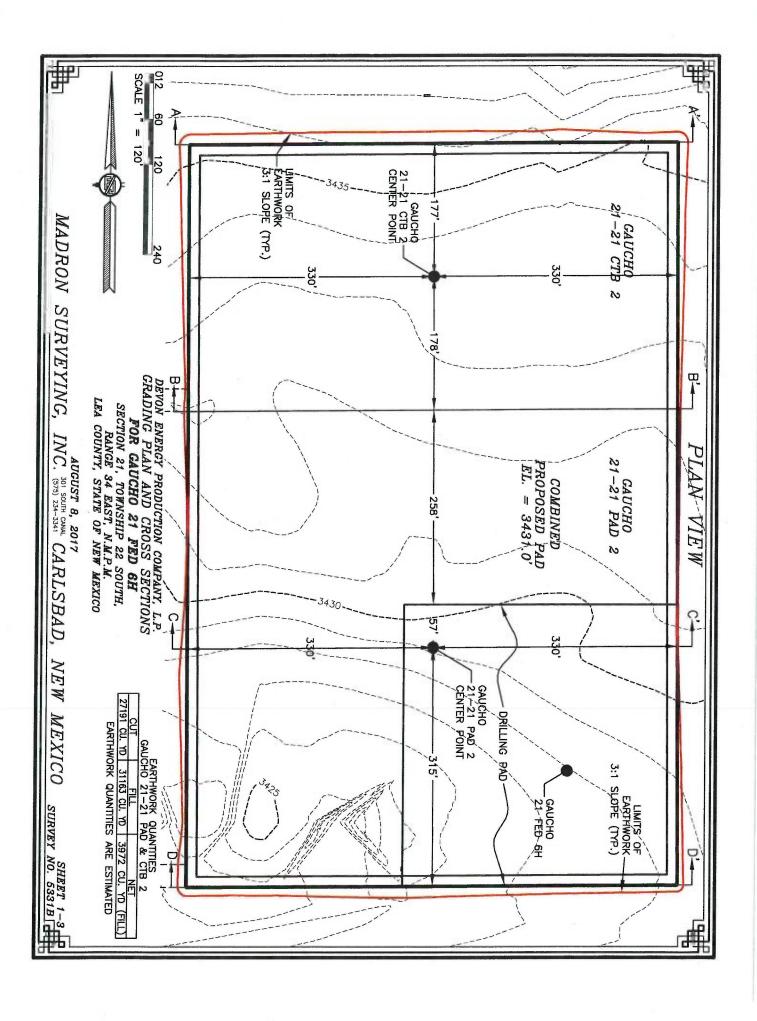
NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH FEB. 2017

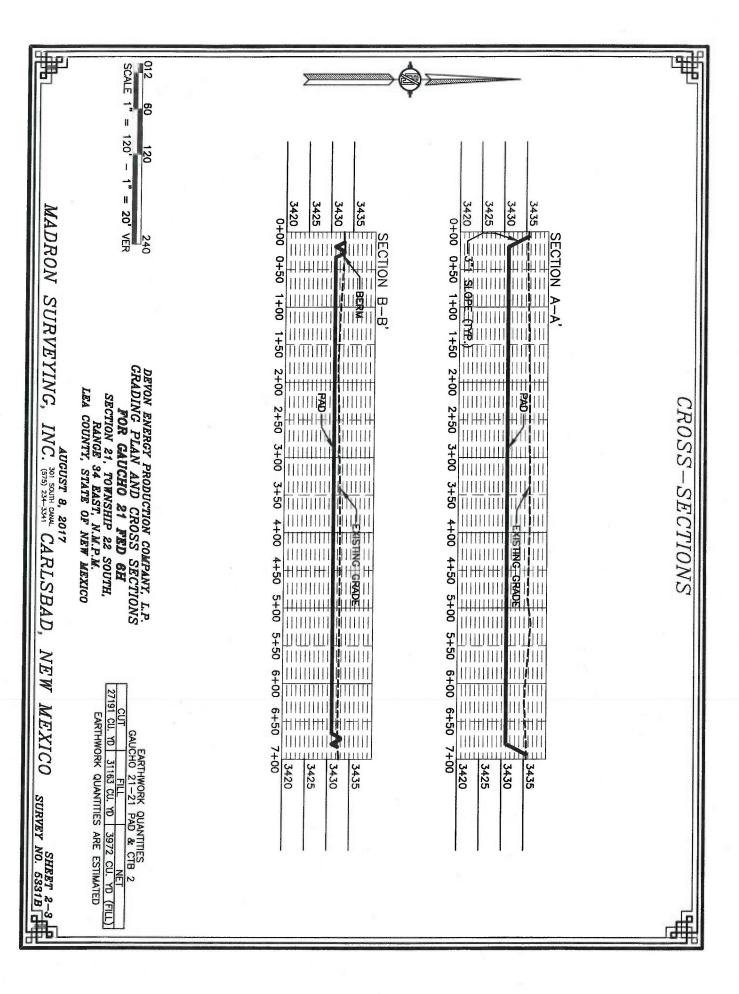
DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 6H

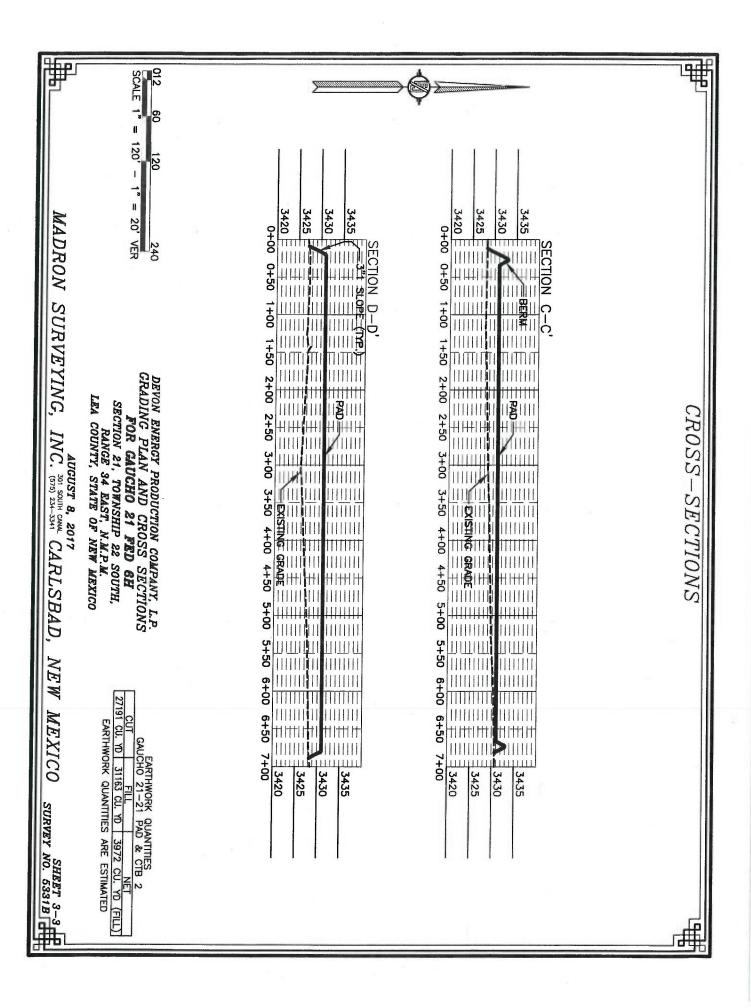
LOCATED 175 FT. FROM THE SOUTH LINE AND 185 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

AUGUST 8, 2017

SURVEY NO. 5331B



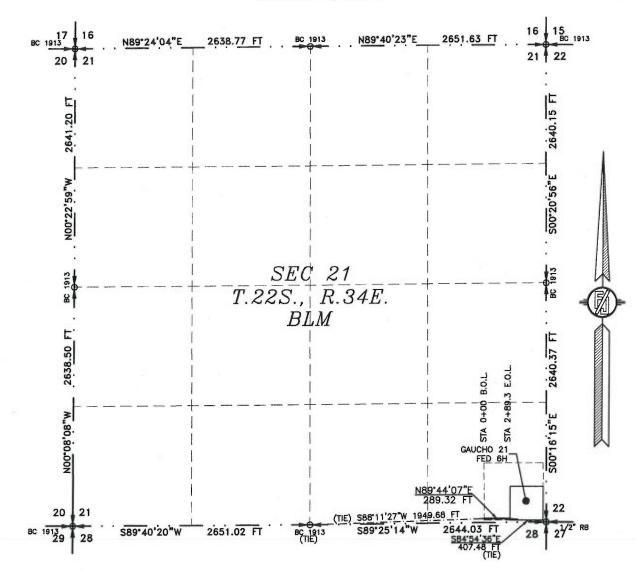




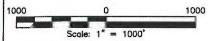
### ACCESS ROAD PLAT

ACCESS ROAD FOR GAUCHO 21 FED 6H

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AUGUST 8, 2017



SEE NEXT SHEET (2-2) FOR DESCRIPTION



#### GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 1-2

*MADRON SURVEYING* 

### SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220

Phone (575) 234-3341

SURVEY NO. 5331B

### ACCESS ROAD PLAT

ACCESS ROAD FOR GAUCHO 21 FED 6H

DEVON ENERGY PRODUCTION COMPANY, L.P.

CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING

SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

AUGUST 8, 2017

### DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S88'11'27"W, A DISTANCE OF 1949.68 FEET;

THENCE N89'44'07"E A DISTANCE OF 289.32 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S84'54'36"E, A DISTANCE OF 407.48 FEET;

SAID STRIP OF LAND BEING 289.32 FEET OR 17.53 RODS IN LENGTH, CONTAINING 0.199 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 289.32 L.F. 17.53 RODS 0.199 ACRES

#### SURVEYOR CERTIFICATE

301 SOUTH CAND

#### GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-2

MADRON SURVEYING,

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS DAY OF AUGUST 2017

ADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

SURVEY NO. 5331B

CARLSBAD, NEW MEXICO

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

160

### State of New Mexico ergy, Minerals & Natural Resour

### Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

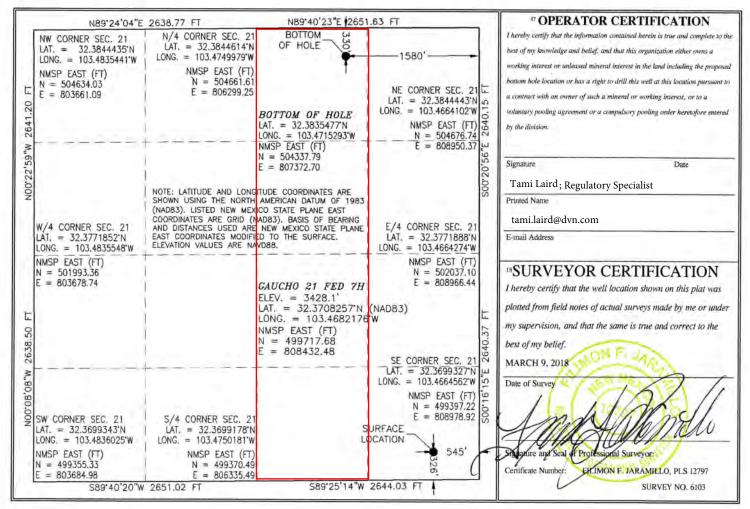
☐ AMENDED REPORT

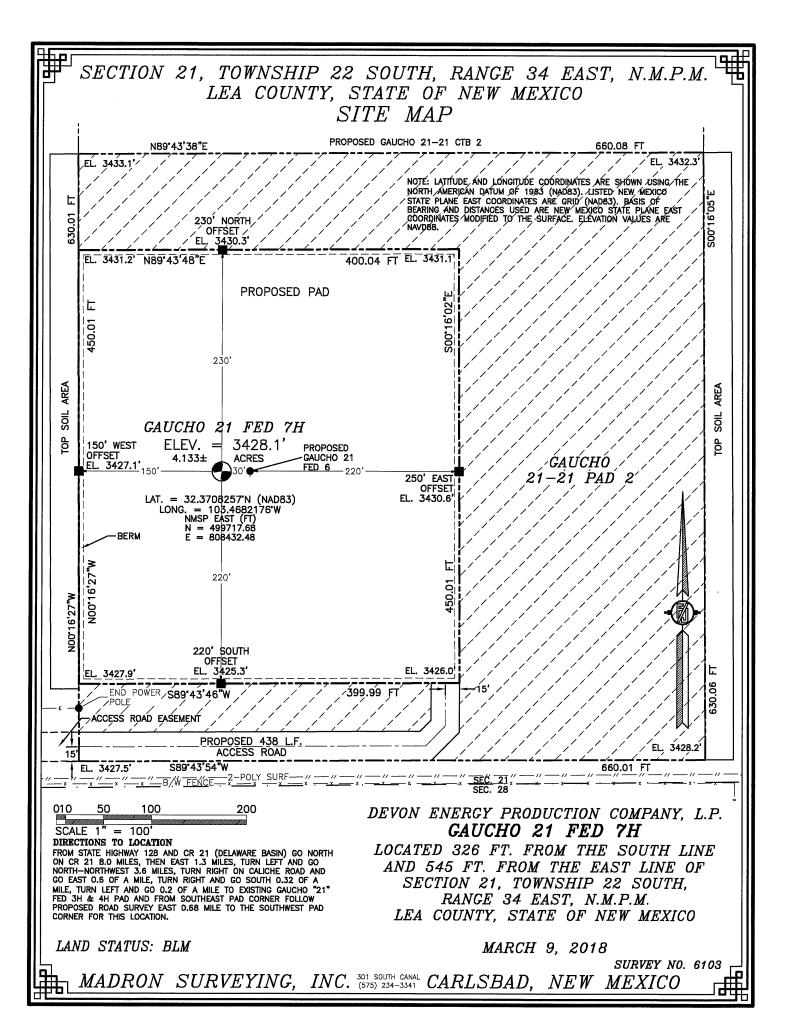
### WELL LOCATION AND ACREAGE DEDICATION PLAT

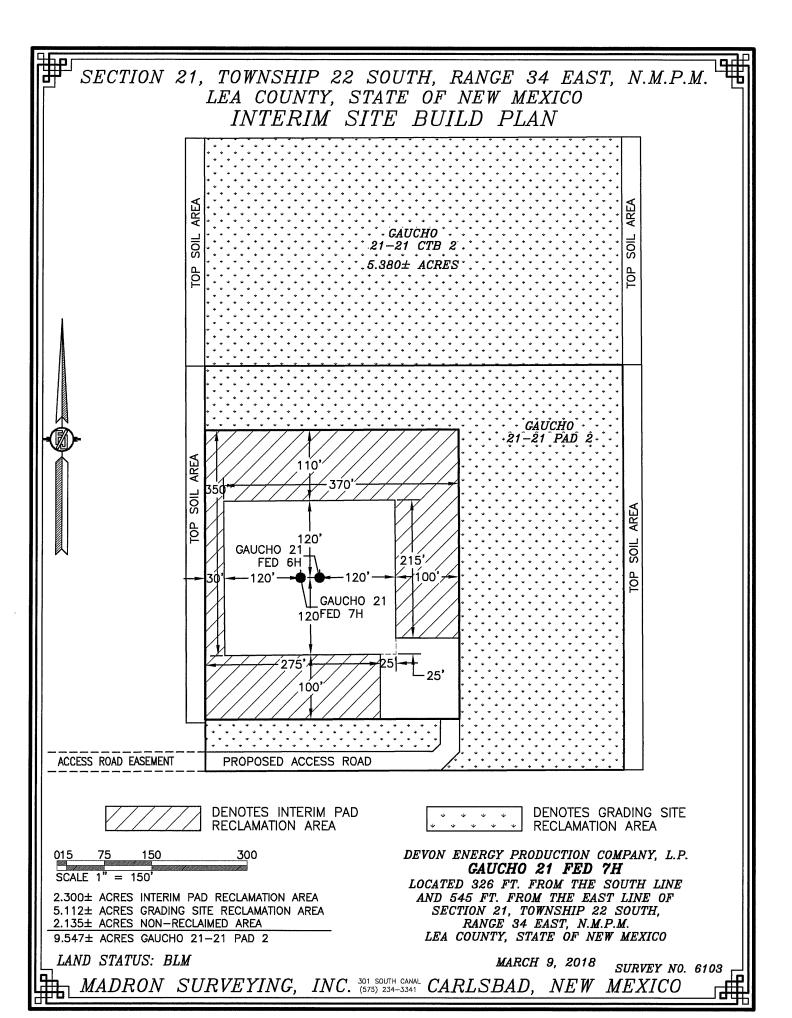
API Number	<sup>2</sup> Pool Code 97922	THE DOT CO OF COOR AND THE CO	
<sup>4</sup> Property Code		perty Name HO 21 FED	<sup>6</sup> Well Number 7H
OGRID No. 6137		erator Name DUCTION COMPANY, L.P.	Elevation 3428.1
	10 Curf	ace Location	

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 21 22 S 34 E 326 SOUTH 545 EAST LEA Bottom Hole Location If Different From Surface UL or lot no. Feet from the Section Township Range Lot Idn North/South line Feet from the East/West line County B 21 22 S 34 E 330 NORTH 1580 EAST LEA 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.

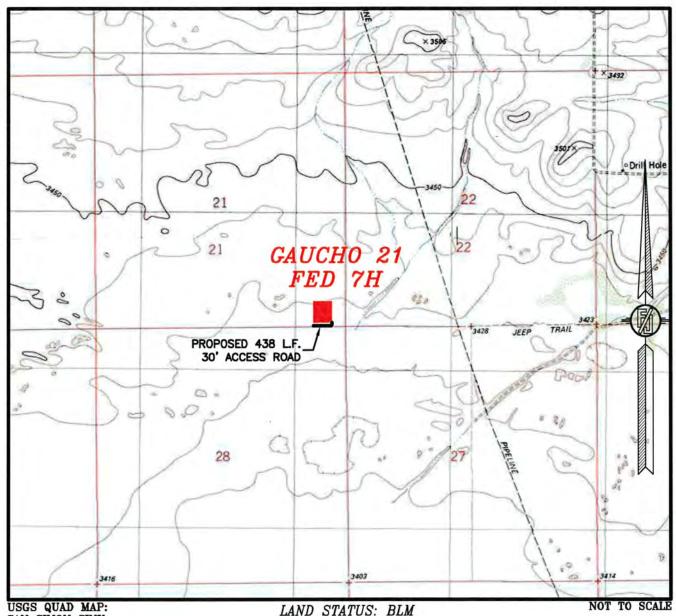
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.







### SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



SAN SIMON SINK SAN SIMON RANCH

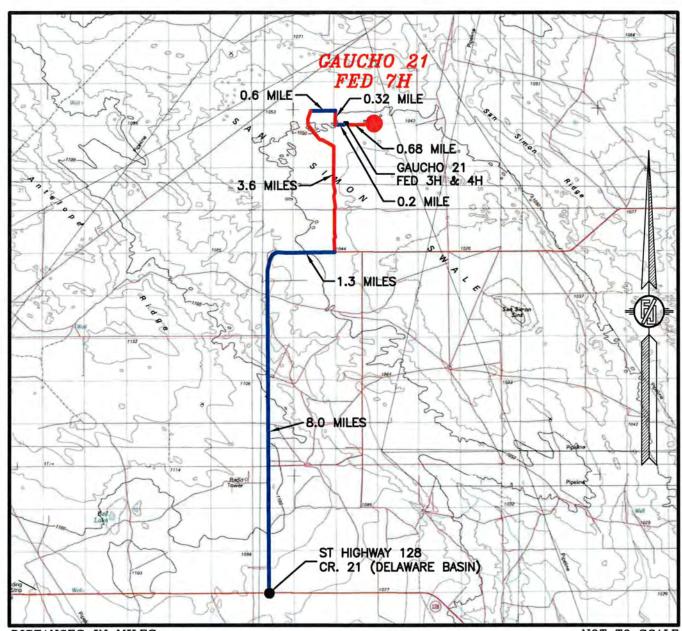
### DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 7H

LOCATED 326 FT. FROM THE SOUTH LINE AND 545 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

MARCH 9, 2018

SURVEY NO. 6103

# SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

#### DIRECTIONS TO LOCATION

FROM STATE HIGHWAY 128 AND CR 21 (DELAWARE BASIN)
GO NORTH ON CR 21 8.0 MILES, THEN EAST 1.3 MILES,
TURN LEFT AND GO NORTH-NORTHWEST 3.6 MILES, TURN
RIGHT ON CALICHE ROAD AND GO EAST 0.6 OF A MILE,
TURN RIGHT AND GO SOUTH 0.32 OF A MILE, TURN LEFT
AND GO 0.2 OF A MILE TO EXISTING GAUCHO "21" FED 3H
& 4H PAD AND FROM SOUTHEAST PAD CORNER FOLLOW
PROPOSED ROAD SURVEY EAST 0.68 MILE TO THE
SOUTHWEST PAD CORNER FOR THIS LOCATION.

LAND STATUS: BLM

### DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 7H

LOCATED 326 FT. FROM THE SOUTH LINE AND 545 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

MARCH 9, 2018

SURVEY NO. 6103

# SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH FEB. 2017 LAND STATUS: BLM

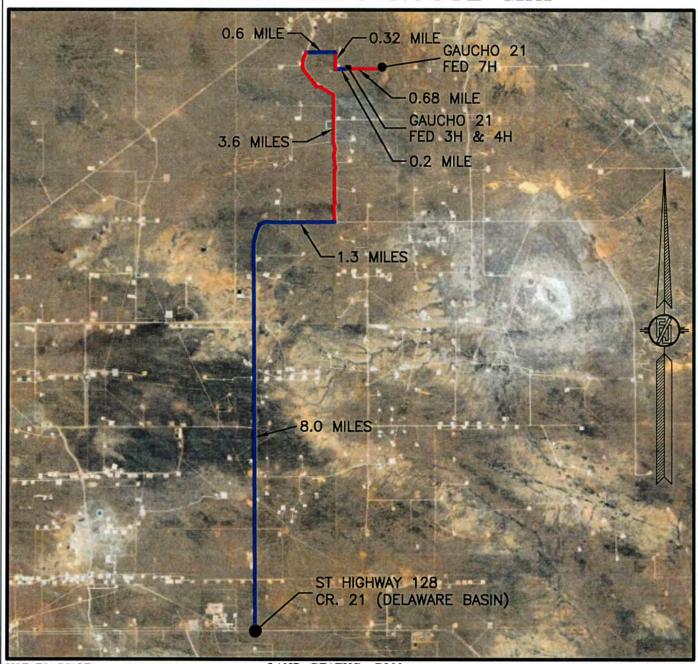
DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 7H

LOCATED 326 FT. FROM THE SOUTH LINE AND 545 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

MARCH 9, 2018

SURVEY NO. 6103

# SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP



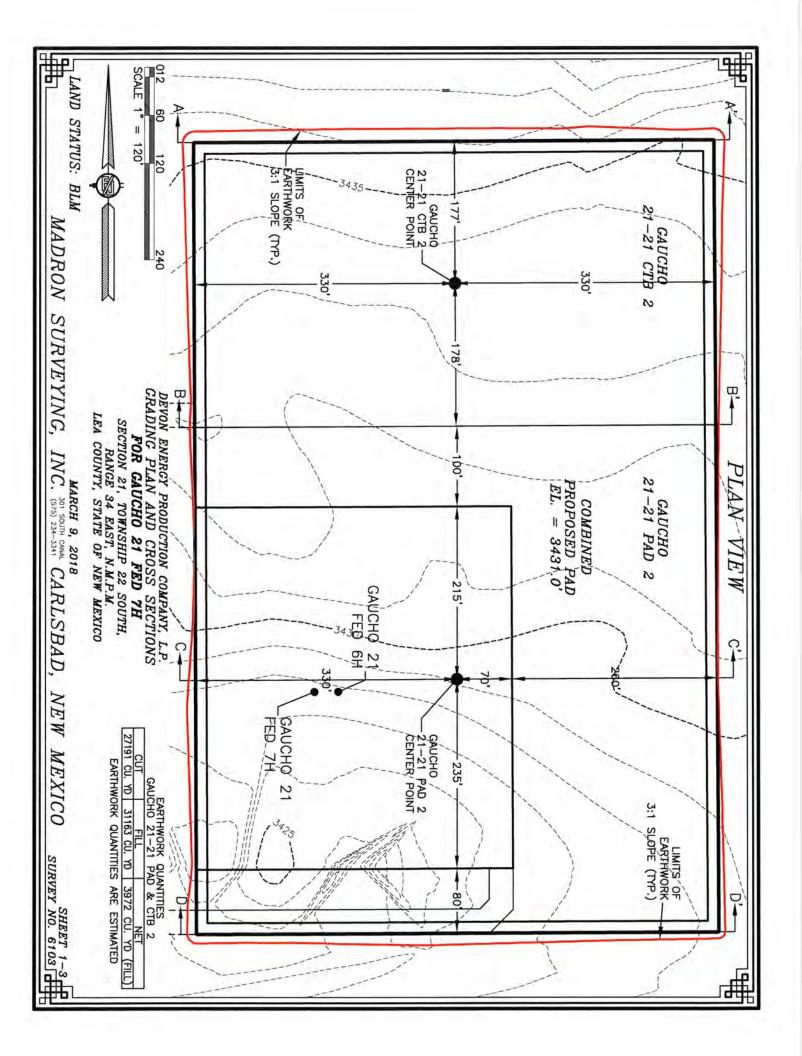
NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH FEB. 2017 LAND STATUS: BLM

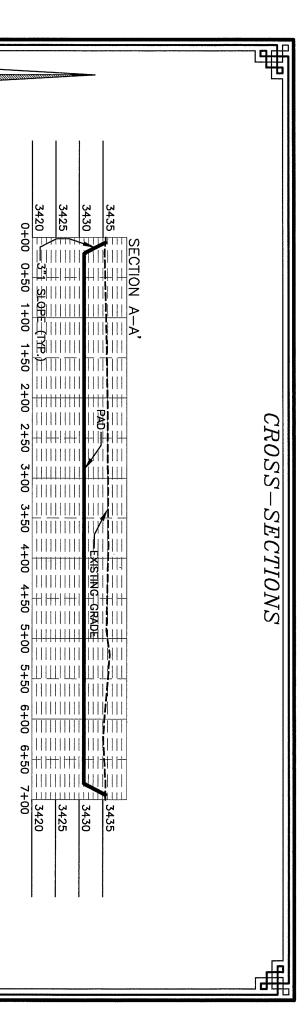
DEVON ENERGY PRODUCTION COMPANY, L.P. GAUCHO 21 FED 7H

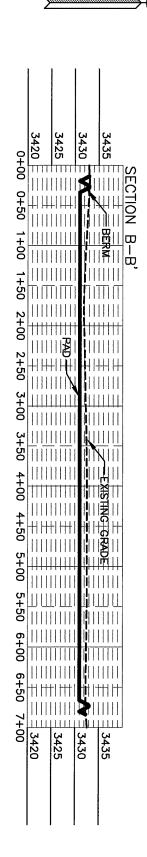
LOCATED 326 FT. FROM THE SOUTH LINE AND 545 FT. FROM THE EAST LINE OF SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO

MARCH 9, 2018

SURVEY NO. 6103







012 60 120 SCALE 1" = 120' ı II 20' VER

LAND STATUS: BLM

DEVON ENERGY PRODUCTION COMPANY, L.P. GRADING PLAN AND CROSS SECTIONS FOR GAUCHO 21 FED 7H

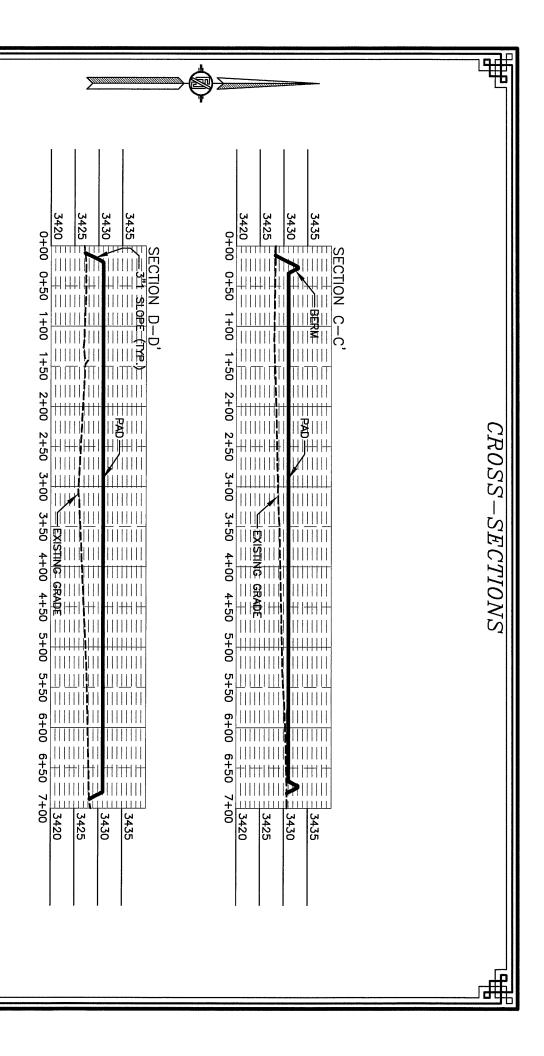
SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

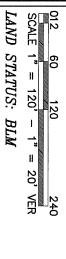
27191 CU. YD 31163 CU. YD 3972 CU. YD (FILL) EARTHWORK QUANTITIES GAUCHO 21-21 PAD & CTB 2

EARTHWORK QUANTITIES ARE ESTIMATED

MADRON SURVEYING, INC. (575) 234-3341 CARLSBAD, NEW MEXICO

SURVEY NO. 6103





DEVON ENERGY PRODUCTION COMPANY, L.P. GRADING PLAN AND CROSS SECTIONS FOR GAUCHO 21 FED 7H

SECTION 21, TOWNSHIP 22 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

INC. (575) 234-3341 CARLSBAD, NEW MEXICO

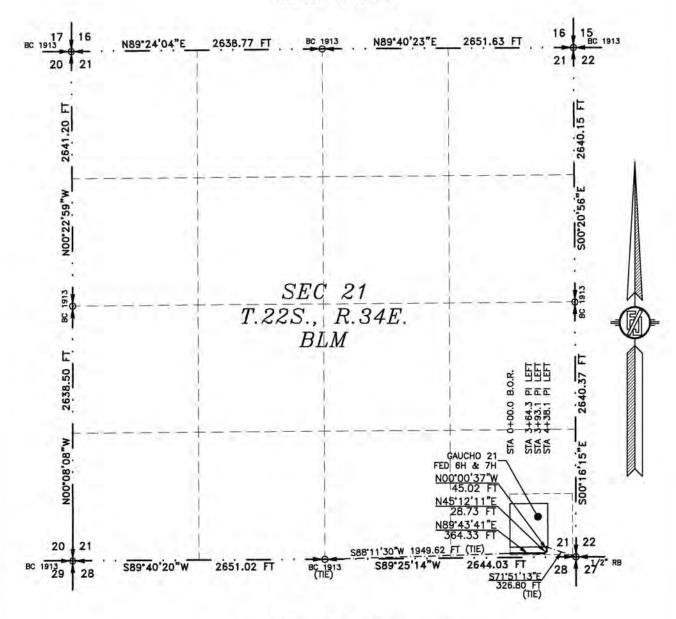
MADRON SURVEYING,

SURVEY NO. 6103

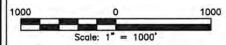
### ACCESS ROAD PLAT

ACCESS ROAD FOR GAUCHO 21 FED 6H & 7H

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO MARCH 9, 2018



SEE NEXT SHEET (2-2) FOR DESCRIPTION



#### GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVÉY.

SHEET: 1-2

*MADRON SURVEYING* 

### SURVEYOR CERTIFICATE

TILIMON E JARAMILLO PLS.

INC. (575) 234-3341 CARLSBAD,

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797. HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS MADRON SURVEYING, INC.

301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

SURVEY NO. 6103

NEW MEXICO

### ACCESS ROAD PLAT

ACCESS ROAD FOR GAUCHO 21 FED 6H & 7H

DEVON ENERGY PRODUCTION COMPANY, L.P.

CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING
SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

MARCH 9, 2018

#### DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S88\*11'30"W, A DISTANCE OF 1949.62 FEET; THENCE N89'43'41"E A DISTANCE OF 364.33 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N45'12'11"E A DISTANCE OF 28.73 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N00'00'37"W A DISTANCE OF 45.02 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S71'51'13"E, A DISTANCE OF 326.80 FEET;

SAID STRIP OF LAND BEING 438.08 FEET OR 26.55 RODS IN LENGTH, CONTAINING 0.302 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 438.08 L.F. 26.55 RODS 0.302 ACRES

#### SURVEYOR CERTIFICATE

#### GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.

SHEET: 2-2

MADRON SURVEYING,

I, FILIMON F, JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS DAY OF MARCH 2018,

FRANCH & JARAMILLO PLS . 42797

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220

Phone (575) 234-3341

SURVEY NO. 6103

INC. (675) 234-3341 CARLSBAD, NEW MEXICO

### **OWNERSHIP BREAKDOWN**

Gaucho 21 Fed 6H: E/2 E/2 of Section 21, Township 22 South, Range 34 East of Lea County, NM Gaucho 21 Fed 7H: W/2 E/2 of Section 21, Township 22 South, Range 34 East of Lea County, NM

# 

### **UNIT**

E/2 of Section 21, Township 22 South, Range 34 East of N.M.P.M, Lea County, NM

LEGEND

Tract 1 Section 21: E/2

\* Note: Tract lines are approximate

### TRACT 1 OWNERSHIP:

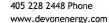
### Minerals:

Lease(s)	Owner	Interest	Net Acres	Royalty	Tract NRI	
1	United States of America	1	320.0000	1/8	0.125000000	
	Totals:	1	320.0000		0.125000000	

### **Working Interests:**

Owner	Net Acres	GWI	Status	
Devon Energy Production Company, L.P.	237.2881	0.741525424	Committed	
JJR, Inc., a Texas Corporation	33.0667	0.103333300	Uncommitted	
Axis Energy Corporation	10.0000	0.031250000	Committed	

Mary Beth Whitaker, Trustee FBO Wildcat Energy L.L.C.	10.0000	0.031250000	Committed
Larry T. Long	20.0000	0.062500000	Uncommitted
Clinton Pace	1.7333	0.005416675	Uncommitted
Ryan Pace	1.7333	0.005416675	Uncommitted
Tara N. Pace	1.7333	0.005416675	Uncommitted
Aleyna N. Pace	1.7333	0.005416675	Uncommitted
James Denzil Morris	0.6780	0.002118644	Committed
Craig George Morris	0.6780	0.002118644	Committed
Anne M. Hazelwood	0.6780	0.002118644	Committed
Mary Catherine Mitchell	0.6780	0.002118644	Committed
Totals:			
	260.0000	0.812500000	Committed
	60.0000	0.187500000	Uncommitted
	320.0000	1.000000000	





333 West Sheridan Avenue Oklahoma City, OK 73102 Direct Line: 405 552 6659 katie.dean@dvn.com

April 4, 2018

VIA Fed Ex or Certified Mail

All Working Interest Owners See Address List Attached

Re:

Gaucho 21 Fed 6H

SHL 175' FSL & 185' FEL Section 21-T22S-R34E BHL 330' FNL & 380' FEL Section 21-T22S-R34E

Gaucho 21 Fed 7H

SHL 326' FSL & 545' FEL Section 21-T22S-R34E BHL 330' FNL & 1580' FEL Section 21-T22S-R34E

E/2 Section 21, T22S-R34E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") proposes to consecutively drill the referenced horizontal wells. Devon plans to drill the **Gaucho 21 Fed 6H** at a surface hole location of 175' FSL & 185' FEL Section 21-T22S-R34E with an estimated bottom hole location of 330' FNL & 380' FEL Section 21-T22S-R34E to test the 2<sup>nd</sup> Bone Spring at an approximate total vertical depth of 10,394'. The well is planned to be drilled to an approximate total measured depth of 14,819'. Enclosed is AFE# XX-120003.01 which reflects the estimated cost to drill and complete the well at \$5,226,301.60.

Devon plans to drill the **Gaucho 21 Fed 7H** at a surface hole location of 326' FSL & 545' FEL Section 21-T22S-R34E with an estimated bottom hole location of 330' FNL & 1580' FEL Section 21-T22S-R34E to test the 2<sup>nd</sup> Bone Spring Sand at an approximate total vertical depth of 10,394'. The well is planned to be drilled to an approximate total measured depth of 14,723'. Enclosed is AFE# XX-128827.01 which reflects the estimated cost to drill and complete the well at \$5,200,148.93.

If you elect to participate, please execute an AFE for each well along with a well requirement sheet within thirty (30) days. A Joint Operating Agreement will be furnished for your review in the near future. If you do not wish to participate, please contact the undersigned to discuss a potential trade, farmout or purchase of your interest. Devon currently plans to <u>spud the initial well Q2 2018</u>. Your prompt attention to this matter is greatly appreciated.

If you have any questions regarding this proposal please contact me at (405) 552-6659 or katie.dean@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Katie Dean Landman

Utu Dean

Gaucho 21 Fed 6H & 7H Wells April 4, 2018 Page 2

### WORKING INTEREST OWNERS

Clinton Pace

FED EX #7719-2788-0675

544 Comanche Drive Lubbock, TX 79404

Ryan Pace

FED EX #7719-2790-4974

544 Comanche Drive Lubbock, TX 79404

Tara N. Pace

FED EX #7719-2791-8786

5716 Ridgemont Place Midland, TX 79707

Aleyna N. Pace

5716 Ridgemont Place

Midland, TX 79707

FED EX #7719-2785-1624

Estate of Joe Reynolds

Jeffrey C. Reynolds, Personal Rep. 8214 Westchester Drive, Suite 860

Dallas, TX 75225

FED EX #7719-2786-7266

Axis Energy Corp. 121 West 3<sup>rd</sup> Street

Roswell, NM 88201

FED EX #7719-2783-8970

Wildcat Energy Corp.

4500 South County Road 1310

Odessa, TX 79765

FED EX# 7719-2782-0794

Larry T. Long

P. O. Box 1777

1. O. DOX 1777

Kilgore, TX 75662

Certified Mail

#9414-8149-0152-7181-4388-59



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish:

NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 6H well located at SHL 175' FSL & 185' FEL and BHL 330' FNL & 380' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	43,000.00	0.00	0.00	43,000.00
6060130	GASEOUS FUELS	19,080.00	0.00	0.00	19,080.00
6080100	DISPOSAL - SOLIDS	47,984.00	5,000.00	0.00	52,984.00
6080110	DISP-SALTWATER & OTH	0.00	39,000.00	0.00	39,000.00
6090100	FLUIDS - WATER	32,313.00	27,000.00	0.00	59,313.00
6090120	RECYC TREAT&PROC-H20	0.00	117,000.00	0.00	117,000.00
6100100	PERMIT SURVEY&TITLE	30,000.00	3,000.00	0.00	33,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	80,000.00	64,861.00	0.00	144,861.00
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6130360	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
6130370	RTOC - GEOSTEERING	8,745.00	0.00	0.00	8,745.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	147,172.50	0.00	147,172.50
6160100	MATERIALS & SUPPLIES	424.00	0.00	0.00	424.00
5170100	PULLING&SWABBING SVC	0.00	18,000.00	0.00	18,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	175,000.00	0.00	175,000.00
5190100	TRCKG&HL-SOLID&FLUID	35,160.00	7,000.00	0.00	42,160.00
3190110	TRUCKING&HAUL OF EQP	44,400.00	7,000.00	0.00	51,400.00
3200110	INSPECTION SERVICES	0.00	15,000.00	0.00	15,000.00
5200130	CONSLT & PROJECT SVC	92,120.00	59,400.00	0.00	151,520.00
3230120	SAFETY SERVICES	34,980.00	6,000.00	0.00	40,980.00
300270	SOLIDS CONTROL SRVCS	36,464.00	0.00	0.00	36,464.00
310120	STIMULATION SERVICES	0.00	1,073,915.10	0.00	1,073,915.10
310140	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.00
310200	CASING & TUBULAR SVC	39,400.00	0.00	0.00	39,400.00
310250	CEMENTING SERVICES	137,000.00	0.00	0.00	137,000.00
310280	DAYWORK COSTS	372,896.00	0.00	0.00	372,896.00
310300	DIRECTIONAL SERVICES	112,030.00	0.00	0.00	112,030.00
310310	DRILL BITS	61,600.00	0.00	0.00	61,600.00
310330	DRILL&COMP FLUID&SVC	48,500.00	8,000.00	0.00	56,500.00
310370	MOB & DEMOBILIZATION	193,464.00	0.00	0.00	193,464.00
310380	OPEN HOLE EVALUATION	6,380.00	0.00	0.00	6,380.00
310480	TSTNG-WELL, PL & OTH	0.00	38,500.00	0.00	38,500.00
310600	MISC PUMPING SERVICE	0.00	36,500.00	0.00	36,500.00
	EQPMNT SVC-SRF RNTL	42,485.00	120,000.00	0.00	162,485.00
	EQUIP SVC - DOWNHOLE	31,760.00	0.00	0.00	31,760.00
	WELDING SERVICES	2,000.00	30,000.00	0.00	32,000.00
	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
	MISCS COSTS & SERVS	0.00	45,772.50	0.00	45,772.50
	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.00
	OTHER ROUSTABOUT SER	0.00	144,500.00	0.00	144,500.00
	CAPITAL OVERHEAD	6,360.00	44,780.50	0.00	51,140.50

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.



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	125.00	0.00	0.00	125.00
	Total Intangibles	1,629,120.00	2,241,921.60	0.00	3,871,041.60

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	26,093.00	0.00	26,093.00
6130120	COMM DEVICES - SCADA	0.00	169,111.50	0.00	169,111.50
6300150	SEPARATOR EQUIPMENT	0.00	229,863.50	0.00	229,863.50
6300220	STORAGE VESSEL&TANKS	0.00	78,212.00	0.00	78,212.00
6300230	PUMPS - SURFACE	0.00	18,248.00	0.00	18,248.00
6310130	ARTIFICIAL LIFT EQP	0.00	17,000.00	0.00	17,000.00
6310150	CASG-COND&DRIVE PIPE	35,000.00	0.00	0.00	35,000.00
6310420	TUBING & COMPONENTS	0.00	68,000.00	0.00	68,000.00
6310460	WELLHEAD EQUIPMENT	31,500.00	34,500.00	0.00	66,000.00
6310530	SURFACE CASING	64,368.00	0.00	0.00	64,368.00
6310540	INTERMEDIATE CASING	138,006.00	0.00	0.00	138,006.00
6310550	PRODUCTION CASING	207,200.00	0.00	0.00	207,200.00
6310580	CASING COMPONENTS	82,600.00	0.00	0.00	82,600.00
6320130	PAINT & COATING SERV	0.00	10,000.00	0.00	10,000.00
6320180	EQUIPMENT OTHER	0.00	3,500.00	0.00	3,500.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	142,058.00	0.00	142,058.00
	Total Tangibles	558,674.00	796,586.00	0.00	1,355,260.00

TOTAL ESTIMATED COST	2,187,794.00	3,038,507.60	0.00	5,226,301.60

#### **WORKING INTEREST OWNER APPROVAL**

Company Name:		
Signature:	Print Name:	
Title:		
Date:		
Email:		



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish:

LEA

#### Explanation and Justification:

Drill and complete the Gaucho 21 Fed 7H well located at SHL 326' FSL & 545' FEL and BHL 330' FNL & 1580' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	53,698.99	0.00	0.00	53,698.99
6060130	GASEOUS FUELS	12,865.62	0.00	0.00	12,865.62
6080100	DISPOSAL - SOLIDS	76,677.87	1,040.00	0.00	77,717.87
6080110	DISP-SALTWATER & OTH	0.00	78,000.00	0.00	78,000.00
6090100	FLUIDS - WATER	52,763.94	44,364.90	0.00	97,128.84
6090120	RECYC TREAT&PROC-H20	0.00	91,760.95	0.00	91,760.95
6100100	PERMIT SURVEY&TITLE	40,000.00	0.00	0.00	40,000.00
6100110	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	101,715.20	100,400.00	0.00	202,115.20
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130170	COMM SVCS - WAN	4,261.35	0.00	0.00	4,261.35
6130360	RTOC - ENGINEERING	0.00	4,680.00	0.00	4,680.00
6130370	RTOC - GEOSTEERING	7,846.67	0.00	0.00	7,846.67
6150100	CH LOG PERFRTG&WL SV	10,348.00	133,837.60	0.00	144,185.66
6160100	MATERIALS & SUPPLIES	1,514.33	0.00	0.00	1,514.33
6170100	PULLING&SWABBING SVC	0.00	33,857.78	0.00	33,857.78
6190100	TRCKG&HL-SOLID&FLUID	30,649.65	0.00	0.00	30,649.65
6190110	TRUCKING&HAUL OF EQP	17,830.25	15,600.00	0.00	33,430.2
5200130	CONSLT & PROJECT SVC	90,000.00	108,540.44	0.00	198,540.4
5230120	SAFETY SERVICES	36,055.41	0.00	0.00	36,055.41
6300270	SOLIDS CONTROL SRVCS	43,675.42	0.00	0.00	43,675.42
	STIMULATION SERVICES	0.00	1,168,044.52	0.00	1,168,044.5
5310200	CASING & TUBULAR SVC	96,422.52	0.00	0.00	96,422.52
310250	CEMENTING SERVICES	148,254.19	0.00	0.00	148,254.19
310280	DAYWORK COSTS	321,854.38	0.00	0.00	321,854.3
3310300	DIRECTIONAL SERVICES	131,597.83	0.00	0.00	131,597.83
310310	DRILL BITS	71,783.75	0.00	0.00	71,783.75
5310330	DRILL&COMP FLUID&SVC	44,289.61	6,760.00	0.00	51,049.61
310370	MOB & DEMOBILIZATION	150,000.00	0.00	0.00	150,000.00
310380	OPEN HOLE EVALUATION	20,324.28	0.00	0.00	20,324.28
310480	TSTNG-WELL, PL & OTH	0.00	55,680.18	0.00	55,680.18
310600	MISC PUMPING SERVICE	0.00	28,470.98	0.00	28,470.98
320100	EQPMNT SVC-SRF RNTL	70,401.99	135,168.79	0.00	205,570.78
320110	EQUIP SVC - DOWNHOLE	35,107.60	14,872.00	0.00	49,979.60
320160	WELDING SERVICES	1,751.20	50,000.00	0.00	51,751.20
520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
	MISCELLANEOUS SVC	27,357.77	0.00	0.00	27,357.77
	OTHER ROUSTABOUT SER	0.00	125,000.00	0.00	125,000.00
	CAPITAL OVERHEAD	6,337.21	0.00	0.00	6,337.21
	TAXES OTHER	80.65	0.00	0.00	80.65
	Total Intangibles	1,740,465.68	2,196,078.14	0.00	3,936,543.82
	Tangible	Drilling	Completion	Dry Hole	Total

	Tangible	Drilling	Completion	Dry Hole	Total
Code	Description	Costs	Costs	Costs	Costs



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM

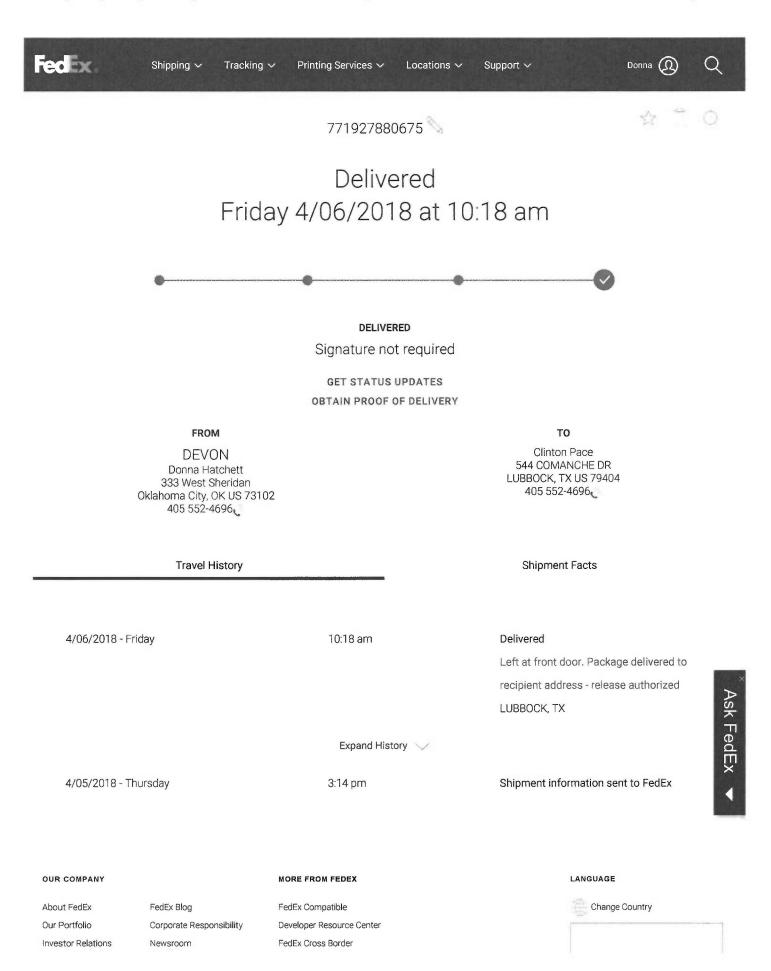
LEA

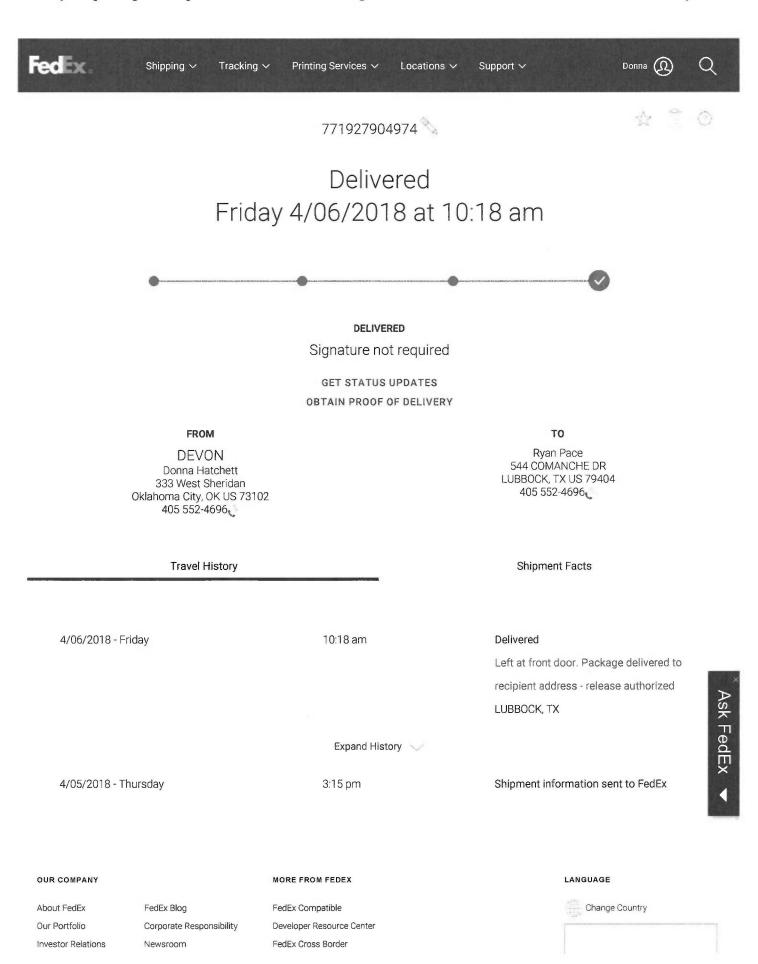
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	130,000.00	0.00	130,000.00
6130120	COMM DEVICES - SCADA	0.00	125,000.00	0.00	125,000.00
6230130	SAFETY EQUIPMENT	2,328.33	0.00	0.00	2,328.33
6300210	TREATER FWKO EQUIP	0.00	80,000.00	0.00	80,000.00
6300220	STORAGE VESSEL&TANKS	0.00	180,000.00	0.00	180,000.00
6310130	ARTIFICIAL LIFT EQP	0.00	31,200.00	0.00	31,200.00
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310420	TUBING & COMPONENTS	0.00	90,688.00	0.00	90,688.00
6310460	WELLHEAD EQUIPMENT	34,971.37	36,400.00	0.00	71,371.37
6310530	SURFACE CASING	28,233.00	0.00	0.00	28,233.00
310540	INTERMEDIATE CASING	118,442.83	0.00	0.00	118,442.83
3310550	PRODUCTION CASING	208,847.90	0.00	0.00	208,847.90
6310580	CASING COMPONENTS	27,493.68	0.00	0.00	27,493.68
6330100	PIPE,FIT,FLANG,CPLNG	0.00	120,000.00	0.00	120,000.00
	Total Tangibles	470,317.11	793,288.00	0.00	1,263,605.11

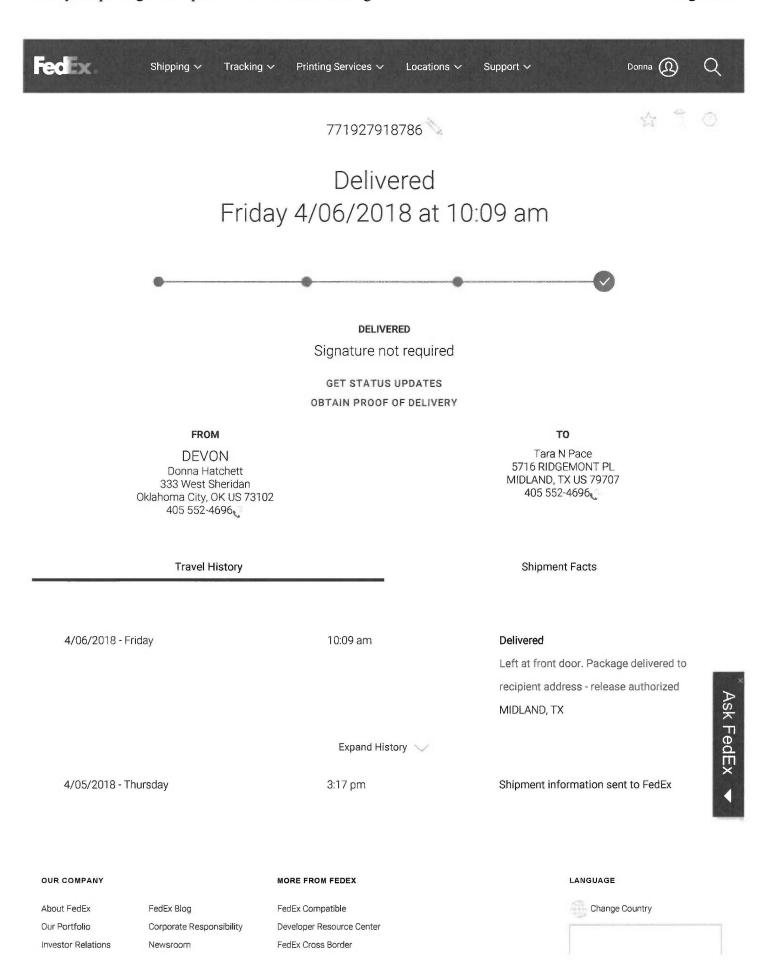
TOTAL ESTIMATED COST	2,210,782.79	2,989,366.14	0.00	5,200,148.93
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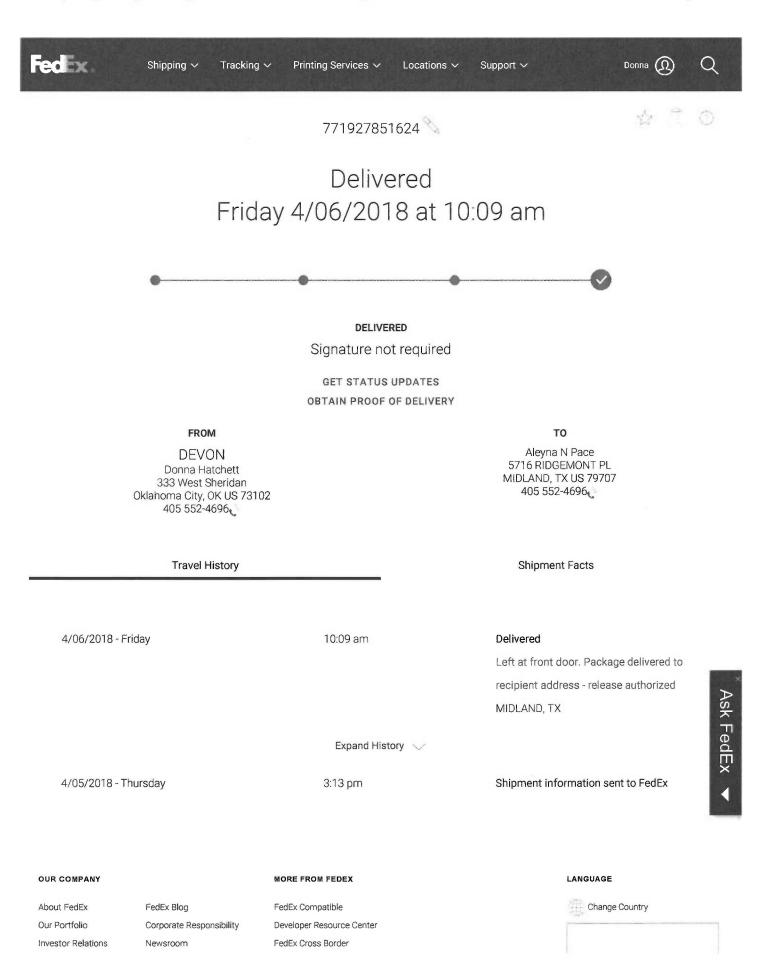
#### WORKING INTEREST OWNER APPROVAL

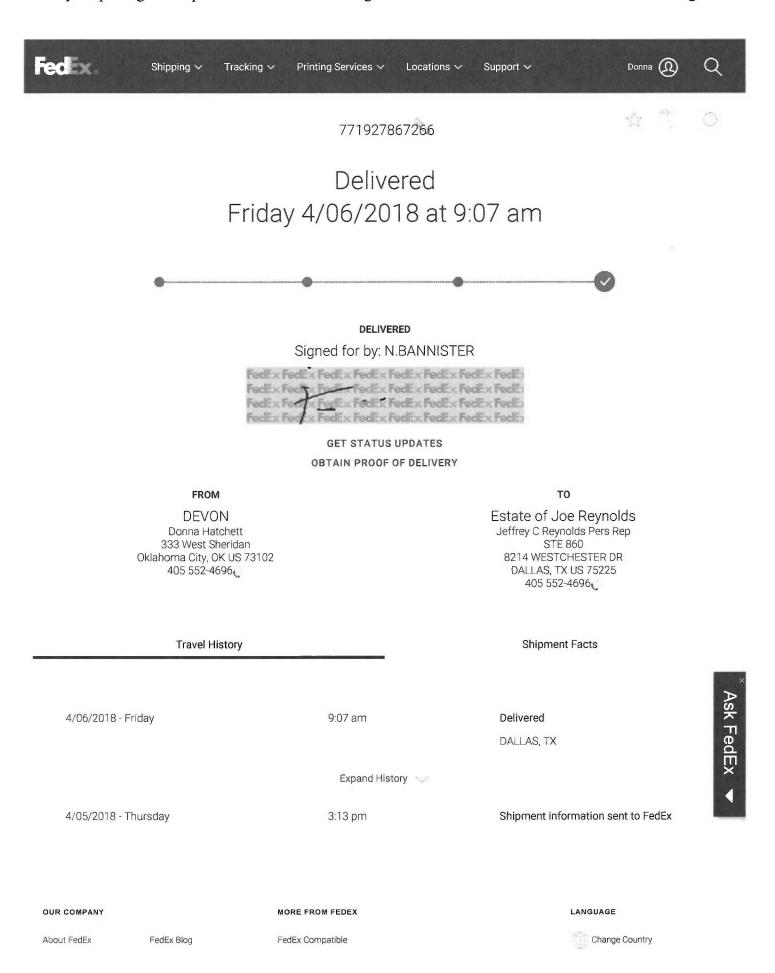
Company Name:		
Signature:	Print Name:	
Title:		
Date:		
Email:		_

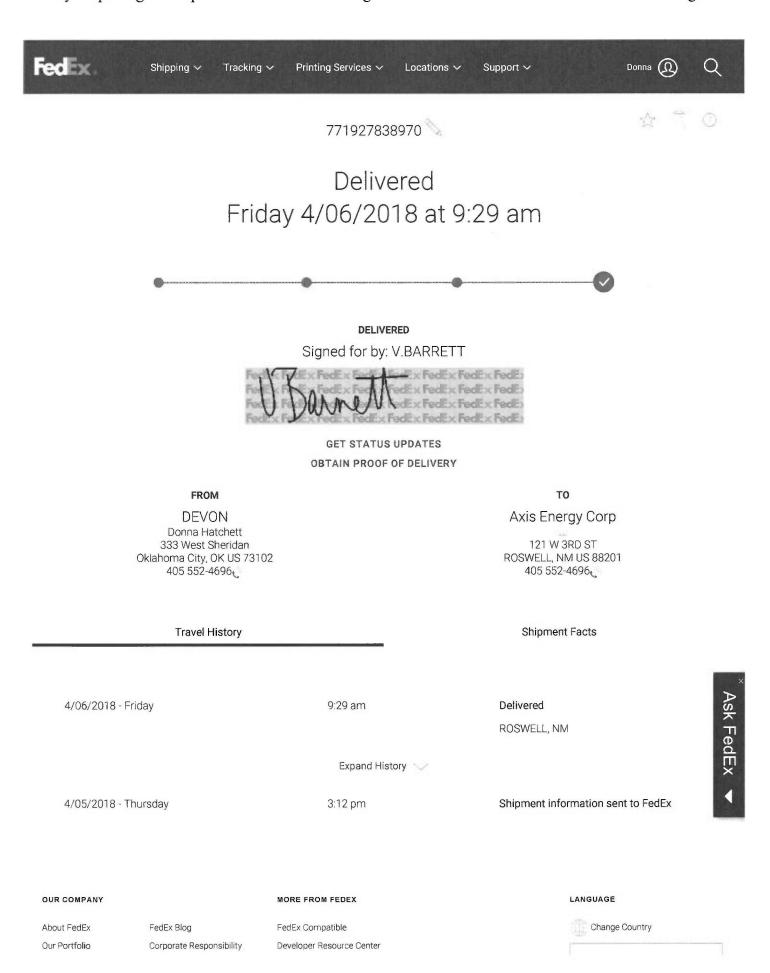


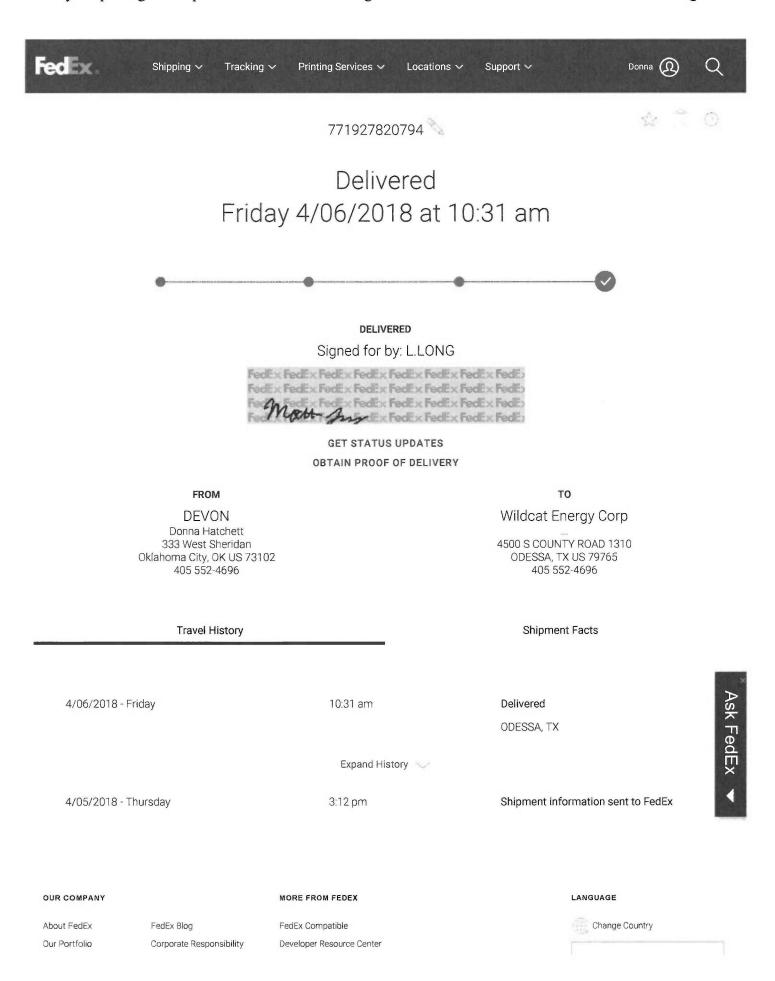














Date: June 19, 2018

Donna Hatchett:

The following is in response to your June 19, 2018 request for delivery information on your Certified Mail™/RRE item number 9414814901527181438859. The delivery record shows that this item was delivered on April 10, 2018 at 10:29 am in KILGORE, TX 75662. The scanned image of the recipient information is provided below.

Kath addison

Signature of Recipient:

Address of Recipient:

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely, United States Postal Service

# EXHIBIT 6



Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, OK 73102 405 235 3611 Phone www.devonenergy.com

May 3, 2018

Sent Via FedEx Overnight:

MAY 2 2 2018

LAND DEPARTMENT

#### **WORKING INTEREST OWNER**

Re: 2015 Model

2015 Model Form Operating Agreement Dated May 1, 2018

Gaucho 21 Fed 6H

SHL 175' FSL & 185' FEL Section 21-T22S-R34E BHL 330' FNL & 380' FEL Section 21-T22S-R34E

Gaucho 21 Fed 7H

SHL 326' FSL & 545' FEL Section 21-T22S-R34E BHL 330' FNL & 1580' FEL Section 21-T22S-R34E E/2 Section 21, T22S-R34E, Lea County, New Mexico

Dear Working Interest Owner:

As per letter dated April 4, 2018, Devon Energy Production Company, L.P. proposes to drill and complete the above captioned wells.

For your review please find enclosed an A.A.P.L. FORM 610-2015 Model Form Operating Agreement dated May 1, 2018. If you elect to participate in these wells, please execute and return the signature pages to the Operating Agreement and the Recording Supplement and return to the undersigned. The Final Exhibit A will be sent to non-operators from Operator pending final elections and execution of Operating Agreement. Your prompt attention to this matter is greatly appreciated.

Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

If you have any questions or concerns regarding this proposal please contact me at (405) 552-6659 or katie.dean@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Katie Dean Landman

Katie Dean

Enclosures

#### **WORKING INTEREST OWNERS**

Clinton Pace

FED EX #7721-6711-4386

544 Comanche Drive

Lubbock, TX 79404

Ryan Pace

FED EX #7721-6713-0740

544 Comanche Drive Lubbock, TX 79404

Tara N. Pace

FED EX #7721-6715-3030

258 Cape Jasmine Court

The Woodlands, TX,77381

Aleyna N. Pace

FED EX #7721-6716-8993

258 Cape Jasmine Court

The Woodlands, TX,77381

JJR, Inc.

FED EX #7721-6718-9156

FED EX #7721-6720-8501

8214 Westchester Drive, Suite 860

Dallas, TX 75225

Axis Energy Corp.

121 West 3<sup>rd</sup> Street

Roswell, NM 88201

Wildcat Energy Corp.

4500 South County Road 1310

Odessa, TX 79765

FED EX #7721-6722-423232

Larry T. Long

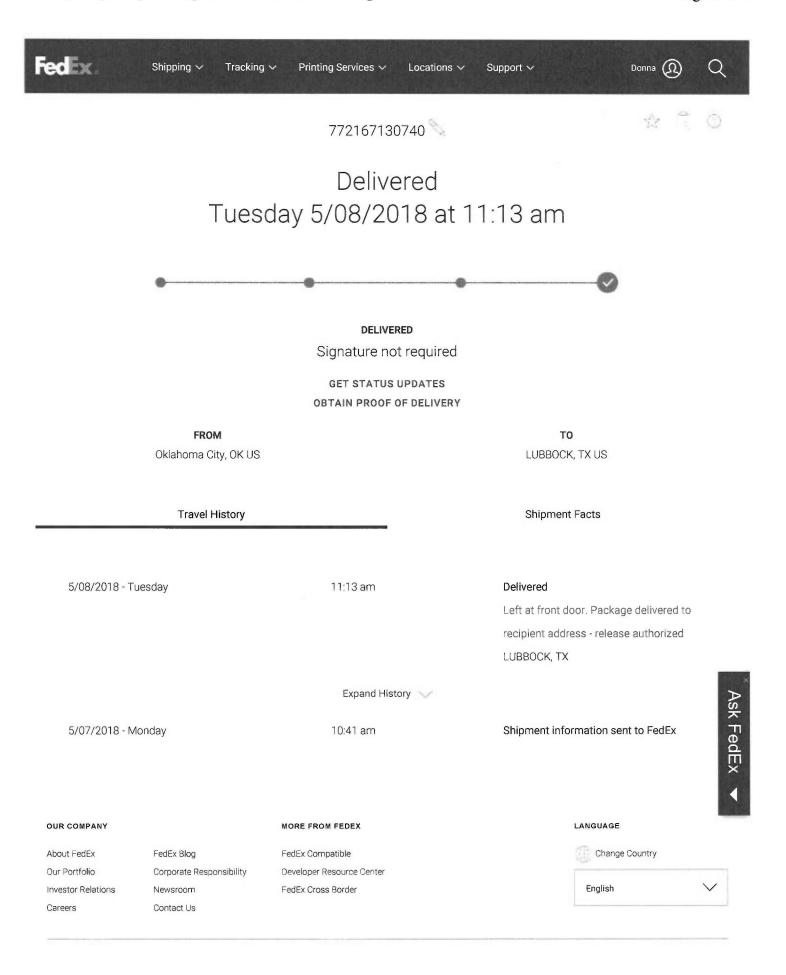
P. O. Box 1777

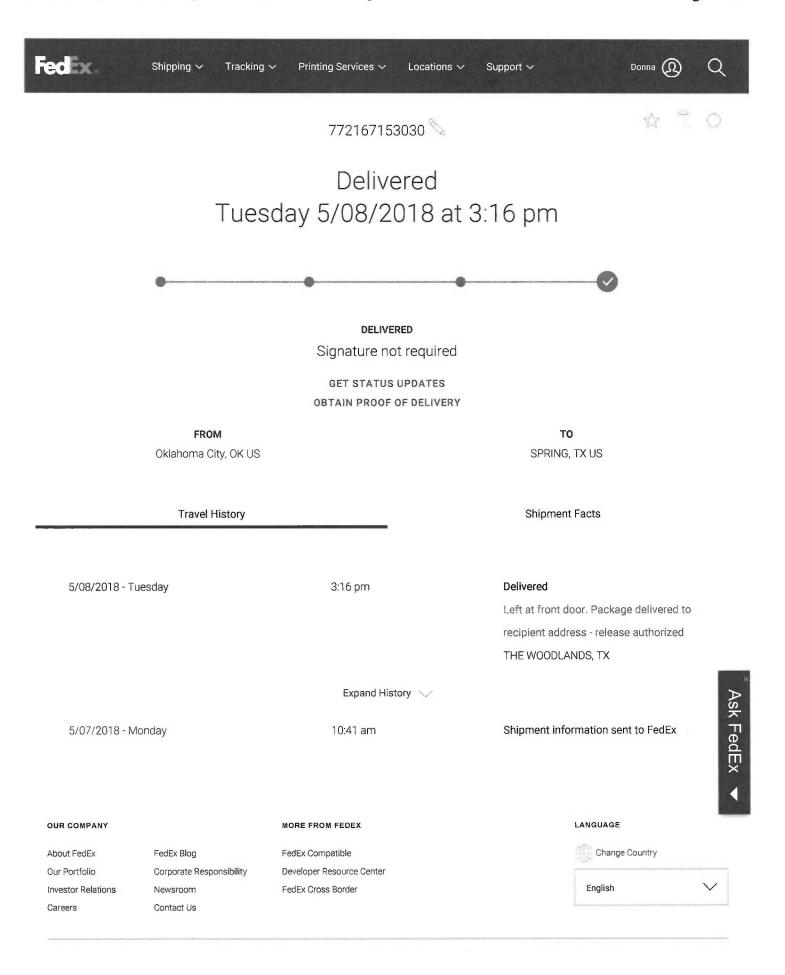
Kilgore, TX 75663

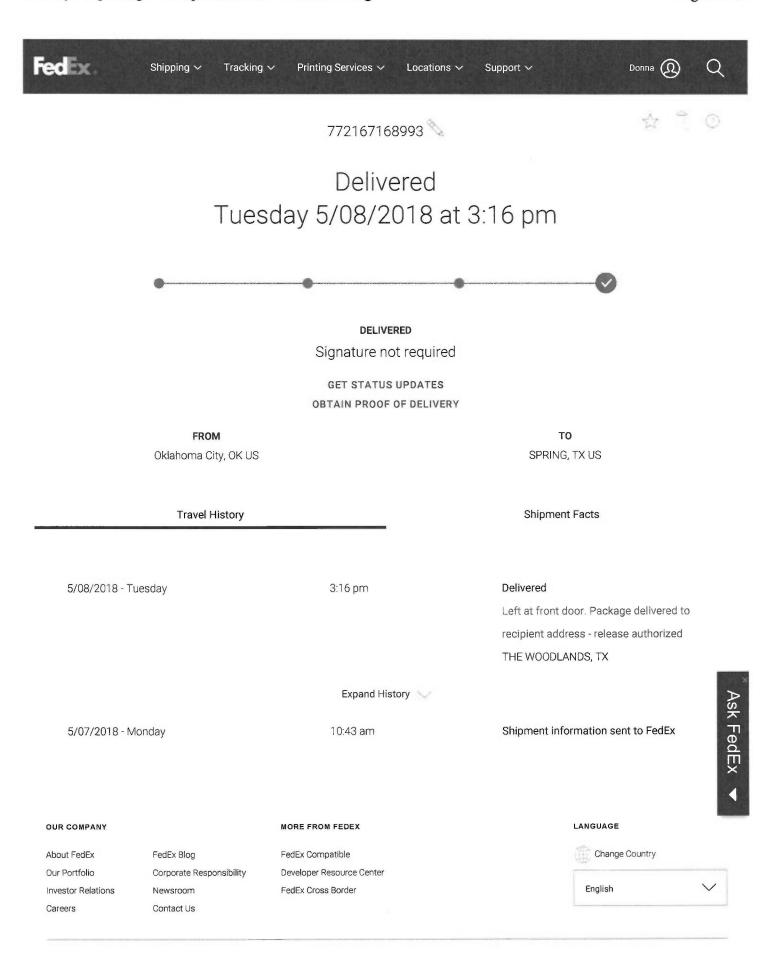
Certified Mail

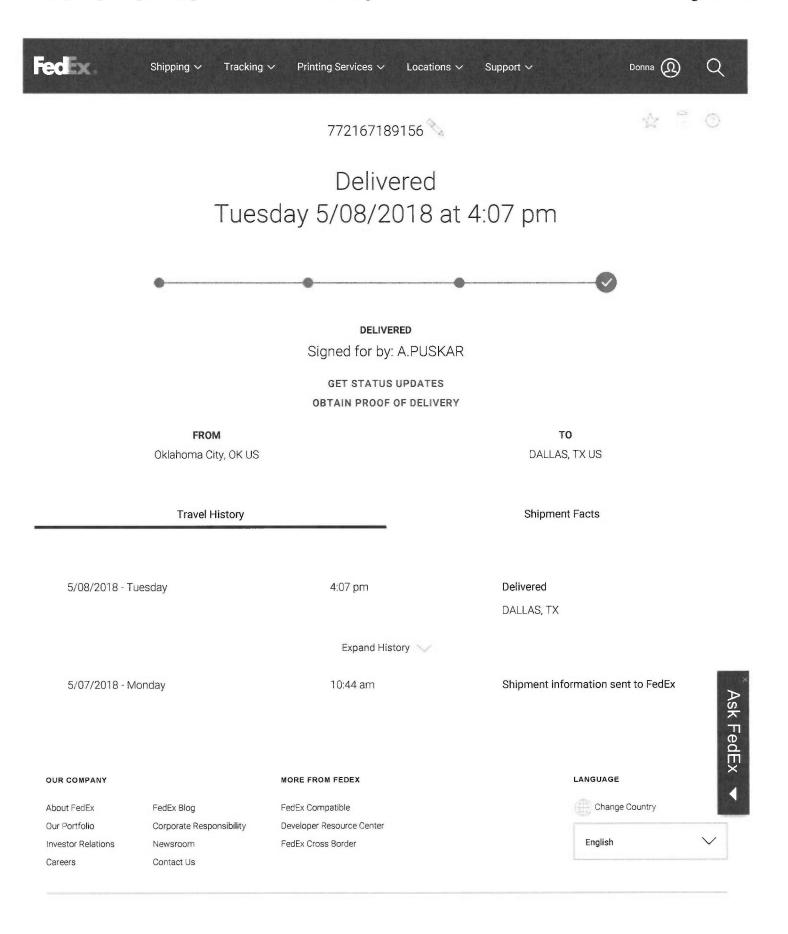
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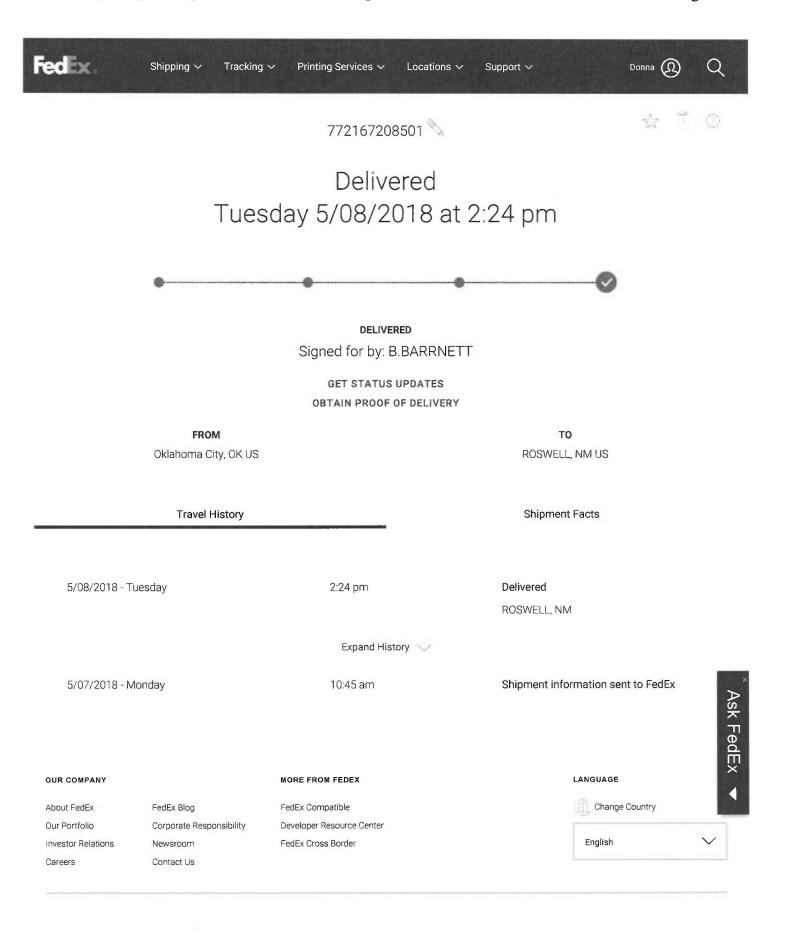


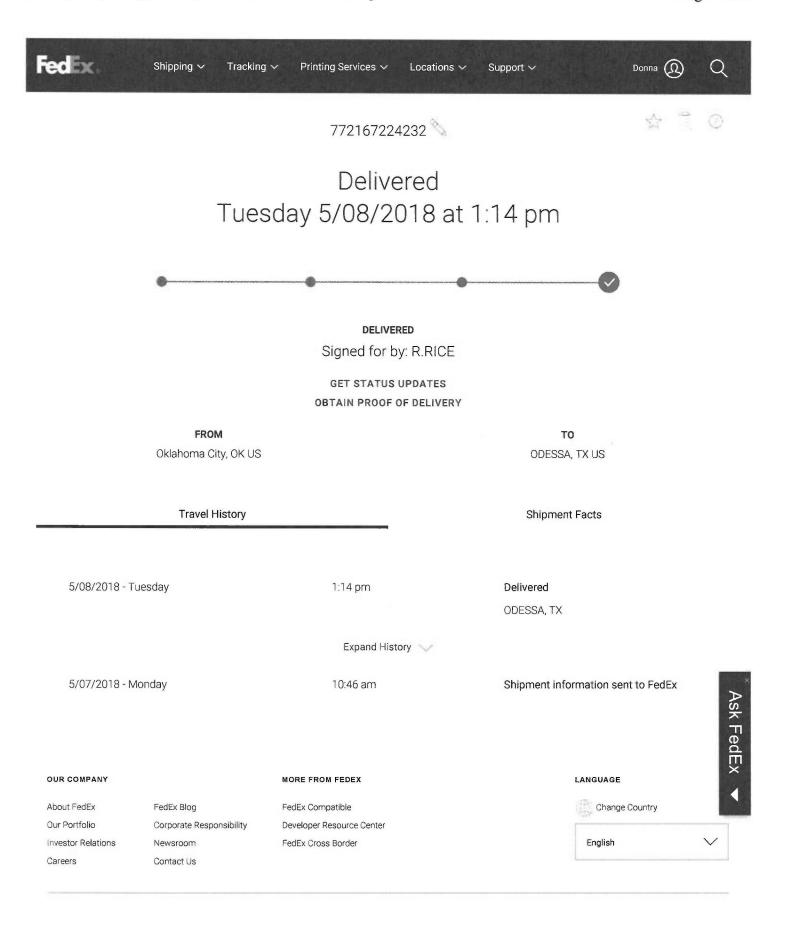














Date: June 19, 2018

Donna Hatchett:

The following is in response to your June 19, 2018 request for delivery information on your Certified Mail™/RRE item number 9414814901527181473805. The delivery record shows that this item was delivered on May 9, 2018 at 10:13 am in KILGORE, TX 75662. The scanned image of the recipient information is provided below.

Signature of Recipient:

Kathy addison

Address of Recipient:

1200

Thank you for selecting the Postal Service for your mailing needs.

If you require additional assistance, please contact your local Post Office or postal representative.

Sincerely, United States Postal Service

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J	UC.	כו	u

IN WITNESS WHEREOF, this agreement shall be effective as of \_\_\_\_May 1, 2018 \_\_\_.

who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610-2015 Model Form Operating Agreement, as published in computerized form by AAPL. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles have been made to the form.

ATTEST OR WITNESS:	OPERATOR: Devon Energy Production Company, L.
	By:
	Name: Catherine Lebsack
	Title: Vice President
	Date:
	NON-OPERATORS: Clinton Pace
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Ryan Pace
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Tara N. Pace
	Ву:
	Name:
	Title: Date:
	NON-OPERATORS: Aleyna N. Pace
	By:
	Name:
	Title:
	Date:
	NON-OPERATORS: JJR, Inc.
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Axis Energy Corp
	- 12+00
	Name: KENNETH BARBE IN
	Title: <u> </u>
	Date:
	NON-OPERATORS: Wildcat Energy Corp
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Larry T. Long
	 By:
	Name:
	Title:
	Date:
	Date.

1764	ACKNOWLEDGMENT
1765	Individual acknowledgment:
1766	State of New Mexico
1767	)ss.
1768	County of Chaves
1769	
1770	This instrument was acknowledged before me on this
1771 1772	This instrument was acknowledged before me on this 16th day of May, 2018 by  Kenneth Barbe Jr. as President of Ax's Energy Comporation
1773	
1774	OFFICIAL SEAL DEBBI JEFFERS NOTARY PUBLIC STATE OF NEW MEXICO  (Seal, if any)  (Seal, if any)
1775	My Commission Expires  Title (and Rank)
1776	My commission expires: 4/23/20
1777	Acknowledgment in representative capacity:
1778	
1779	ACKNOWLEDGMENT
1780	Individual acknowledgment:
1781	State of)
1782	)ss.
1783	County of)
1784	
1785	This instrument was acknowledged before me on this day of, 2018 by
1786 1787	asof
1788	
1789	(Seal, if any)
1790	Title (and Rank)
1791	My commission expires:
1792	Acknowledgment in representative capacity:
1793	
1794	
1795	
1796	
1797	
1798	

	epresents and warrants that the form was printed from and, with the orm Operating Agreement, as published in computerized form by A kethrough and/or insertion and that are clearly recognizable as chang
ATTEST OR WITNESS:	OPERATOR: Devon Energy Production Co
	By
	By:
	Title: Vice President
	Date:
	NON-OPERATORS: Clinton Pace
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Ryan Pace
	Ву:
	Name:
	Title:
	l)ate <sup>,</sup>
	NON-OPERATORS: Tara N. Pace
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Aleyna N. Pace
	Ву:
	Name:
	Title:
	Date:
-7.7.5-	NON-OPERATORS: JJR, Inc.
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Axis Energy Corp
	Ву:
	Name:
	Title:
	Date:
	NON-OPERATORS: Wildcat Energy Corp
	PIRIL
	By: Name: K.C. Becker
	Title: Plessiant
	Date: 5/15/18
	NON-OPERATORS: Larry T. Long
	P
	By:
	Name:
	Title: Date:
	2000.

1764	ACKNOWLEDGMENT
1765	Individual acknowledgment:
1766	State of
1767	)ss.
1768	County of
1769	
1770	This instrument was acknowledged before me on this day of, 2018 by
1771 1772	as of
1773	
1774	(Seal, if any)
1775	Title (and Rank)
1776	My commission expires:
1777	Acknowledgment in representative capacity:
1778	
1779	ACKNOWLEDGMENT
1780	Individual acknowledgment:
1781	State of)
1782	)ss.
1783	County of
1784	
1785 1786	This instrument was acknowledged before me on this day of May 2018 by
1787	Togo Cro Stras Villagent of medical cryping
1788	TRACEY CALVERT My Notary ID # 129323016
1789	(Seal, if any) Expires February 26, 2021
1790	Title (and Rank) Yally (all lele)
1791	My commission expires: $2-26-21$
1792	Acknowledgment in representative capacity:
1793	
1794	
1795	
1796	
1797	
1798	

1650	IN WITNESS WHEREOF, this agreement shall be effective as ofMay	1, 2018 .
1651 1652 1653 1654	who has prepared and circulated this form for execution, represents and wa below, is identical to the AAPL Form 610-2015 Model Form Operating A alterations, or modifications, other than those made by strikethrough and/or- been made to the form.	programment as published in computerized from by AADI. No observe
1655		
	ATTEST OR WITNESS:	OPERATOR: Devon Energy Production Company, L.P.
		By: Name: _Catherine Lebsack Title: _Vice President Date:
	A	NON-OPERATORS: Clinton Pace
		By: Name: Clubran Pa ca Title: Date: 5-21-18
		NON-OPERATORS? Ryan Page
		By: Name: Ryan Pace
		Title: Date: $5-2/-19$
		NON-OPERATORS: Tara N. Pace
		By: Name: Title: Date:
		NON-OPERATORS: Aleyna N. Pace
		By: Name: Title:
		Date:
		NON-OPERATORS: JJR, Inc.
		By:Name:
		Title:
		NON-OPERATORS: Axis Energy Corp
		By: Name: Title:

1656

1657

NON-OPERATORS: Wildcat Energy Corp

NON-OPERATORS: Larry T. Long

Name: \_\_\_\_\_\_ Title: \_\_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_ Date: \_\_

Ву: \_\_\_

1628	ACKNOWLEDGMENT
1659	Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts.
1660	The validity and effect of these forms in any state will depend upon the statutes of that state.
1661	
1662	Individual acknowledgment:
1663	State of OKLAHOMA
1664	)ss.
1665	County of OKLAHOMA
1666	
1667 1668	This instrument was acknowledged before me on this day of, 2018 by <u>Catherine Lebsack</u> as <u>Vice President</u> of <u>Devon Energy Production Company</u> , <u>L.P.,</u> an <u>Oklahoma limited partnership</u> , on behalf of said limited partnership.
1669	
1670	
1671	(Seal, if any)
1672	Title (and Rank)
1673	My commission expires:
1674	Acknowledgment in representative capacity:
1675	
1676	ACKNOWLEDGMENT
1677	Individual acknowledgment:
1678	State of July 95
1679	)ss.
1680	County of Ludgeth
1681	
1682	This instrument was acknowledged before me on this day of, 2018 by
1683 1684	Phonds Pace as non-operator
1685	THERESA L. SUMMERLIN Notary Public, State of Texas
1686	Comm. Expires 06-16-2021 Notary ID 125709054  (Seal, if any)  Notary ID 125709054
1687	Title (and Rank)
1688	My commission expires: 6 16 3
1689	Acknowledgment in representative capacity:
1690	
1691	
1692	
1693	

1694	ACKNOWLEDGMENT
1695	Individual acknowledgment:
1696	State of TexA5
1697	)ss.
1698	County of LuBB Dela
1699	
1700	This instrument was acknowledged before me on this
1701 1702	This instrument was acknowledged before me on this <u>J1St</u> day of <u>Mary</u> , 2018 by  Ryan Pace as <u>Non-operation</u>
1703	THERESA L. MERLIN
1704	Comm. Expires ud 6-2021 (Seal, if any) There L. Summerly
1705	Notary ID 125709054  Title (and Rank)
1706	My commission expires: 6/16/5/
1707	Acknowledgment in representative capacity:
1708	
1709	ACKNOWLEDGMENT
1710	Individual acknowledgment:
1711	State of)
1712	)ss.
1713	County of)
1714	
1715	This instrument was acknowledged before me on this day of, 2018 by
1716 1717	of
1718	
1719	(Seal, if any)
1720	Title (and Rank)
1721	My commission expires:
1722	Acknowledgment in representative capacity:
1723	
1724	
1725	
1726	
1727	
1728	



katie.dean@dvn.com



May 22, 2018

#### VIA Fed Ex #7723 0885 5679

Mr. Ryan Pace 544 Comanche Drive Lubbock, TX 79404

Ms. Rhonda Pace On behalf of Mr. Clinton Pace 544 Comanche Drive Lubbock, TX 79404

Re: Gaucho 21 Fed 6H

SHL 175' FSL & 185' FEL Section 21-T22S-R34E BHL 330' FNL & 380' FEL Section 21-T22S-R34E

Gaucho 21 Fed 7H

SHL 326' FSL & 545' FEL Section 21-T22S-R34E BHL 330' FNL & 1580' FEL Section 21-T22S-R34E

E/2 Section 21, T22S-R34E Lea County, New Mexico

Dear Mr. Pace & Ms. Pace:

Thank you for providing executed signature pages to Devon's proposed Operating Agreement dated May 1, 2018.

If you would like to participate in the captioned wells, please additionally execute an AFE for each well as provided in the Proposal Letter dated April 4, 2018.

For your convenience, I have enclosed two additional copies of each AFE, one set to be signed by Ryan Pace and another set be signed by Rhonda Pace on behalf of Clinton Pace.

If you have any questions regarding this proposal please contact me at (405) 552-6659 or katie.dean@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Katie Dean Landman

Katu Dean



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 6H well located at SHL 175' FSL & 185' FEL and BHL 330' FNL & 380' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	DYED LIQUID FUELS	43,000.00	0.00	0.00	43,000.00
	GASEOUS FUELS	19,080.00	0.00	0.00	19,080.00
	DISPOSAL - SOLIDS	47,984.00	5,000.00	0.00	52,984.00
	DISP-SALTWATER & OTH	0.00	39,000.00	0.00	39,000.00
	FLUIDS - WATER	32,313.00	27,000.00	0.00	59,313.00
	RECYC TREAT&PROC-H20	0.00	117,000.00	0.00	117,000.00
	PERMIT SURVEY&TITLE	30,000.00	3,000.00	0.00	33,000.00
	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
	ROAD&SITE PREP SVC	80,000.00	64,861.00	0.00	144,861.00
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
	RTOC - GEOSTEERING	8,745.00	0.00	0.00	8,745.00
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	147,172.50	0.00	147,172.50
	MATERIALS & SUPPLIES	424.00	0.00	0.00	424.00
	PULLING&SWABBING SVC	0.00	18,000.00	0.00	18,000.00
	SNUBBG&COIL TUBG SVC	0.00	175,000.00	0.00	175,000.00
	TRCKG&HL-SOLID&FLUID	35,160.00	7,000.00	0.00	42,160.00
	TRUCKING&HAUL OF EQP	44,400.00	7,000.00	0.00	51,400.00
	INSPECTION SERVICES	0.00	15,000.00	0.00	15,000.00
	CONSLT & PROJECT SVC	92,120.00	59,400.00	0.00	151,520.00
	SAFETY SERVICES	34,980.00	6,000.00	0.00	40,980.00
	SOLIDS CONTROL SRVCS	36,464.00	0.00	0.00	36,464.00
	STIMULATION SERVICES	0.00	1,073,915.10	0.00	1,073,915.10
	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.00
	CASING & TUBULAR SVC	39,400.00	0.00	0.00	39,400.00
	CEMENTING SERVICES	137,000.00	0.00	0.00	137,000.00
	DAYWORK COSTS	372,896.00	0.00	0.00	372,896.00
	DIRECTIONAL SERVICES	112,030.00	0.00	0.00	112,030.00
	DRILL BITS	61,600.00	0.00	0.00	61,600.00
	DRILL&COMP FLUID&SVC	48,500.00	8,000.00	0.00	56,500.00
	MOB & DEMOBILIZATION	193,464.00	0.00	0.00	193,464.00
	OPEN HOLE EVALUATION	6,380.00	0.00	0.00	6,380.00
	TSTNG-WELL, PL & OTH	0.00	38,500.00	0.00	38,500.00
	MISC PUMPING SERVICE	0.00	36,500.00	0.00	36,500.00
	EQPMNT SVC-SRF RNTL	42,485.00	120,000.00	0.00	162,485.00
	EQUIP SVC - DOWNHOLE	31,760.00	0.00	0.00	31,760.00
	WELDING SERVICES	2,000.00	30,000.00	0.00	32,000.00
	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
	MISCS COSTS & SERVS	0.00	45,772.50	0.00	45,772.50
	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.00
	OTHER ROUSTABOUT SER	0.00	144,500.00	0.00	144,500.00
	CAPITAL OVERHEAD	6,360.00	44,780.50	0.00	51,140.50



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	125.00	0.00	0.00	125.00
	Total Intangibles	1,629,120.00	2,241,921.60	0.00	3,871,041.60

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	26,093.00	0.00	26,093.00
6130120	COMM DEVICES - SCADA	0.00	169,111.50	0.00	169,111.50
6300150	SEPARATOR EQUIPMENT	0.00	229,863.50	0.00	229,863.50
6300220	STORAGE VESSEL&TANKS	0.00	78,212.00	0.00	78,212.00
6300230	PUMPS - SURFACE	0.00	18,248.00	0.00	18,248.00
6310130	ARTIFICIAL LIFT EQP	0.00	17,000.00	0.00	17,000.00
6310150	CASG-COND&DRIVE PIPE	35,000.00	0.00	0.00	35,000.00
6310420	TUBING & COMPONENTS	0.00	68,000.00	0.00	68,000.00
6310460	WELLHEAD EQUIPMENT	31,500.00	34,500.00	0.00	66,000.00
6310530	SURFACE CASING	64,368.00	0.00	0.00	64,368.00
6310540	INTERMEDIATE CASING	138,006.00	0.00	0.00	138,006.00
6310550	PRODUCTION CASING	207,200.00	0.00	0.00	207,200.00
6310580	CASING COMPONENTS	82,600.00	0.00	0.00	82,600.00
6320130	PAINT & COATING SERV	0.00	10,000.00	0.00	10,000.00
6320180	EQUIPMENT OTHER	0.00	3,500.00	0.00	3,500.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	142,058.00	0.00	142,058.00
	Total Tangibles	558,674.00	796,586.00	0.00	1,355,260.00

	TOTAL ESTIMATED COST	2,187,794.00	3,038,507.60	0.00	5,226,301.60
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#### **WORKING INTEREST OWNER APPROVAL**

Signature:	Print Name:	
Title:		
Date:		
Date: Email:		



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 7H well located at SHL 326' FSL & 545' FEL and BHL 330' FNL & 1580' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	53,698.99	0.00	0.00	53,698.99
6060130	GASEOUS FUELS	12,865.62	0.00	0.00	12,865.62
6080100	DISPOSAL - SOLIDS	76,677.87	1,040.00	0.00	77,717.87
6080110	DISP-SALTWATER & OTH	0.00	78,000.00	0.00	78,000.00
6090100	FLUIDS - WATER	52,763.94	44,364.90	0.00	97,128.84
6090120	RECYC TREAT&PROC-H20	0.00	91,760.95	0.00	91,760.95
6100100	PERMIT SURVEY&TITLE	40,000.00	0.00	0.00	40,000.00
6100110	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	101,715.20	100,400.00	0.00	202,115.20
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130170	COMM SVCS - WAN	4,261.35	0.00	0.00	4,261.35
6130360	RTOC - ENGINEERING	0.00	4,680.00	0.00	4,680.00
6130370	RTOC - GEOSTEERING	7,846.67	0.00	0.00	7,846.67
6150100	CH LOG PERFRTG&WL SV	10,348.00	133,837.60	0.00	144,185.60
6160100	MATERIALS & SUPPLIES	1,514.33	0.00	0.00	1,514.33
6170100	PULLING&SWABBING SVC	0.00	33,857.78	0.00	33,857.78
6190100	TRCKG&HL-SOLID&FLUID	30,649.65	0.00	0.00	30,649.65
6190110	TRUCKING&HAUL OF EQP	17,830.25	15,600.00	0.00	33,430.25
6200130	CONSLT & PROJECT SVC	90,000.00	108,540.44	0.00	198,540.44
6230120	SAFETY SERVICES	36,055.41	0.00	0.00	36,055.41
6300270	SOLIDS CONTROL SRVCS	43,675.42	0.00	0.00	43,675.42
6310120	STIMULATION SERVICES	0.00	1,168,044.52	0.00	1,168,044.52
6310200	CASING & TUBULAR SVC	96,422.52	0.00	0.00	96,422.52
6310250	CEMENTING SERVICES	148,254.19	0.00	0.00	148,254.19
6310280	DAYWORK COSTS	321,854.38	0.00	0.00	321,854.38
6310300	DIRECTIONAL SERVICES	131,597.83	0.00	0.00	131,597.83
6310310	DRILL BITS	71,783.75	0.00	0.00	71,783.75
6310330	DRILL&COMP FLUID&SVC	44,289.61	6,760.00	0.00	51,049.61
6310370	MOB & DEMOBILIZATION	150,000.00	0.00	0.00	150,000.00
6310380	OPEN HOLE EVALUATION	20,324.28	0.00	0.00	20,324.28
6310480	TSTNG-WELL, PL & OTH	0.00	55,680.18	0.00	55,680.18
6310600	MISC PUMPING SERVICE	0.00	28,470.98	0.00	28,470.98
6320100	EQPMNT SVC-SRF RNTL	70,401.99	135,168.79	0.00	205,570.78
6320110	EQUIP SVC - DOWNHOLE	35,107.60	14,872.00	0.00	49,979.60
6320160	WELDING SERVICES	1,751.20	50,000.00	0.00	51,751.20
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
6550110	MISCELLANEOUS SVC	27,357.77	0.00	0.00	27,357.77
6550120	OTHER ROUSTABOUT SER	0.00	125,000.00	0.00	125,000.00
6630110	CAPITAL OVERHEAD	6,337.21	0.00	0.00	6,337.21
6740340	TAXES OTHER	80.65	0.00	0.00	80.65
	Total Intangibles	1,740,465.68	2,196,078.14	0.00	3,936,543.82

	Tangible	Drilling	Completion	Dry Hole	Total
Code	Description	Costs	Costs	Costs	Costs



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

AFE Date:

April 5, 2018

State: County/Parish:

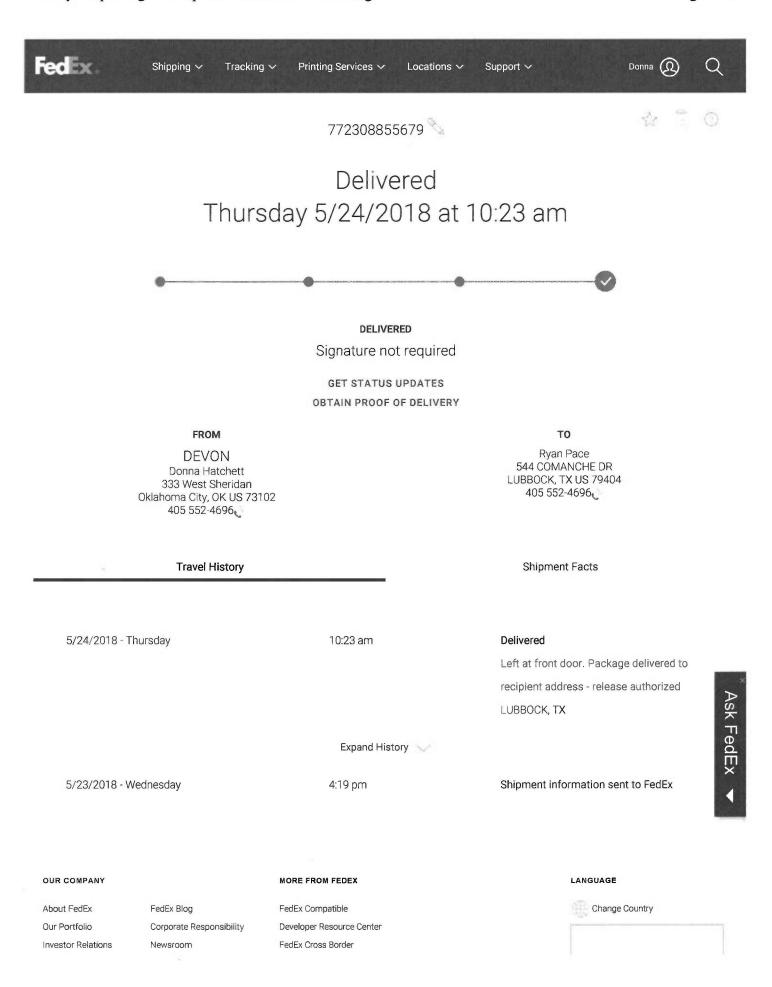
NM LEA

evision:	1				
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	130,000.00	0.00	130,000.00
6130120	COMM DEVICES - SCADA	0.00	125,000.00	0.00	125,000.00
6230130	SAFETY EQUIPMENT	2,328.33	0.00	0.00	2,328.33
6300210	TREATER FWKO EQUIP	0.00	80,000.00	0.00	80,000.00
6300220	STORAGE VESSEL&TANKS	0.00	180,000.00	0.00	180,000.00
6310130	ARTIFICIAL LIFT EQP	0.00	31,200.00	0.00	31,200.00
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310420	TUBING & COMPONENTS	0.00	90,688.00	0.00	90,688.00
6310460	WELLHEAD EQUIPMENT	34,971.37	36,400.00	0.00	71,371.37
6310530	SURFACE CASING	28,233.00	0.00	0.00	28,233.00
6310540	INTERMEDIATE CASING	118,442.83	0.00	0.00	118,442.83
6310550	PRODUCTION CASING	208,847.90	0.00	0.00	208,847.90
6310580	CASING COMPONENTS	27,493.68	0.00	0.00	27,493.68
6330100	PIPE,FIT,FLANG,CPLNG	0.00	120,000.00	0.00	120,000.00
	Total Tangibles	470,317.11	793,288.00	0.00	1,263,605.11
то	TAL ESTIMATED COST	2,210,782.79	2,989,366.14	0.00	5,200,148.93

	TOTAL ESTIMATED COST	2,210,782.79	2,989,366.14	0.00	5,200,148.93
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WORKING INTEREST OWNER APPROVAL				
Company Name:				
Signature:	Print Name:			
Title:				
Date:				
Email:				



## **DEVON EXHIBIT 8**

## Correspondence

- Clinton & Ryan Pace
- Larry Long
- Nuray Pace
- Jeff Reynolds

From: Dean, Katie
To: clint8x@gmail.com

Subject: Gaucho 21 Fed 6H & 7H Well Proposals Date: Monday, May 14, 2018 2:26:00 PM

Attachments: Gaucho 21 Fed 6H & 7H Proposal Letter and AFEs.pdf

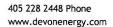
#### Clint/ Rhonda:

I wanted to touch base with you regarding the well proposals I sent you last month (attached). You should have also received Devon's proposed AAPL FORM 610-2015 Operating Agreement. If you are considering participating and have any questions please let me know. Feel free to email me or give me a call.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com







April 4, 2018

VIA Fed Ex or Certified Mail

All Working Interest Owners See Address List Attached

Re:

Gaucho 21 Fed 6H

SHL 175' FSL & 185' FEL Section 21-T22S-R34E BHL 330' FNL & 380' FEL Section 21-T22S-R34E

Gaucho 21 Fed 7H

SHL 326' FSL & 545' FEL Section 21-T22S-R34E BHL 330' FNL & 1580' FEL Section 21-T22S-R34E

E/2 Section 21, T22S-R34E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") proposes to consecutively drill the referenced horizontal wells. Devon plans to drill the **Gaucho 21 Fed 6H** at a surface hole location of 175' FSL & 185' FEL Section 21-T22S-R34E with an estimated bottom hole location of 330' FNL & 380' FEL Section 21-T22S-R34E to test the 2<sup>nd</sup> Bone Spring at an approximate total vertical depth of 10,394'. The well is planned to be drilled to an approximate total measured depth of 14,819'. Enclosed is AFE# XX-120003.01 which reflects the estimated cost to drill and complete the well at \$5,226,301.60.

Devon plans to drill the **Gaucho 21 Fed 7H** at a surface hole location of 326' FSL & 545' FEL Section 21-T22S-R34E with an estimated bottom hole location of 330' FNL & 1580' FEL Section 21-T22S-R34E to test the 2<sup>nd</sup> Bone Spring Sand at an approximate total vertical depth of 10,394'. The well is planned to be drilled to an approximate total measured depth of 14,723'. Enclosed is AFE# XX-128827.01 which reflects the estimated cost to drill and complete the well at \$5,200,148.93.

If you elect to participate, please execute an AFE for each well along with a well requirement sheet within thirty (30) days. A Joint Operating Agreement will be furnished for your review in the near future. If you do not wish to participate, please contact the undersigned to discuss a potential trade, farmout or purchase of your interest. Devon currently plans to <u>spud the initial well Q2 2018</u>. Your prompt attention to this matter is greatly appreciated.

If you have any questions regarding this proposal please contact me at (405) 552-6659 or katie.dean@dvn.com.

Sincerely.

DEVON ENERGY PRODUCTION COMPANY, L.P.

Katie Dean Landman

Katu Dean

Gaucho 21 Fed 6H & 7H Wells April 4, 2018 Page 2

#### **WORKING INTEREST OWNERS**

Clinton Pace 544 Comanche Drive FED EX #7719-2788-0675

Lubbock, TX 79404

FED EX #7719-2790-4974

Ryan Pace 544 Comanche Drive Lubbock, TX 79404

Tara N. Pace FED EX #7719-2791-8786

5716 Ridgemont Place Midland, TX 79707

Aleyna N. Pace FED EX #7719-2785-1624

5716 Ridgemont Place Midland, TX 79707

Estate of Joe Reynolds FED EX #7719-2786-7266

Jeffrey C. Reynolds, Personal Rep. 8214 Westchester Drive, Suite 860 Dallas, TX 75225

Axis Energy Corp. FED EX #7719-2783-8970

121 West 3rd Street Roswell, NM 88201

Wildcat Energy Corp. FED EX# 7719-2782-0794

4500 South County Road 1310 Odessa, TX 79765

Larry T. Long Certified Mail

P. O. Box 1777 #9414-8149-0152-7181-4388-59

Kilgore, TX 75662



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 6H well located at SHL 175' FSL & 185' FEL and BHL 330' FNL & 380' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	43,000.00	0.00	0.00	43,000.00
	GASEOUS FUELS	19,080.00	0.00	0.00	19,080.00
	DISPOSAL - SOLIDS	47,984.00	5,000.00	0.00	52,984.00
	DISP-SALTWATER & OTH	0.00	39,000.00	0.00	39,000.00
	FLUIDS - WATER	32,313.00	27,000.00	0.00	59,313.00
	RECYC TREAT&PROC-H20	0.00	117,000.00	0.00	117,000.00
	PERMIT SURVEY&TITLE	30,000,00	3,000.00	0.00	33,000.00
	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	80,000.00	64,861.00	0.00	144,861.00
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
	RTOC - GEOSTEERING	8,745.00	0.00	0.00	8,745.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	147,172.50	0.00	147,172.50
6160100	MATERIALS & SUPPLIES	424.00	0.00	0.00	424.00
	PULLING&SWABBING SVC	0.00	18,000.00	0.00	18,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	175,000.00	0.00	175,000.00
6190100	TRCKG&HL-SOLID&FLUID	35,160.00	7,000.00	0.00	42,160.00
6190110	TRUCKING&HAUL OF EQP	44,400.00	7,000.00	0.00	51,400.00
6200110	INSPECTION SERVICES	0.00	15,000.00	0.00	15,000.00
6200130	CONSLT & PROJECT SVC	92,120.00	59,400.00	0.00	151,520.00
6230120	SAFETY SERVICES	34,980.00	6,000.00	0.00	40,980.00
6300270	SOLIDS CONTROL SRVCS	36,464.00	0.00	0.00	36,464.00
6310120	STIMULATION SERVICES	0.00	1,073,915.10	0.00	1,073,915.10
6310140	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.00
6310200	CASING & TUBULAR SVC	39,400.00	0.00	0.00	39,400.00
6310250	CEMENTING SERVICES	137,000.00	0.00	0.00	137,000.00
6310280	DAYWORK COSTS	372,896.00	0.00	0.00	372,896.00
6310300	DIRECTIONAL SERVICES	112,030.00	0.00	0.00	112,030.00
6310310	DRILL BITS	61,600.00	0.00	0.00	61,600.00
6310330	DRILL&COMP FLUID&SVC	48,500.00	8,000.00	0.00	56,500.00
6310370	MOB & DEMOBILIZATION	193,464.00	0.00	0.00	193,464.00
6310380	OPEN HOLE EVALUATION	6,380.00	0.00	0.00	6,380.00
6310480	TSTNG-WELL, PL & OTH	0.00	38,500.00	0.00	38,500.00
6310600	MISC PUMPING SERVICE	0.00	36,500.00	0.00	36,500.00
6320100	EQPMNT SVC-SRF RNTL	42,485.00	120,000.00	0.00	162,485.00
6320110	EQUIP SVC - DOWNHOLE	31,760.00	0.00	0.00	31,760.00
6320160	WELDING SERVICES	2,000.00	30,000.00	0.00	32,000.00
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	45,772.50	0.00	45,772.50
6550110	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.00
6550120	OTHER ROUSTABOUT SER	0.00	144,500.00	0.00	144,500.00
6630110	CAPITAL OVERHEAD	6,360.00	44,780.50	0.00	51,140.50

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.



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	125.00	0.00	0.00	125.00
	Total Intangibles	1,629,120.00	2,241,921.60	0.00	3,871,041.60

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	26,093.00	0.00	26,093.00
6130120	COMM DEVICES - SCADA	0.00	169,111.50	0.00	169,111.50
6300150	SEPARATOR EQUIPMENT	0.00	229,863.50	0.00	229,863.50
6300220	STORAGE VESSEL&TANKS	0.00	78,212.00	0.00	78,212.00
6300230	PUMPS - SURFACE	0.00	18,248.00	0.00	18,248.00
6310130	ARTIFICIAL LIFT EQP	0.00	17,000.00	0.00	17,000.00
6310150	CASG-COND&DRIVE PIPE	35,000.00	0.00	0.00	35,000.00
6310420	TUBING & COMPONENTS	0.00	68,000.00	0.00	68,000.00
6310460	WELLHEAD EQUIPMENT	31,500.00	34,500.00	0.00	66,000.00
6310530	SURFACE CASING	64,368.00	0.00	0.00	64,368.00
6310540	INTERMEDIATE CASING	138,006.00	0.00	0.00	138,006.00
6310550	PRODUCTION CASING	207,200.00	0.00	0.00	207,200.00
6310580	CASING COMPONENTS	82,600.00	0.00	0.00	82,600.00
6320130	PAINT & COATING SERV	0.00	10,000.00	0.00	10,000.00
6320180	EQUIPMENT OTHER	0.00	3,500.00	0.00	3,500.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	142,058.00	0.00	142,058.00
	Total Tangibles	558,674.00	796,586.00	0.00	1,355,260.00

TOTAL ESTIMATED COST	2,187,794.00	3,038,507.60	0.00	5,226,301.6

#### **WORKING INTEREST OWNER APPROVAL**

Company Name:		
Signature:	Print Name:	
Title:		
Date:		
Email:		

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



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 7H well located at SHL 326' FSL & 545' FEL and BHL 330' FNL & 1580' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible	Drilling	Completion Costs	Dry Hole Costs	Total
	Description Description	Costs			Costs
	DYED LIQUID FUELS	53,698.99	0.00	0.00	53,698.9
	GASEOUS FUELS	12,865.62	0.00	0.00	12,865.6
	DISPOSAL - SOLIDS	76,677.87	1,040.00	0.00	77,717.8
	DISP-SALTWATER & OTH	0.00	78,000.00	0.00	78,000.00
	FLUIDS - WATER	52,763.94	44,364.90	0.00	97,128.8
	RECYC TREAT&PROC-H20	0.00	91,760.95	0.00	91,760.9
	PERMIT SURVEY&TITLE	40,000.00	0.00	0.00	40,000.00
	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
	ROAD&SITE PREP SVC	101,715.20	100,400.00	0.00	202,115.2
	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
_	COMM SVCS - WAN	4,261.35	0.00	0.00	4,261.35
	RTOC - ENGINEERING	0.00	4,680.00	0.00	4,680.00
	RTOC - GEOSTEERING	7,846.67	0.00	0.00	7,846.67
	CH LOG PERFRTG&WL SV	10,348.00	133,837.60	0.00	144,185.6
	MATERIALS & SUPPLIES	1,514.33	0.00	0.00	1,514.33
6170100	PULLING&SWABBING SVC	0.00	33,857.78	0.00	33,857.78
6190100	TRCKG&HL-SOLID&FLUID	30,649.65	0.00	0.00	30,649.6
6190110	TRUCKING&HAUL OF EQP	17,830.25	15,600.00	0.00	33,430.2
6200130	CONSLT & PROJECT SVC	90,000.00	108,540.44	0.00	198,540.4
6230120	SAFETY SERVICES	36,055.41	0.00	0.00	36,055.4
6300270	SOLIDS CONTROL SRVCS	43,675.42	0.00	0.00	43,675.4
6310120	STIMULATION SERVICES	0.00	1,168,044.52	0.00	1,168,044.5
6310200	CASING & TUBULAR SVC	96,422.52	0.00	0.00	96,422.5
6310250	CEMENTING SERVICES	148,254.19	0.00	0.00	148,254.1
6310280	DAYWORK COSTS	321,854.38	0.00	0.00	321,854.3
6310300	DIRECTIONAL SERVICES	131,597.83	0.00	0.00	131,597.8
6310310	DRILL BITS	71,783.75	0.00	0.00	71,783.7
6310330	DRILL&COMP FLUID&SVC	44,289.61	6,760.00	0.00	51,049.6
6310370	MOB & DEMOBILIZATION	150,000.00	0.00	0.00	150,000.0
6310380	OPEN HOLE EVALUATION	20,324.28	0.00	0.00	20,324.2
6310480	TSTNG-WELL, PL & OTH	0.00	55,680.18	0.00	55,680.18
6310600	MISC PUMPING SERVICE	0.00	28,470.98	0.00	28,470.98
6320100	EQPMNT SVC-SRF RNTL	70,401.99	135,168.79	0.00	205,570.7
6320110	EQUIP SVC - DOWNHOLE	35,107.60	14,872.00	0.00	49,979.6
6320160	WELDING SERVICES	1,751.20	50,000.00	0.00	51,751.2
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.0
6550110	MISCELLANEOUS SVC	27,357.77	0.00	0.00	27,357.7
6550120	OTHER ROUSTABOUT SER	0.00	125,000.00	0.00	125,000.0
6630110	CAPITAL OVERHEAD	6,337.21	0.00	0.00	6,337.2
	TAXES OTHER	80.65	0.00	0.00	80.65
	Total Intangibles	1,740,465.68	2,196,078.14	0.00	3,936,543.8
Cada	Tangible	Drilling	Completion	Dry Hole	Total

	Tangible	Drilling	Completion	Dry Hole	Total
Code	Description	Costs	Costs	Costs	Costs



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

**WORKING INTEREST OWNER APPROVAL** 

Email:

Revision:

AFE Date:

April 5, 2018

State:

County/Parish:

NM LEA

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	130,000.00	0.00	130,000.00
6130120	COMM DEVICES - SCADA	0.00	125,000.00	0.00	125,000.00
6230130	SAFETY EQUIPMENT	2,328.33	0.00	0.00	2,328.33
6300210	TREATER FWKO EQUIP	0.00	80,000.00	0.00	80,000.00
6300220	STORAGE VESSEL&TANKS	0.00	180,000.00	0.00	180,000.00
6310130	ARTIFICIAL LIFT EQP	0.00	31,200.00	0.00	31,200.00
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310420	TUBING & COMPONENTS	0.00	90,688.00	0.00	90,688.00
6310460	WELLHEAD EQUIPMENT	34,971.37	36,400.00	0.00	71,371.37
6310530	SURFACE CASING	28,233.00	0.00	0.00	28,233.00
6310540	INTERMEDIATE CASING	118,442.83	0.00	0.00	118,442.83
6310550	PRODUCTION CASING	208,847.90	0.00	0.00	208,847.90
6310580	CASING COMPONENTS	27,493.68	0.00	0.00	27,493.68
6330100	PIPE,FIT,FLANG,CPLNG	0.00	120,000.00	0.00	120,000.00
	Total Tangibles	470,317.11	793,288.00	0.00	1,263,605.11

TOTAL ESTIMATED COST	2,210,782.79	2,989,366.14	0.00	5,200,148.93
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# Company Name: Signature: Print Name: Title:

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

From: <u>Dean, Katie</u>

To: <u>rypace1122@gmail.com</u>

Subject: Gaucho 21 Fed 6H & 7H Well Proposals Date: Monday, May 14, 2018 2:25:00 PM

Attachments: Gaucho 21 Fed 6H & 7H Proposal Letter and AFEs.pdf

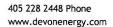
#### Ryan,

I wanted to touch base with you regarding the well proposals I sent you last month (attached). You should have also received Devon's proposed AAPL FORM 610-2015 Operating Agreement. If you are considering participating and have any questions please let me know. Feel free to email me or give me a call.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com







April 4, 2018

VIA Fed Ex or Certified Mail

All Working Interest Owners See Address List Attached

Re:

Gaucho 21 Fed 6H

SHL 175' FSL & 185' FEL Section 21-T22S-R34E BHL 330' FNL & 380' FEL Section 21-T22S-R34E

Gaucho 21 Fed 7H

SHL 326' FSL & 545' FEL Section 21-T22S-R34E BHL 330' FNL & 1580' FEL Section 21-T22S-R34E

E/2 Section 21, T22S-R34E Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") proposes to consecutively drill the referenced horizontal wells. Devon plans to drill the **Gaucho 21 Fed 6H** at a surface hole location of 175' FSL & 185' FEL Section 21-T22S-R34E with an estimated bottom hole location of 330' FNL & 380' FEL Section 21-T22S-R34E to test the 2<sup>nd</sup> Bone Spring at an approximate total vertical depth of 10,394'. The well is planned to be drilled to an approximate total measured depth of 14,819'. Enclosed is AFE# XX-120003.01 which reflects the estimated cost to drill and complete the well at \$5,226,301.60.

Devon plans to drill the **Gaucho 21 Fed 7H** at a surface hole location of 326' FSL & 545' FEL Section 21-T22S-R34E with an estimated bottom hole location of 330' FNL & 1580' FEL Section 21-T22S-R34E to test the 2<sup>nd</sup> Bone Spring Sand at an approximate total vertical depth of 10,394'. The well is planned to be drilled to an approximate total measured depth of 14,723'. Enclosed is AFE# XX-128827.01 which reflects the estimated cost to drill and complete the well at \$5,200,148.93.

If you elect to participate, please execute an AFE for each well along with a well requirement sheet within thirty (30) days. A Joint Operating Agreement will be furnished for your review in the near future. If you do not wish to participate, please contact the undersigned to discuss a potential trade, farmout or purchase of your interest. Devon currently plans to <u>spud the initial well Q2 2018</u>. Your prompt attention to this matter is greatly appreciated.

If you have any questions regarding this proposal please contact me at (405) 552-6659 or katie.dean@dvn.com.

Sincerely.

DEVON ENERGY PRODUCTION COMPANY, L.P.

Katie Dean Landman

Katu Dean

Gaucho 21 Fed 6H & 7H Wells April 4, 2018 Page 2

#### **WORKING INTEREST OWNERS**

Clinton Pace 544 Comanche Drive FED EX #7719-2788-0675

Lubbock, TX 79404

FED EX #7719-2790-4974

Ryan Pace 544 Comanche Drive Lubbock, TX 79404

Tara N. Pace FED EX #7719-2791-8786

5716 Ridgemont Place Midland, TX 79707

Aleyna N. Pace FED EX #7719-2785-1624

5716 Ridgemont Place Midland, TX 79707

Estate of Joe Reynolds FED EX #7719-2786-7266

Jeffrey C. Reynolds, Personal Rep. 8214 Westchester Drive, Suite 860 Dallas, TX 75225

Axis Energy Corp. FED EX #7719-2783-8970

121 West 3rd Street Roswell, NM 88201

Wildcat Energy Corp. FED EX# 7719-2782-0794

4500 South County Road 1310 Odessa, TX 79765

Larry T. Long Certified Mail

P. O. Box 1777 #9414-8149-0152-7181-4388-59

Kilgore, TX 75662



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 6H well located at SHL 175' FSL & 185' FEL and BHL 330' FNL & 380' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060100	DYED LIQUID FUELS	43,000.00	0.00	0.00	43,000.00
	GASEOUS FUELS	19,080.00	0.00	0.00	19,080.00
	DISPOSAL - SOLIDS	47,984.00	5,000.00	0.00	52,984.00
	DISP-SALTWATER & OTH	0.00	39,000.00	0.00	39,000.00
	FLUIDS - WATER	32,313.00	27,000.00	0.00	59,313.00
	RECYC TREAT&PROC-H20	0.00	117,000.00	0.00	117,000.00
	PERMIT SURVEY&TITLE	30,000,00	3,000.00	0.00	33,000.00
	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	80,000.00	64,861.00	0.00	144,861.00
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
	RTOC - GEOSTEERING	8,745.00	0.00	0.00	8,745.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	147,172.50	0.00	147,172.50
6160100	MATERIALS & SUPPLIES	424.00	0.00	0.00	424.00
	PULLING&SWABBING SVC	0.00	18,000.00	0.00	18,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	175,000.00	0.00	175,000.00
6190100	TRCKG&HL-SOLID&FLUID	35,160.00	7,000.00	0.00	42,160.00
6190110	TRUCKING&HAUL OF EQP	44,400.00	7,000.00	0.00	51,400.00
6200110	INSPECTION SERVICES	0.00	15,000.00	0.00	15,000.00
6200130	CONSLT & PROJECT SVC	92,120.00	59,400.00	0.00	151,520.00
6230120	SAFETY SERVICES	34,980.00	6,000.00	0.00	40,980.00
6300270	SOLIDS CONTROL SRVCS	36,464.00	0.00	0.00	36,464.00
6310120	STIMULATION SERVICES	0.00	1,073,915.10	0.00	1,073,915.10
6310140	ARTIFICIAL LIFT SVC	0.00	5,200.00	0.00	5,200.00
6310200	CASING & TUBULAR SVC	39,400.00	0.00	0.00	39,400.00
6310250	CEMENTING SERVICES	137,000.00	0.00	0.00	137,000.00
6310280	DAYWORK COSTS	372,896.00	0.00	0.00	372,896.00
6310300	DIRECTIONAL SERVICES	112,030.00	0.00	0.00	112,030.00
6310310	DRILL BITS	61,600.00	0.00	0.00	61,600.00
6310330	DRILL&COMP FLUID&SVC	48,500.00	8,000.00	0.00	56,500.00
6310370	MOB & DEMOBILIZATION	193,464.00	0.00	0.00	193,464.00
6310380	OPEN HOLE EVALUATION	6,380.00	0.00	0.00	6,380.00
6310480	TSTNG-WELL, PL & OTH	0.00	38,500.00	0.00	38,500.00
6310600	MISC PUMPING SERVICE	0.00	36,500.00	0.00	36,500.00
6320100	EQPMNT SVC-SRF RNTL	42,485.00	120,000.00	0.00	162,485.00
6320110	EQUIP SVC - DOWNHOLE	31,760.00	0.00	0.00	31,760.00
6320160	WELDING SERVICES	2,000.00	30,000.00	0.00	32,000.00
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	45,772.50	0.00	45,772.50
6550110	MISCELLANEOUS SVC	29,450.00	0.00	0.00	29,450.00
6550120	OTHER ROUSTABOUT SER	0.00	144,500.00	0.00	144,500.00
6630110	CAPITAL OVERHEAD	6,360.00	44,780.50	0.00	51,140.50

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.



AFE # XX-120003.01

Well Name: GAUCHO 21 FED 6H Cost Center Number: 1093571601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	125.00	0.00	0.00	125.00
	Total Intangibles	1,629,120.00	2,241,921.60	0.00	3,871,041.60

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	26,093.00	0.00	26,093.00
6130120	COMM DEVICES - SCADA	0.00	169,111.50	0.00	169,111.50
6300150	SEPARATOR EQUIPMENT	0.00	229,863.50	0.00	229,863.50
6300220	STORAGE VESSEL&TANKS	0.00	78,212.00	0.00	78,212.00
6300230	PUMPS - SURFACE	0.00	18,248.00	0.00	18,248.00
6310130	ARTIFICIAL LIFT EQP	0.00	17,000.00	0.00	17,000.00
6310150	CASG-COND&DRIVE PIPE	35,000.00	0.00	0.00	35,000.00
6310420	TUBING & COMPONENTS	0.00	68,000.00	0.00	68,000.00
6310460	WELLHEAD EQUIPMENT	31,500.00	34,500.00	0.00	66,000.00
6310530	SURFACE CASING	64,368.00	0.00	0.00	64,368.00
6310540	INTERMEDIATE CASING	138,006.00	0.00	0.00	138,006.00
6310550	PRODUCTION CASING	207,200.00	0.00	0.00	207,200.00
6310580	CASING COMPONENTS	82,600.00	0.00	0.00	82,600.00
6320130	PAINT & COATING SERV	0.00	10,000.00	0.00	10,000.00
6320180	EQUIPMENT OTHER	0.00	3,500.00	0.00	3,500.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	142,058.00	0.00	142,058.00
	Total Tangibles	558,674.00	796,586.00	0.00	1,355,260.00

TOTAL ESTIMATED COST	2,187,794.00	3,038,507.60	0.00	5,226,301.6

#### **WORKING INTEREST OWNER APPROVAL**

Company Name:		
Signature:	Print Name:	
Title:		
Date:		
Email:		

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



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

Revision:

AFE Date:

April 5, 2018

State: County/Parish: NM LEA

#### **Explanation and Justification:**

Drill and complete the Gaucho 21 Fed 7H well located at SHL 326' FSL & 545' FEL and BHL 330' FNL & 1580' FEL of Section 21-T22S-R34E, Lea County, New Mexico.

Code	Intangible	Drilling	Completion Costs	Dry Hole Costs	Total
	Description Description	Costs			Costs
	DYED LIQUID FUELS	53,698.99	0.00	0.00	53,698.9
	GASEOUS FUELS	12,865.62	0.00	0.00	12,865.6
	DISPOSAL - SOLIDS	76,677.87	1,040.00	0.00	77,717.8
	DISP-SALTWATER & OTH	0.00	78,000.00	0.00	78,000.00
	FLUIDS - WATER	52,763.94	44,364.90	0.00	97,128.8
	RECYC TREAT&PROC-H20	0.00	91,760.95	0.00	91,760.9
	PERMIT SURVEY&TITLE	40,000.00	0.00	0.00	40,000.00
	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
	ROAD&SITE PREP SVC	101,715.20	100,400.00	0.00	202,115.2
	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
_	COMM SVCS - WAN	4,261.35	0.00	0.00	4,261.35
	RTOC - ENGINEERING	0.00	4,680.00	0.00	4,680.00
	RTOC - GEOSTEERING	7,846.67	0.00	0.00	7,846.67
	CH LOG PERFRTG&WL SV	10,348.00	133,837.60	0.00	144,185.6
	MATERIALS & SUPPLIES	1,514.33	0.00	0.00	1,514.33
6170100	PULLING&SWABBING SVC	0.00	33,857.78	0.00	33,857.78
6190100	TRCKG&HL-SOLID&FLUID	30,649.65	0.00	0.00	30,649.6
6190110	TRUCKING&HAUL OF EQP	17,830.25	15,600.00	0.00	33,430.2
6200130	CONSLT & PROJECT SVC	90,000.00	108,540.44	0.00	198,540.4
6230120	SAFETY SERVICES	36,055.41	0.00	0.00	36,055.4
6300270	SOLIDS CONTROL SRVCS	43,675.42	0.00	0.00	43,675.4
6310120	STIMULATION SERVICES	0.00	1,168,044.52	0.00	1,168,044.5
6310200	CASING & TUBULAR SVC	96,422.52	0.00	0.00	96,422.5
6310250	CEMENTING SERVICES	148,254.19	0.00	0.00	148,254.1
6310280	DAYWORK COSTS	321,854.38	0.00	0.00	321,854.3
6310300	DIRECTIONAL SERVICES	131,597.83	0.00	0.00	131,597.8
6310310	DRILL BITS	71,783.75	0.00	0.00	71,783.7
6310330	DRILL&COMP FLUID&SVC	44,289.61	6,760.00	0.00	51,049.6
6310370	MOB & DEMOBILIZATION	150,000.00	0.00	0.00	150,000.0
6310380	OPEN HOLE EVALUATION	20,324.28	0.00	0.00	20,324.2
6310480	TSTNG-WELL, PL & OTH	0.00	55,680.18	0.00	55,680.18
6310600	MISC PUMPING SERVICE	0.00	28,470.98	0.00	28,470.98
6320100	EQPMNT SVC-SRF RNTL	70,401.99	135,168.79	0.00	205,570.7
6320110	EQUIP SVC - DOWNHOLE	35,107.60	14,872.00	0.00	49,979.6
6320160	WELDING SERVICES	1,751.20	50,000.00	0.00	51,751.2
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.0
6550110	MISCELLANEOUS SVC	27,357.77	0.00	0.00	27,357.7
6550120	OTHER ROUSTABOUT SER	0.00	125,000.00	0.00	125,000.0
6630110	CAPITAL OVERHEAD	6,337.21	0.00	0.00	6,337.2
	TAXES OTHER	80.65	0.00	0.00	80.65
	Total Intangibles	1,740,465.68	2,196,078.14	0.00	3,936,543.8
Cada	Tangible	Drilling	Completion	Dry Hole	Total

	Tangible	Drilling	Completion	Dry Hole	Total
Code	Description	Costs	Costs	Costs	Costs



AFE # XX-128827.01

Well Name: GAUCHO 21 FED 7H Cost Center Number: 1093900601

Legal Description: Section 21-T22S-R34E

**WORKING INTEREST OWNER APPROVAL** 

Email:

Revision:

AFE Date:

April 5, 2018

State:

County/Parish:

NM LEA

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	130,000.00	0.00	130,000.00
6130120	COMM DEVICES - SCADA	0.00	125,000.00	0.00	125,000.00
6230130	SAFETY EQUIPMENT	2,328.33	0.00	0.00	2,328.33
6300210	TREATER FWKO EQUIP	0.00	80,000.00	0.00	80,000.00
6300220	STORAGE VESSEL&TANKS	0.00	180,000.00	0.00	180,000.00
6310130	ARTIFICIAL LIFT EQP	0.00	31,200.00	0.00	31,200.00
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310420	TUBING & COMPONENTS	0.00	90,688.00	0.00	90,688.00
6310460	WELLHEAD EQUIPMENT	34,971.37	36,400.00	0.00	71,371.37
6310530	SURFACE CASING	28,233.00	0.00	0.00	28,233.00
6310540	INTERMEDIATE CASING	118,442.83	0.00	0.00	118,442.83
6310550	PRODUCTION CASING	208,847.90	0.00	0.00	208,847.90
6310580	CASING COMPONENTS	27,493.68	0.00	0.00	27,493.68
6330100	PIPE,FIT,FLANG,CPLNG	0.00	120,000.00	0.00	120,000.00
	Total Tangibles	470,317.11	793,288.00	0.00	1,263,605.11

TOTAL ESTIMATED COST	2,210,782.79	2,989,366.14	0.00	5,200,148.93
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# Company Name: Signature: Print Name: Title:

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

From: <u>Dean, Katie</u>
To: <u>Jessica Crawford</u>

 Subject:
 RE: [EXTERNAL] AFE XX-120003.01

 Date:
 Tuesday, April 24, 2018 4:01:00 PM

Jessica, I contacted my title attorney and was informed I should have an updated opinion by next week. I don't expect the NRI to change, but once I have the opinion I can share Mr. Long's portion of it to help explain the calculation.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com



**From:** Jessica Crawford [mailto:woodbineproduction@yahoo.com]

Sent: Tuesday, April 24, 2018 12:05 PM
To: Dean, Katie <Katie.Dean@dvn.com>
Subject: RE: [EXTERNAL] AFE XX-120003.01

Katie,

I just wanted to check back with you to see if you had the details on how the royalty interest was calculated.

#### Jessica Crawford, Accountant

woodbineproduction@yahoo.com

#### **Woodbine Production Corporation**

P O Box 1777 Kilgore, TX 75663 903-984-8005

The Long Trusts
Rusk County Well Service

P O Box 3096 Kilgore, TX 75663 903-984-5017

From: Dean, Katie [mailto:Katie.Dean@dvn.com]

Sent: Tuesday, April 17, 2018 4:59 PM

To: Jessica Crawford

Subject: RE: [EXTERNAL] AFE XX-120003.01

I'm currently having title updated. I should receive it shortly so when I do I'll review his interest again to make sure there are no changes and I'll go over it with you.

What do you all show his NRI to be? I'll inform my title attorney so he can look into it as well.

Thank you,

Katie Dean Landman

Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015 405 552 6659 Direct 405 245 7564 Mobile katie.dean@dvn.com



**From:** Jessica Crawford [mailto:woodbineproduction@yahoo.com]

Sent: Tuesday, April 17, 2018 2:58 PM

To: Dean, Katie < Katie. Dean@dvn.com >

Subject: RE: [EXTERNAL] AFE XX-120003.01

Katie,

Can you tell me how the net revenue interest was calculated on these wells? Mr. Long seems to think this was lower than it should be.

**Jessica Crawford, Accountant** 

woodbineproduction@yahoo.com

#### **Woodbine Production Corporation**

P O Box 1777 Kilgore, TX 75663 903-984-8005

## The Long Trusts Rusk County Well Service

P O Box 3096 Kilgore, TX 75663 903-984-5017

From: Dean, Katie [mailto:Katie.Dean@dvn.com]

**Sent:** Monday, April 16, 2018 3:35 PM

To: Jessica Crawford

Subject: RE: [EXTERNAL] AFE XX-120003.01

Jessica,

Larry T. Long owns 4.595588% NRI in both wells.

Thanks, Katie

**From:** Jessica Crawford [mailto:woodbineproduction@yahoo.com]

Sent: Monday, April 16, 2018 3:34 PM
To: Dean, Katie <<u>Katie.Dean@dvn.com</u>>
Subject: RE: [EXTERNAL] AFE XX-120003.01

Katie,

Can you give me his net revenue interests on each of these wells?

Thanks.

#### Jessica Crawford, Accountant

woodbineproduction@yahoo.com

#### **Woodbine Production Corporation**

P O Box 1777 Kilgore, TX 75663 903-984-8005

# The Long Trusts Rusk County Well Service

P O Box 3096 Kilgore, TX 75663 903-984-5017

From: Dean, Katie [mailto:Katie.Dean@dvn.com]

Sent: Wednesday, April 11, 2018 4:21 PM

To: Jessica Crawford

Subject: RE: [EXTERNAL] AFE XX-120003.01

Jessica,

It will be the same—6.25% working interest.

Thanks, Katie

**From:** Jessica Crawford [mailto:woodbineproduction@yahoo.com]

Sent: Tuesday, April 10, 2018 4:48 PM

To: Dean, Katie < Katie. Dean@dvn.com >

Subject: RE: [EXTERNAL] AFE XX-120003.01

Katie,

What do you should his percentage to be in the Gaucho 21 Fed 7H?

Thanks.

#### Jessica Crawford, Accountant

woodbineproduction@yahoo.com

#### **Woodbine Production Corporation**

P O Box 1777 Kilgore, TX 75663 903-984-8005

## The Long Trusts Rusk County Well Service

P O Box 3096 Kilgore, TX 75663 903-984-5017

From: Dean, Katie [mailto:Katie.Dean@dvn.com]

**Sent:** Tuesday, April 10, 2018 2:26 PM

To: Jessica Crawford

Subject: RE: [EXTERNAL] AFE XX-120003.01

Jessica,

My records show that Larry T. Long owns 6.25% working interest/ 4.595588% net revenue interest in the E/2 of Sec. 21-22S-34E. We are currently having title updated, so should there be any changes I will let you know.

Thank you,

Katie Dean Landman

Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015 405 552 6659 Direct 405 245 7564 Mobile katie.dean@dvn.com



From: Jessica Crawford [mailto:woodbineproduction@yahoo.com]

Sent: Tuesday, April 10, 2018 11:36 AM
To: Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>
Subject: [EXTERNAL] AFE XX-120003.01

Katie,

We received the AFE today for Larry T. Long. Can you please give me the interest about and portion of expenses for Larry Long?

Thanks.

#### Jessica Crawford, Accountant

woodbineproduction@yahoo.com

#### **Woodbine Production Corporation**

P O Box 1777 Kilgore, TX 75663 903-984-8005

#### The Long Trusts

#### **Rusk County Well Service**

P O Box 3096 Kilgore, TX 75663 903-984-5017

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From: <u>Dean, Katie</u>
To: <u>Jessica Crawford</u>

Subject: RE: Gaucho 21 Fed 6H & 7H Well Proposals Date: Tuesday, June 12, 2018 3:01:00 PM

Attachments: PDF File.pdf

Jessica,

Please find the attached pages to the updated DOTO showing the Ownership Breakdown in the E/2 of Section 21. Let me know if you have any questions.

Thanks, Katie

From: Dean, Katie

Sent: Thursday, May 31, 2018 9:47 AM

To: 'Jessica Crawford' <woodbineproduction@yahoo.com>

Subject: Gaucho 21 Fed 6H & 7H Well Proposals

Jessica,

I wanted to follow up with you regarding the subject well proposals. Please let me know if you have any questions regarding the proposals or proposed JOA. We have a compulsory pooling hearing scheduled June 14<sup>th</sup>.

I was working through some curative on title but we should have an updated opinion to provide you by early next week. Mr. Long's interest is burdened by overrides and production payments, which is why his net is relatively low. It will make more sense when you see the opinion.

Thank you,

Katie Dean Landman

Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015 405 552 6659 Direct 405 245 7564 Mobile katie.dean@dvn.com





LON W. ABADIE\*

ANDREW SCHILL°

WILLIAM E. ZIMSKY+

DARIN C. SAVAGEO

PAUL HALAJIAN±

AMANDA M. WEBER-

MEGHAN SCULLY

BRIAN SHELTON†

(OF COUNSEL)

JAMES B. BLEVINS, JR.<sup>△</sup>

HALEY J. DENNIS~

ALSO LICENSED IN

\*CA, NM, UT

° NM, ND, TX, OK, NE, KS

\*NM, MT, CA, LA

O CA, WY

±NM, NY

-WY (not licensed in CO)

†OK (not licensed in CO)

△OK (not licensed in CO)

~OK (not licensed in CO)

Katie Dean Devon Energy Production Company, L.P. 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5015

#### SUPPLEMENTAL DRILLING AND DIVISION ORDER TITLE OPINION

June 6, 2018

The E/2 of Section 21, Township 22 South, Range 34 East, NMPM
Lea County, New Mexico
Containing 320.0000 acres, more or less

Our File No. 4166.8

Lease NM-43564

This opinion has been rendered for the sole and exclusive use of Devon Energy Corp. and its subsidiaries and affiliates, and neither said corporation nor its attorneys assume any liability to any third person as to the correctness of statement, comment or content thereof.

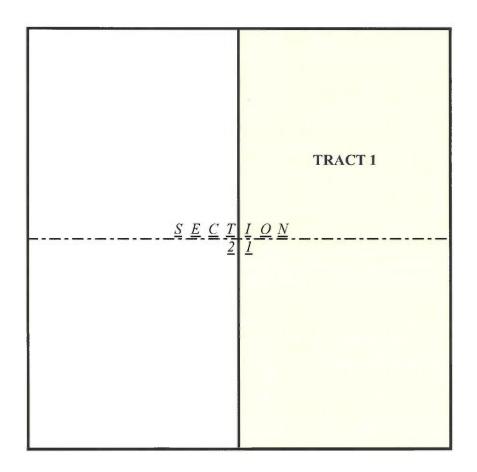
#### **TABLE OF CONTENTS**

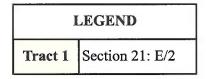
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Excel Tract Summary	Exhibit "C"

ACRONYM KEY						
"GWI" (Gross Working Interest):	Expense interest of each working interest owner.					
"NRI" (Net Revenue Interest):	Net percentage of interest in production attributable to the owner thereof.					
"ORRI" (Overriding Royalty Interest):	Any overriding royalty or other burdens created subsequent to the oil and gas lease that affect a working interest owner's net revenue.					
"WIW" (Working Interest in the Well):	Sum of the working interest owner's net revenue interests plus the net revenue interests of any subsequently created interests as they burden such owner's working interest.					

**PLAT** 

Section 21, Township 22 South, Range 34 East, Lea County, New Mexico





<sup>\*</sup> Note: Tract lines are approximate

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#### **OWNERSHIP**

Based upon an examination of the materials described in the Materials Examined portion of this report, and subject to the exceptions evidenced by the comments and requirements contained in the Comments and Requirements portion hereof, we find record ownership to the captioned property to be held as follows:

#### TRACT 1

The E/2 of Section 21, Township 22 South, Range 34 East, Lea County, New Mexico, containing 320.0000 acres more or less.

#### TRACT 1 OWNERSHIP:

#### Minerals:

Lease(s)	Owner	Interest	Net Acres	Royalty	Tract NRI
1	United States of America	1	320.0000	1/8	0.125000000
	Totals:	1	320.0000		0.125000000

#### Working Interests:

Lease(s)		Owner	• 	% of Lease(s)	Net Acres	GWI	WIW	ORRI	NRI
1	Devon	Energy y, L.P. (PP)	Production	40.711200%	130.2758	0.407111997	0.356222998	0.050889000	0.305333998
1	Devon	Energy /, L.P. (PP)(	Production	8.723829%	27.9163	0.087238285	0.076333500	0.015266700	0.061066800
1 ·	Devon	Energy , L.P. (PP)(	Production	24.717514%	79.0960	0.247175141	0.216278249	0.033368644	0.182909605
	Sub-	Total:			237.2881	0.741525424	0.648834746	0.099524344	0.549310402
1	JJR, Inc (PP)(1)	c., a Texas	Corporation	10.333330%	33.0667	0.103333300	0.090416638	0.012916663	0.077499975
	Sub-	Total:			33.0667	0.103333300	0.090416638	0.012916663	0.077499975
1	Axis Ene	ergy Corpor	ration (PP)(1)	2.205882%	7.0588	0.022058824	0.019301471	0.002757353	0.016544118
1	Axis (PP)(1)(2	Energy (2)(4)	Corporation	0.919118%	2.9412	0.009191176	0.008042279	0.001608456	0.006433824
Sub-Total:					10.0000	0.03125000in	isive ase of f	rendered fo Devon Energ	r the 2901941 y Corp.

June 6, 2018 Supplemental Drilling and Division Order Title Opinion

and its subsidiaries and affiliates, and neither said corporation nor its attorneys assume any liability to any third person The E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, NM as to the correctness of statement, comment or content thereof.

#### Working Interests (continued):

Lease(s)	Owner	% of	Net	CWI	**/***/	ODDI	NDI
Lease(s)	Owner	Lease(s)	Acres	GWI	WIW	ORRI	NRI
1	Mary Beth Whitaker, Trustee FBO Wildcat Energy L.L.C. (PP)(1)	2.205882%	7.0588	0.022058824	0.019301471	0.002757353	0.016544118
1	Mary Beth Whitaker, Trustee FBO Wildcat Energy L.L.C. (PP)(1)(2)(4)	0.919118%	2.9412	0.009191176	0.008042279	0.001608456	0.006433824
	Sub-Total:		10.0000	0.031250000	0.027343750	0.004365809	0.022977941
ĩ	Larry T. Long (PP)(1)	4.411765%	14.1176	0.044117647	0.038602941	0.005514706	0.033088235
1	Larry T. Long (PP)(1)(2)(4)	1.838235%	5.8824	0.018382353	0.016084559	0.003216912	0.012867647
	Sub-Total:		20.0000	0.062500000	0.054687500	0.008731618	0.045955882
1	Clinton Pace (PP)(1)	0.541668%	1.7333	0.005416675	0.004739591	0.000677084	0.004062506
	Sub-Total:		1.7333	0.005416675	0.004739591	0.000677084	0.004062506
I	Ryan Pace (PP)(1)	0.541668%	1.7333	0.005416675	0.004739591	0.000677084	0.004062506
	Sub-Total:		1.7333	0.005416675	0.004739591	0.000677084	0.004062506
1	Tara N. Pace (PP)(1)	0.541668%	1.7333	0.005416675	0.004739591	0.000677084	0.004062506
	Sub-Total:		1.7333	0.005416675	0.004739591	0.000677084	0.004062506
1	Aleyna N. Pace (PP)(1)	0.541668%	1.7333	0.005416675	0.004739591	0.000677084	0.004062506
	Sub-Total:		1.7333	0.005416675	0.004739591	0.000677084	0.004062506
1	James Denzil Morris (PP)(1)(3)	0.070621%	0.2260	0.000706215	0.000617938	0.000095339	0.000522599
1	James Denzil Morris (PP)(1)	0.116318%	0.3722	0.001163177	0.001017780	0.000145397	0.000872383
i	James Denzil Morris (PP)(1)(2)(4)	0.024925%	0.0798	0.000249252	0.000218096	0.000043619	0.000174477
	Sub-Total:		0.6780	0.002118644	0.001853814	0.000284355	0.001569458

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#### Working Interests (continued):

Lease(s)	Owner	% of Lease(s)	Net Acres	GWI	WIW	ORRI	NRI
1	Craig George Morris (PP)(1)(3)	0.070621%	0.2260	0.000706215	0.000617938	0.000095339	0.000522599
1	Craig George Morris (PP)(1)	0.116318%	0.3722	0.001163177	0.001017780	0.000145397	0.000872383
1	Craig George Morris (PP)(1)(2)(4)	0.024925%	0.0798	0.000249252	0.000218096	0.000043619	0.000174477
	Sub-Total:		0.6780	0.002118644	0.001853814	0.000284355	0.001569458
1	Anne M. Hazelwood (PP)(1)(3)	0.070621%	0.2260	0.000706215	0.000617938	0.000095339	0.000522599
1	Anne M. Hazelwood (PP)(1)	0.116318%	0.3722	0.001163177	0.001017780	0.000145397	0.000872383
1	Anne M. Hazelwood (PP)(1)(2)(4)	0.024925%	0.0798	0.000249252	0.000218096	0.000043619	0.000174477
	Sub-Total:		0.6780	0.002118644	0.001853814	0.000284355	0.001569458
1	Mary Catherine Mitchell (PP)(1)(3)	0.070621%	0.2260	0.000706215	0.000617938	0.000095339	0.000522599
1	Mary Catherine Mitchell (PP)(1)	0.116318%	0.3722	0.001163177	0.001017780	0.000145397	0.000872383
1	Mary Catherine Mitchell (PP)(1)(2)(4)	0.024925%	0.0798	0.000249252	0.000218096	0.000043619	0.000174477
	Sub-Total:		0.6780	0.002118644	0.001853814	0.000284355	0.001569458
	Totals:		320.0000	1.000000000	0.875000000	0.133750000	0.741250000

#### **Record Title:**

Lease(s)	Owner	% of Lease_
1	Estate of Joseph J. Reynolds, deceased	10.333330%
1	Estate of David H. Pace, deceased	2.166670%
1	Hunt Oil Company	12.500000%
1	Devon Energy Production Company, L.P.	75.000000%
	Totals:	100.000000%

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#### Overriding Royalty Interests:

Lease(s)	Owner	Burden				Form	ula		Tract NRI
1	Robert E. Landreth	(PP)	320.0000	/	320.0000	х	0.53125%	=	0.005312500
1	Robert E. Landreth	(4)	40.0000	1	320.0000	x	2.97500%	=	0.003718750
	Sub-Total:								0.009031250
1	Scott W. Tanberg	(PP)	320.0000	1	320.0000	x	0.09375%	(=0	0.000937500
1	Scott W. Tanberg	(4)	40.0000	/	320.0000	x	0.52500%	77	0.000656250
	Sub-Total:								0.001593750
1	Alan Jochimsen (a married man dealing with his sole and separate property)	(PP)	320.0000	/	320.0000	х	0.83333%	=	0.008333333
1	Marcheta Jochimsen (a married woman dealing with her sole and separate property)	(PP)	320.0000	/	320.0000	x	0.83333%	=	0.008333333
1	Deborah Fedric	(PP)	320.0000	/	320.0000	x	0.50000%	=	0.005000000
1	Margaret Hunker Tsui, as Trustee of The Margaret Hunker Tsui Trust	(PP)	320.0000	/	320.0000	x	0.25000%	=	0.002500000
Î	Margaret K. Hunker, Trustee of the Margaret K. Hunker Trust under Trust Agreement dated November 5, 2002	(PP)	320.0000	/	320.0000	x	0.25000%	-	0.002500000
1	Monty D. McLane	(PP)	320.0000	/	320.0000	X	0.83333%	=	0.008333333
1	Norton LLC, a New Mexico limited liability company	(PP)	320.0000	/	320.0000	x	2.12500%	=	0.021250000
1	JJR, Inc., a Texas Corporation	(1)	320.0000	/	320.0000	x	1.00000%	=	0.010000000
1	Sammy L. Morrison, Trustee of the Sammy and Sibyl Morrison Mineral Trust	(1)	320.0000	/	320.0000	x	1.75000%	=	0.017500000
1	Gerald J. Brockman	(1)	320.0000	/	320.0000	X	1.75000%	=	0.017500000
1	Clinton Pace	(1)	320.0000	/	320.0000	x	0.43750%	=	0.004375000
1	Ryan Pace	(1)	320.0000	/	320.0000	x	0.43750%	=	0.004375000
1	Tara N. Pace	(1)	320.0000	/	320.0000	x	0.43750%	=	0.004375000
1	Aleyna N. Pace	(1)	320.0000	/	320.0000 This opini	on h	0.43750% nas been ren	dered for t	he \$004375000

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The E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, Nassume any liability to any third person as to the correctness of statement, comment or content thereof

or content thereof.

#### Overriding Royalty Interests (continued):

Lease(s)	Owner	Burden		For	rmula	Tract NRI
1	Devon Energy Production Company, L.P.	(2)	40.0000 /	320.0000 x	1.50000% =	0.001875000
1	Misty Morning Partnership, Ltd.	(3)	80.0000 /	320.0000 x	0.50000% =	0.001250000
1	Douglas Investments, Inc.	(3)	80.0000 /	320.0000 x	0.30000% =	0.000750000
1	Panther City Exploration Company	(3)	80.0000 /	320.0000 x	0.20000% =	0.000500000
	Totals:					0.133750000
					Recapitulation:	1.000000000

From: Dean, Katie
To: nuray pace

Subject: RE: [EXTERNAL] Re: Gaucho 21 Fed 6H & 7H Wells

**Date:** Wednesday, May 23, 2018 2:21:00 PM

#### Nuray,

As discussed over the phone, you are not interested in participating in these wells at this time so you will not be signing Devon's proposed Operating Agreement.

If you change your mind or have any questions please let me know.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com



**From:** nuray pace [mailto:ntapace@sbcglobal.net]

**Sent:** Tuesday, May 15, 2018 10:09 AM **To:** Dean, Katie <Katie.Dean@dvn.com>

Subject: [EXTERNAL] Re: Gaucho 21 Fed 6H & 7H Wells

Thank you for the information.

Sincerely,

Nuray Pace

Sent from my iPhone

On May 14, 2018, at 4:50 PM, Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>> wrote:

Nuray, as discussed on the phone, if you choose to participate, Tara & Aleyna's portion of the estimated cost of each well is shown below.

	AFE Cost Estimate	Tara Pace	Aleyna Pace
Working Interest %	100% (total well cost)	0.541667%	0.541667%
Gaucho 21 Fed 6H	\$	\$	\$ 28,309.15
	5,226,301.60	28,309.15	
Gaucho 21 Fed 7H	\$	\$	\$ 28,167.49
	5,200,148.93	28,167.49	
		\$	\$ 56,476.64
		56,476.64	

So, for both of your daughters to participate in both wells the total cost would be approximately **\$112,953.28.** 

We can discuss more when you call tomorrow, I just wanted you to have these numbers to reference.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com

<image001.gif>

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From: Microsoft Outlook on behalf of PACE NURAY

To: Dean, Katie

Subject: Voice Mail (1 minute and 21 seconds)
Date: Wednesday, June 6, 2018 3:59:00 PM

Attachments: 914323521015 (1 minute and 21 seconds) Voice Mail.mp3

Importance: High

#### You received a voice message from PACE NURAY at 914323521015.

Caller-Id: <u>914323521015</u>

#### Voice Mail Preview isn't available for this message.

The message is too long.

From: Microsoft Outlook on behalf of PACE NURAY

To: Dean, Katie

Subject: Voice Mail (16 seconds)

 Date:
 Thursday, June 7, 2018 11:10:20 AM

 Attachments:
 914323521015 (16 seconds) Voice Mail.mp3

Importance: High

Hi Mrs. then this is my page you please call me back I did the list she is today.

My number is (432) 352-5015.

Thank you.

Preview provided by Microsoft Speech Technology. Learn More...

You received a voice message from PACE NURAY at <u>914323521015</u>.

Caller-Id: <u>914323521015</u>

From: Jeff Reynolds
To: Dean, Katie

Subject: RE: [EXTERNAL] Gaucho 21- 6H and 7H- Estate of Joe Reynolds

**Date:** Tuesday, April 10, 2018 4:42:44 PM

You are good.

It was not a bad call. The description is correct an so are the players.

From: Dean, Katie

**Sent:** Tuesday, April 10, 2018 8:53 AM

**To:** Jeff Reynolds

Subject: RE: [EXTERNAL] Gaucho 21-6H and 7H-Estate of Joe Reynolds

Thank you! I appreciate the insight.

**From:** Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]

**Sent:** Monday, April 09, 2018 5:30 PM **To:** Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>>

Subject: Re: [EXTERNAL] Gaucho 21-6H and 7H-Estate of Joe Reynolds

My Landman . He is double checking .

I will get back to you .

I think there might be a bad description in Assignments

Sent from my iPhone 214-673-2207

Jeffrey C. Reynolds 8214 Westchester Dr.

Ste 860

Dallas, Texas 75225

Please note my new email address:

jeffreynolds1957@gmail.com

On Apr 9, 2018, at 4:44 PM, Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>> wrote:

We are currently updating title. Do you know of a reason why those parties may not own an interest? If so, I'll inform my title attorney.

**From:** Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]

**Sent:** Monday, April 09, 2018 3:02 PM **To:** Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie <a href="mailto:Katie.Dean@dvn.com">Katie <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>

Subject: RE: [EXTERNAL] Gaucho 21- 6H and 7H- Estate of Joe Reynolds

Katie,

Are you sure Axis, Larry Long and Wildcat own interest in E/2 T22-34E?

From: Dean, Katie < Katie.Dean@dvn.com > Sent: Monday, April 09, 2018 9:43 AM
To: jeffreynolds1957@gmail.com

Subject: RE: [EXTERNAL] Gaucho 21- 6H and 7H- Estate of Joe Reynolds

Good morning, Jeffrey. Thank you for your response.

My team is evaluating making an offer on your working interest. I'll follow up with you

soon.

Thank you,

**Katie Dean** 

Landman

**Devon Energy Corporation** 

333 W. Sheridan Avenue

Oklahoma City, OK 73102-5015

405 552 6659 Direct

405 245 7564 Mobile

katie.dean@dvn.com

**From:** Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]

**Sent:** Friday, April 06, 2018 10:36 AM **To:** Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>>

Subject: [EXTERNAL] Gaucho 21-6H and 7H-Estate of Joe Reynolds

Dear Katie-

I received the Notice and AFE on the above.

I will review.

Glad to see prairie chicken mating is over and ready to get some activity.

You mentioned in your notice Devon would be interested in farming out or buying my interest.

I am not really interested in selling my ORRI, but might consider other options as concerns the working interest.

If you want to propose something for me to consider, please send asap as I have other plans in the works.

Sincerely,

Jeffrey Reynolds

8214 Westchester Drive

Suite 860

Dallas, Texas 75225

214-673-2207

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From: Jeff Reynolds
To: Dean, Katie

Subject: Re: [EXTERNAL] Hello

**Date:** Wednesday, May 2, 2018 9:35:46 AM

## Yes, I will move my other call

Sent from my iPhone 214-673-2207 Jeffrey C. Reynolds 8214 Westchester Dr. Ste 860 Dallas, Texas 75225

Please note my new email address: jeffreynolds1957@gmail.com

On May 2, 2018, at 10:08 AM, Dean, Katie < Katie. Dean@dvn.com > wrote:

Can we do 2:30? I'm in meetings from 3-5pm.

### Get Outlook for iOS

From: Jeff Reynolds < jeffreynolds1957@gmail.com>

Sent: Wednesday, May 2, 2018 9:22:57 AM

To: Dean, Katie

Subject: Re: [EXTERNAL] Hello

Excellent . 3:30?

Sent from my iPhone 214-673-2207 Jeffrey C. Reynolds 8214 Westchester Dr. Ste 860 Dallas, Texas 75225

,

Please note my new email address: jeffreynolds1957@gmail.com

```
> On May 2, 2018, at 9:07 AM, Dean, Katie < Katie.Dean@dvn.com > wrote:
> Yes, can I give you call this afternoon?
> -----Original Message-----
> From: Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]
> Sent: Tuesday, May 01, 2018 5:16 PM
> To: Dean, Katie < Katie.Dean@dvn.com >
> Subject: [EXTERNAL] Hello
> Can we visit tomorrow?
```

```
> Sincerely ,
> Sent from my iPhone
> 214-673-2207
> Jeffrey C. Reynolds
> 8214 Westchester Dr.
> Ste 860
> Dallas, Texas 75225
> Please note my new email address:
> jeffreynolds1957@gmail.com
```

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From: Dean, Katie
To: Jeff Reynolds

Subject: RE: [EXTERNAL] RE: Gaucho 21 Fed 6H & 7H

**Date:** Friday, June 8, 2018 9:01:00 AM

No problem. You can call whenever you're available and we can discuss.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com



From: Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]

**Sent:** Thursday, June 07, 2018 6:01 PM **To:** Dean, Katie <Katie.Dean@dvn.com>

Subject: Re: [EXTERNAL] RE: Gaucho 21 Fed 6H & 7H

My bad for not calling . Had issues in Cotulla.

Back now.

I will call you tomorrow.

Will you tell me if Jim Morris , Frdd Jones , Mike Abbott or anyone from Lubbock participated in the Gaucho 2

Sent from my iPhone 214-673-2207 Jeffrey C. Reynolds

Please note my new address:

2406 Irving Blvd Dallas, Texas 75207

Please note my new email address:

jeffreynolds1957@gmail.com

On May 31, 2018, at 9:16 AM, Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>> wrote:

Absolutely. Feel free to give me a call anytime today.

Thank you,

Katie Dean
Landman
Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102-5015
405 552 6659 Direct
405 245 7564 Mobile
katie.dean@dvn.com

<image001.gif>

**From:** Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]

**Sent:** Thursday, May 31, 2018 8:57 AM **To:** Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>>

Subject: RE: [EXTERNAL] RE: Gaucho 21 Fed 6H & 7H

If you have time today to visit, I would like to discuss.

Sincerely,

From: Dean, Katie < Katie.Dean@dvn.com > Sent: Tuesday, May 22, 2018 6:00 PM
To: jeffreynolds1957@gmail.com

**Subject:** RE: [EXTERNAL] RE: Gaucho 21 Fed 6H & 7H

Jeff, I've been out of office I apologize for the delayed response. I'd be happy to go over the JOA with you as well as the standard terms found in a Pooling Order. Generally speaking, a pooling order will have a 300% non-consent penalty (200% plus 100% of the cost), 30 day election period and it will require upfront payment from participants. The Order would cover the project area for each well.

Regarding your concerns about the Gaucho 21 Fed 1, I have shared your emails with the production engineer, Bryson Wolfe, for his review. When I asked initially he said that the well is on a list to be evaluated. Here is his contact information if you'd like to discuss with him directly:

Bryson Wolfe
Production Engineer
1(405)552-7857
Bryson.Wolfe@dvn.com

From: Jeff Reynolds [mailto:jeffreynolds1957@gmail.com]

**Sent:** Thursday, May 17, 2018 12:55 PM **To:** Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>>

Subject: [EXTERNAL] RE: Gaucho 21 Fed 6H & 7H

Good morning-

You are right. The JOA is different. What does the Commission use.?

Thanks for your help.

From: Dean, Katie < <a href="mailto:Katie.Dean@dvn.com">Katie < <a href="mailto:Katie.Dean@dvn.com">Katie.Dean@dvn.com</a>>
Sent: Monday, May 07, 2018 11:34 AM

To: jeffreynolds1957@gmail.com Subject: Gaucho 21 Fed 6H & 7H

Jeff,

I wanted to follow up with another email to let you know that we mailed out the proposed Operating Agreement covering the E/2 of Section 21 this morning. As discussed, this is Devon's standard version of the new 2015 AAPL Model Form. Good news-- there are page numbers now! You should receive it by tomorrow so let me know if you have any questions as you review.

Additionally, if you do not want to participate in the wells, Devon would like to make an offer of \$1,000/acre for your 10.3333% WI/ 7.7499% NRI in the E/2 of Section 21-22S-34E. This equates to a total of  $$^533,000$  (33 acres @ \$1,000/acre).

Thank you,

Katie Dean Landman

Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, OK 73102-5015 405 552 6659 Direct 405 245 7564 Mobile katie.dean@dvn.com

<image001.gif>

Confidentiality Warning: This message and any attachments are intended only for the

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

# **EXHIBIT 9**

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

APPLICATIONS OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 16216, 16217

AFFIDAVII OF NOTICE
STATE OF NEW MEXICO )
COUNTY OF SANTA FE ) ss.
Seth C. McMillan, attorney and authorized representative of Devon Energy Production
Company, L.P., the Applicant in this matter, being first duly sworn, upon oath states that he sent
copies of the Application in this matter to the parties as specified on the attached Exhibit A.
SETH C. McMILLAN
SUBSCRIBED AND SWORN to before me this day of June, 2018.
Name Public
My Commission Expires:

#### **EXHIBIT A**

# **OFFSET OPERATORS**

**BTA Oil Producers, LLC** 

104 S. Pecos Street Midland, TX 79701 **COG Operating LLC** 

600 W. Illinois Avenue Midland, TX 79701

Mewbourne Oil Co.

500 West Texas Avenue, Suite 1020 Midland, TX 79707

# **OVERRIDING ROYALTY INTEREST**

Robert E. Landreth

110 W. Louisiana Ste. 404 Midland, TX 79701

Scott W. Tanberg 2509 Legacy Oaks Midland, TX 79705

Alan Jochimsen (a married man dealing with

his sole and separate property) 4209 Cardinal Lane Midland, TX 79707 Marcheta Jochimsen (a married woman dealing with her sole and separate property) 4209 Cardinal Lane Midland, TX 79707

**Deborah Fedric** 

P.O. Box 1837 Roswell, NM 88202 Margaret Hunker Tsui, as Trustee of The

Margaret Hunker Tsui Trust

3200 N. Tacoma Street Arlington, VA 22213

Margaret K. Hunker, Trustee of the Margaret K. Hunker Trust under Trust Agreement dated November 5, 2002

3200 N. Tacoma Street Arlington, VA 22213

Monty D. McLane P.O. Box 9451

Midland, TX 79708

Norton LLC, a New Mexico limited liability

company

60 Beach Ave. Bay View S. Dartmouth, MA 02748

Sammy L. Morrison, Trustee of the Sammy and Sibyl Morrison Mineral Trust

4617 Breezeway Court Midland, TX 79707

Gerald J. Brockman

15071 Golf Drive Whitney, TX 76692 Misty Morning Partnership, Ltd.

1645 Fox Lane Burleson, TX 76028

**Douglas Investments, Inc.** 

P.O. Box 79148 Saginaw, TX 76179 **Panther City Exploration Company** 

307 West 7<sup>th</sup> Street, Ste. 810 Fort Worth, TX 76102

# **UNCOMMITTED WORKING INTERESTS**

**Larry T. Long** 2011 State Highway 135 North Kilgore, TX 75662

Larry T. Long P.O. Box 1777 Kilgore, TX 75662

#### U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com®. 9793 Certified Mail Fee NTAFENM Extra Services & Fees (check box, add fee as appropriate for the feet of the f SANTA Here 0000 Return Receipt (electronic) Certified Mail Restricted Delivery JUN - 6 2018 Adult Signature Required Adult Signature Restricted Delivery USPO 87504 30 Postage 77 Total Postage and Fees Sent To Ŋ 707 Robert E. Landreth Street and Apt. City, State, ZIP 110 W. Louisiana Ste. 404 Midland, TX 79701 PS Form 3800

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P.O. Box 1837	JUN Y
Roswell, NM 88202	2018
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	PS Form 3800, A Arlington, VA 22213

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Sammy L. Morrison, Trustee of the Sammy Sireet and Apt. No., or and Sibyl Morrison Mineral Trust 4617 Breezeway Court Midland, TX 79707

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City, State, ZIF	15071 Golf Drive		
	Whitney, TX 76692		





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9590 9401 0118 5225 7035 04  2. Article Number (Transfer from service label)	3. Service Type  □ Adult Signature □ Adult Signature Restricted Delivery □ Certified Mail® □ Certified Mail Restricted Delivery □ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation™
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PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

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PS Form 3811, July 2015 PSN 7530-02-000-9053

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SETH C. McMILLAN Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OVERRIDING ROYALTY INTEREST OWNERS ON ATTACHED LIST

Re: NMOCD Case No. 16216: Application of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

Compulsory Pooling, Lea County, New Mexico

Dear Sir or Madam:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Gaucho 21 Fed 6H well to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3/4 mile west of the intersection of Highway 32 and San Simon Road.

You are being notified in your capacity as an overriding royalty interest owner. A copy of the Application for hearing is enclosed.

Hearing on this Application before a Division Examiner will be continued to June 28, 2018 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

ORRIs on Attached List June 6, 2018 Page 2

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

### **EXHIBIT A**

### **OVERRIDING ROYALTY INTERESTS**

Robert E. Landreth 110 W. Louisiana Ste. 404 Midland, TX 79701

Scott W. Tanberg 2509 Legacy Oaks Midland, TX 79705

Alan Jochimsen (a married man dealing with his sole and separate property) 4209 Cardinal Lane Midland, TX 79707

Marcheta Jochimsen (a married woman dealing with her sole and separate property) 4209 Cardinal Lane Midland, TX 79707

Deborah Fedric P.O. Box 1837 Roswell, NM 88202

Margaret Hunker Tsui, as Trustee of The Margaret Hunker Tsui Trust 3200 N. Tacoma Street Arlington, VA 22213

Margaret K. Hunker, Trustee of the Margaret K. Hunker Trust under Trust Agreement dated November 5, 2002 3200 N. Tacoma Street Arlington, VA 22213

Monty D. McLane P.O. Box 9451 Midland, TX 79708

Norton LLC, a New Mexico limited liability company 60 Beach Ave. Bay View S. Dartmouth, MA 02748

Sammy L. Morrison, Trustee of the Sammy and Sibyl Morrison Mineral Trust 4617 Breezeway Court Midland, TX 79707

## **EXHIBIT A**

Gerald J. Brockman 15071 Golf Drive Whitney, TX 76692

Misty Morning Partnership, Ltd. 1645 Fox Lane Burleson, TX 76028

Douglas Investments, Inc. P.O. Box 79148 Saginaw, TX 76179

Panther City Exploration Company 307 West 7<sup>th</sup> Street, Ste. 810 Fort Worth, TX 76102

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16216

## APPLICATION

MAY 04 2018 FH03:34

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 E/2 of Section 21 and has the right to drill thereon.
- 2. Devon proposes to drill its **Gaucho 21 Fed 6H** well to a depth sufficient to test the 2<sup>nd</sup> Bone Spring formation.
- 3. Applicant seeks to dedicate the E/2 E/2 of Section 21 to form a non-standard 160-acre ± oil spacing and proration unit (project area) in the Bone Spring formation, WC-025 G-06 S223421L Bone Spring Pool (97922). The well is an approximate 4,775' horizontal well with a surface location 175 feet from the south line and 185 feet from the east line and a bottom hole location 330 from the north line and 380 feet from the east line of Section 21. The first and last take points for the well will be located within the designated setbacks for the pool for the well's project area.

- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the proposed project area for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation. Applicant seeks to dedicate the E/2 E/2 of Section 21 pursuant to NMSA 1978, §§ 70-2-17, 18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHERFORE, Applicant requests that this application be set for hearing on June 14, 2018 and that, following notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit and pooling all mineral interests in the E/2 E/2 of Section 21, Township 22 South, Range 34 East NMPM, Lea County, New Mexico;
  - B. Designating Applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners or mineral interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner or mineral interest owner elects not to participate in the wells.

Respectfully submitted,

/s/ J. Scott Hall

J. Scott Hall
Seth C. McMillan
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

Attorneys for Devon Energy Production Company

Case No.

: Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Gaucho 21 Fed 6H well to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately ¾ mile west of the intersection of Highway 32 and San Simon Road.



**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL OFFSET OPERATORS ON ATTACHED LIST

Re: NMOCD Case No. 16216: Application of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

Compulsory Pooling, Lea County, New Mexico

Dear Sir or Madam:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucho 21 Fed 6H well** to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 34 mile west of the intersection of Highway 32 and San Simon Road.

You are being notified in your capacity as an offset operator. A copy of the Application for hearing is enclosed.

Hearing on this Application before a Division Examiner will be continued to June 28, 2018 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

**REPLY TO:** 

325 Paseo de Peralta Santa Fe, New Mexico 87501 Telephone (505) 982-3873 • Fax (505) 982-4289 All Offset Operators on Attached List June 6, 2018 Page 2

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

## **EXHIBIT A**

## **OFFSETTING OPERATORS**

BTA Oil Producers, LLC 104 S. Pecos Street Midland, TX 79701

COG Operating LLC 600 W. Illinois Avenue Midland, TX 79701

Mewbourne Oil Co. 500 West Texas Avenue, Suite 1020 Midland, TX 79707

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16216

## APPLICATION

MAY 04 2018 FH03:34

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- 1. Applicant is an interest owner in the E/2 E/2 of Section 21 and has the right to drill thereon.
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- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the proposed project area for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation. Applicant seeks to dedicate the E/2 E/2 of Section 21 pursuant to NMSA 1978, §§ 70-2-17, 18.
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- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners or mineral interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner or mineral interest owner elects not to participate in the wells.

Respectfully submitted,

/s/ J. Scott Hall

J. Scott Hall
Seth C. McMillan
Montgomery & Andrews, P.A.
Post Office Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

Attorneys for Devon Energy Production Company

Case No.

: Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Gaucho 21 Fed 6H well to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately \(^3/\_4\) mile west of the intersection of Highway 32 and San Simon Road.



**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Larry T. Long 2011 State Highway 135 North Kilgore, TX 75662

Re: NMOCD Case No. 16216: Application of Devon Energy Production

Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

Compulsory Pooling, Lea County, New Mexico

Dear Mr. Long:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucho 21 Fed 6H well** to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 34 mile west of the intersection of Highway 32 and San Simon Road.

A copy of the Application for hearing is enclosed.

Hearing on this Application before a Division Examiner will be continued to June 28, 2018 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing

Larry T. Long June 6, 2018 Page 2

statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16216

## APPLICATION

MAY 04 2018 PM03:34

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 E/2 of Section 21 and has the right to drill thereon.
- 2. Devon proposes to drill its **Gaucho 21 Fed 6H** well to a depth sufficient to test the 2<sup>nd</sup> Bone Spring formation.
- 3. Applicant seeks to dedicate the E/2 E/2 of Section 21 to form a non-standard 160-acre ± oil spacing and proration unit (project area) in the Bone Spring formation, WC-025 G-06 S223421L Bone Spring Pool (97922). The well is an approximate 4,775' horizontal well with a surface location 175 feet from the south line and 185 feet from the east line and a bottom hole location 330 from the north line and 380 feet from the east line of Section 21. The first and last take points for the well will be located within the designated setbacks for the pool for the well's project area.

- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the proposed project area for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation. Applicant seeks to dedicate the E/2 E/2 of Section 21 pursuant to NMSA 1978, §§ 70-2-17, 18.
- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHERFORE, Applicant requests that this application be set for hearing on June 14, 2018 and that, following notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit and pooling all mineral interests in the E/2 E/2 of Section 21, Township 22 South, Range 34 East NMPM, Lea County, New Mexico;
  - B. Designating Applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners or mineral interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner or mineral interest owner elects not to participate in the wells.

Respectfully submitted,

/s/ J. Scott Hall

J. Scott Hall Seth C. McMillan Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873

Attorneys for Devon Energy Production Company

*Ease No.*: Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Gaucho 21 Fed 6H well to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3/4 mile west of the intersection of Highway 32 and San Simon Road.



**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## TO: ALL OVERRIDING ROYALTY INTEREST OWNERS ON ATTACHED LIST

Re: NMOCD Case No. 16217: Application of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration Unit, Compulsory Pooling, Lea County, New Mexico

Dear Sir or Madam:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucho 21 Fed 7H well** to be drilled from an approximate surface location 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1,580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately <sup>3</sup>/<sub>4</sub> mile west of the intersection of Highway 32 and San Simon Road.

You are being notified in your capacity as an overriding royalty interest owner. A copy of the Application for hearing is enclosed.

Hearing on this Application before a Division Examiner will be continued to June 28, 2018 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing

All ORRIs on attached list June 6, 2018 Page 2

statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

## **EXHIBIT A**

## OVERRIDING ROYALTY INTERESTS

Robert E. Landreth 110 W. Louisiana Ste. 404 Midland, TX 79701

Scott W. Tanberg 2509 Legacy Oaks Midland, TX 79705

Alan Jochimsen (a married man dealing with his sole and separate property) 4209 Cardinal Lane Midland, TX 79707

Marcheta Jochimsen (a married woman dealing with her sole and separate property) 4209 Cardinal Lane Midland, TX 79707

Deborah Fedric P.O. Box 1837 Roswell, NM 88202

Margaret Hunker Tsui, as Trustee of The Margaret Hunker Tsui Trust 3200 N. Tacoma Street Arlington, VA 22213

Margaret K. Hunker, Trustee of the Margaret K. Hunker Trust under Trust Agreement dated November 5, 2002
3200 N. Tacoma Street
Arlington, VA 22213

Monty D. McLane P.O. Box 9451 Midland, TX 79708

Norton LLC, a New Mexico limited liability company 60 Beach Ave. Bay View S. Dartmouth, MA 02748

Sammy L. Morrison, Trustee of the Sammy and Sibyl Morrison Mineral Trust 4617 Breezeway Court Midland, TX 79707

## **EXHIBIT A**

Gerald J. Brockman 15071 Golf Drive Whitney, TX 76692

Misty Morning Partnership, Ltd. 1645 Fox Lane Burleson, TX 76028

Douglas Investments, Inc. P.O. Box 79148 Saginaw, TX 76179

Panther City Exploration Company 307 West 7<sup>th</sup> Street, Ste. 810 Fort Worth, TX 76102

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16217

## **APPLICATION**

MAY 04 2018 PHO3:33

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 E/2 of Section 21 and has the right to drill thereon.
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/s/ J. Scott Hall

J. Scott Hall Seth C. McMillan Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873

Attorneys for Devon Energy Production Company

Case No.

Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Gaucho 21 Fed 7H well to be drilled from and approximate surface location 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1,580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately mile west of the intersection of Highway 32 and San Simon Road.



**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

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TO: ALL OFFSETTING OPERATORS ON ATTACHED LIST

Re: NMOCD Case No. 16217: Application of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

Compulsory Pooling, Lea County, New Mexico

Dear Sir or Madam:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucho 21 Fed 7H well** to be drilled from an approximate surface location 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1,580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately <sup>3</sup>/<sub>4</sub> mile west of the intersection of Highway 32 and San Simon Road.

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All offsets on attached list June 6, 2018 Page 2

statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

## **EXHIBIT A**

## **OFFSETTING OPERATORS**

BTA Oil Producers, LLC 104 S. Pecos Street Midland, TX 79701

COG Operating LLC 600 W. Illinois Avenue Midland, TX 79701

Mewbourne Oil Co. 500 West Texas Avenue, Suite 1020 Midland, TX 79707

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16217

## **APPLICATION**

MAY 04 2018 PH03:33

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- 6. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 21 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHERFORE, Applicant requests that this application be set for hearing on June 14, 2018 and that, following notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit and pooling all mineral interests in the W/2 E/2 of Section 21, Township 22 South, Range 34 East NMPM, Lea County, New Mexico;
  - B. Designating Applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners or mineral interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner or mineral interest owner elects not to participate in the wells.

Respectfully submitted,

/s/ J. Scott Hall

J. Scott Hall Seth C. McMillan Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873

Attorneys for Devon Energy Production Company

Case No. : Application of Devon Energy Production Company L.P. for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed Gaucho 21 Fed 7H well to be drilled from and approximate surface location 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1,580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 1/4 mile west of the intersection of Highway 32 and San Simon Road.



**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Larry T. Long 2011 State Highway 135 North Kilgore, TX 75662

Re: NMOCD Case No. 16217: Application of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

Compulsory Pooling, Lea County, New Mexico

Dear Mr. Long:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation, underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucho 21 Fed 7H well** to be drilled from an approximate surface location 326 feet from the south line and 545 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 1,580 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately <sup>3</sup>/<sub>4</sub> mile west of the intersection of Highway 32 and San Simon Road.

A copy of the Application for hearing is enclosed.

Hearing on this Application before a Division Examiner will be continued to June 28, 2018 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing

Larry T. Long June 6, 2018 Page 2

statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16217

## APPLICATION

MAY 04 2018 PHO3:33

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard spacing and proration unit comprised of the W/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the W/2 E/2 of Section 21 and has the right to drill thereon.
- 2. Devon proposes to drill its **Gaucho 21 Fed 7H** well to a depth sufficient to test the 2<sup>nd</sup> Bone Spring formation.
- 3. Applicant seeks to dedicate the W/2 E/2 of Section 21 to form a non-standard 160-acre ± oil spacing and proration unit (project area) in the Bone Spring formation, WC-025 G-06 S223421L Bone Spring Pool (97922). The well is an approximate 4,675' horizontal well with a surface location 326 feet from the south line and 545 feet from the east line and a bottom hole location 330 from the north line and 1,580 feet from the east line of Section 21. The first and last take points for the well will be located within the designated setbacks for the pool for the well's project area.

- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the proposed project area for the purposes set forth herein.
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  - B. Designating Applicant as operator of the well;
- C. Considering the cost of drilling and completing the wells, and allocating the cost among the wells' working interest owners or mineral interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner or mineral interest owner elects not to participate in the wells.

Respectfully submitted,

/s/ J. Scott Hall

J. Scott Hall Seth C. McMillan Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873

Attorneys for Devon Energy Production Company

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**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 22, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Larry T. Long P.O. Box 1777 Kilgore, TX 75662

Re: NMOCD Case Nos. 16216 and 16217: Applications of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration

Unit, Compulsory Pooling, Lea County, New Mexico

Dear Mr. Long:

The enclosed notice letter was returned to our office as undeliverable.

Very truly yours,

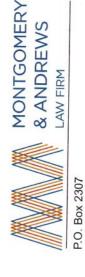
Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)







Santa Fe, New Mexico 87504-2307

Larry T. Long 2011 State Highway 135 North Kilgore, TX 75662

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#### COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION A. Signature ■ Complete items 1, 2, and 3. ☐ Agent ■ Print your name and address on the reverse X ☐ Addressee so that we can return the card to you. B. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: If YES, enter delivery address below: Larry T. Long 2011 State Highway 135 North Kilgore, TX 75662 3. Service Type Registered Mail Pestricted Delivery Adult Signature Adult Signature Restricted Delivery Certified Mail® Certified Mail Restricted Delivery Return Receipt for Merchandise 9590 9401 0118 5225 7035 28 ☐ Collect on Delivery ☐ Collect on Delivery ☐ Insured Mail ☐ Signature Confirmation™ ☐ Signature Confirmation 2. Article Number (Transfer from service label) 7015 1730 0000 9793 3504 Insured Mail Restricted Delivery (over \$500) Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt



**SETH C. McMILLAN** Phone: (505) 986-2519

Email: smcmillan@montand.com

www.montand.com

June 6, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Larry T. Long 2011 State Highway 135 North Kilgore, TX 75662

Re: NMOCD Case No. 16216: Application of Devon Energy Production

Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

Compulsory Pooling, Lea County, New Mexico

Dear Mr. Long:

This will advise that Devon Energy Production Company, L.P. has filed an Application with the New Mexico Oil Conservation Division for an order approving a 160-acre non-standard oil spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Gaucho 21 Fed 6H well** to be drilled from an approximate surface location 175 feet from the south line and 185 feet from the east line of Section 21 to a bottomhole location 330 feet from the north line and 380 feet from the east line of Section 21. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost, the designation of Applicant as Operator and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 34 mile west of the intersection of Highway 32 and San Simon Road.

A copy of the Application for hearing is enclosed.

Hearing on this Application before a Division Examiner will be continued to June 28, 2018 at 8:15 a.m. at the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant and other parties with a pre-hearing

Larry T. Long June 6, 2018 Page 2

statement at least four business days before the scheduled hearing date in accordance with Division Rule 19.15.4.13.

Very truly yours,

Seth C. McMillan

SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16216

### APPLICATION

MAY 04 2018 PM03:34

Devon Energy Production Company, L.P. ("Devon") applies for an order approving a non-standard spacing and proration unit comprised of the E/2 E/2 of Section 21, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

- 1. Applicant is an interest owner in the E/2 E/2 of Section 21 and has the right to drill thereon.
- 2. Devon proposes to drill its **Gaucho 21 Fed 6H** well to a depth sufficient to test the 2<sup>nd</sup> Bone Spring formation.
- 3. Applicant seeks to dedicate the E/2 E/2 of Section 21 to form a non-standard 160-acre ± oil spacing and proration unit (project area) in the Bone Spring formation, WC-025 G-06 S223421L Bone Spring Pool (97922). The well is an approximate 4,775' horizontal well with a surface location 175 feet from the south line and 185 feet from the east line and a bottom hole location 330 from the north line and 380 feet from the east line of Section 21. The first and last take points for the well will be located within the designated setbacks for the pool for the well's project area.

- 4. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the proposed project area for the purposes set forth herein.
- 5. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation. Applicant seeks to dedicate the E/2 E/2 of Section 21 pursuant to NMSA 1978, §§ 70-2-17, 18.
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- A. Approving a non-standard oil spacing and proration unit and pooling all mineral interests in the E/2 E/2 of Section 21, Township 22 South, Range 34 East NMPM, Lea County, New Mexico;
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/s/ J. Scott Hall

J. Scott Hall Seth C. McMillan Montgomery & Andrews, P.A. Post Office Box 2307 Santa Fe, NM 87504-2307 (505) 982-3873

Attorneys for Devon Energy Production Company

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June 6, 2018

### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Larry T. Long 2011 State Highway 135 North Kilgore, TX 75662

Re: NMOCD Case No. 16217: Application of Devon Energy Production Company, L.P. for a Non-Standard Oil Spacing and Proration Unit,

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Larry T. Long June 6, 2018 Page 2

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SCM:do Enclosure

cc: Katie Dean, Devon Energy Corporation (w/enc., via email)

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT, COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 16217

#### APPLICATION

MAY 04 2018 PHO3:33

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# **EXHIBIT 10**



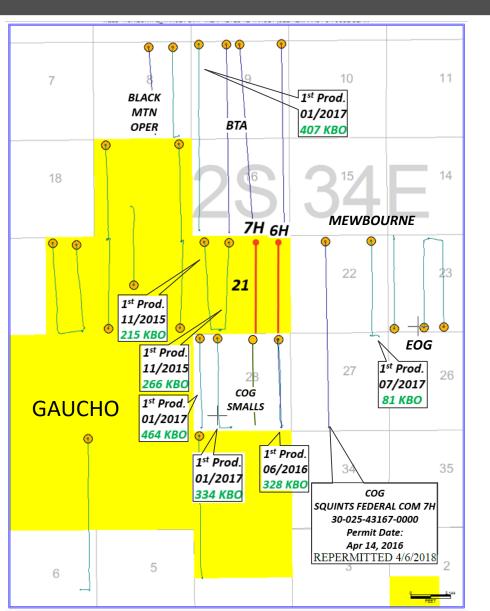


### Delaware Basin Dewey Lake Rustler Salado Castile Lamar Bell Canyon Cherry Canyon Brushy Canyon Leonard 1st Bone Spring Sand 2nd Bone Spring Sand 3rd Bone Spring Sand Wolfcamp Cisco Canyon Strawn Atoka Morrow

## Location map Gaucho Section 21

## Geologic Summary- Planned and drilled 2<sup>nd</sup> BSSS wells





Planned and drilled 2<sup>nd</sup> BSSS wells Offsetting Gaucho 21

Gaucho 21 Fed 6H & 7H
Planned
2nd BSSS wells

Twn 22S Rge 34E Sec 21

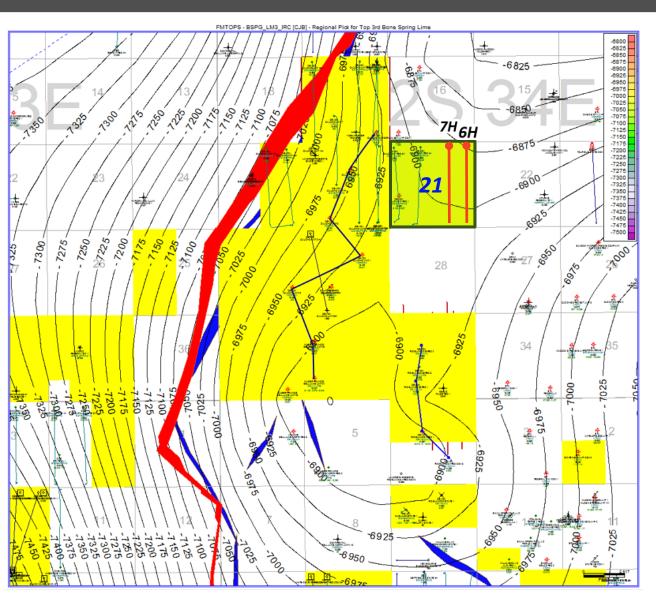


Devon Energy Acreage

## Subsea structure- Base of 2nd Bone Spring Sandstone Target

## Geologic Summary





# Base of **2**nd **Bone Spring**

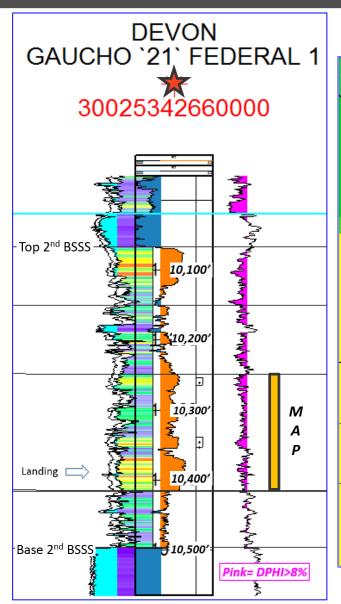
Subsea Structure (Top 3<sup>rd</sup> BSLM) CI 25'

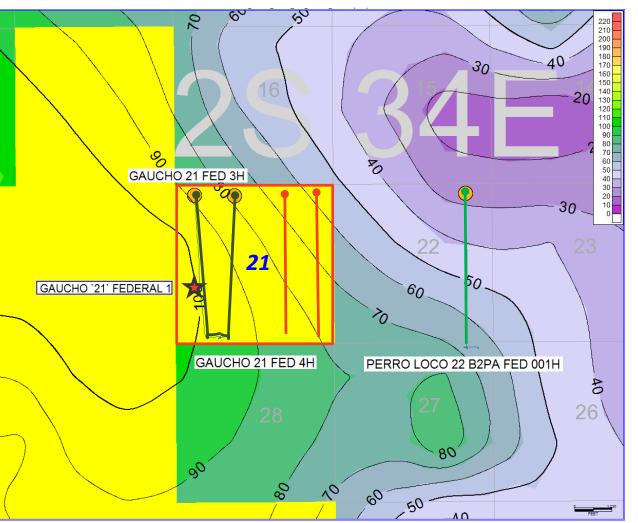
(just below target)

## Net thickness- lower 2nd Bone Spring Sandstone

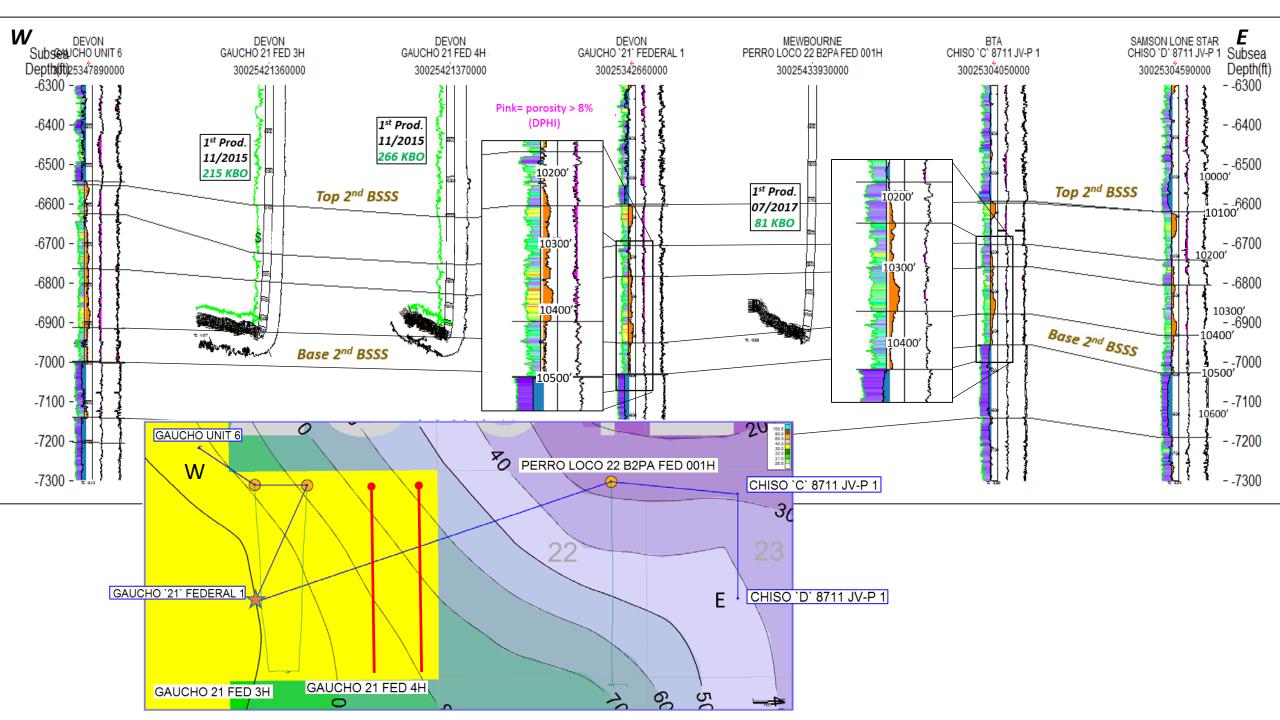
Geologic Summary











# EXHIBIT 11



#### Gaucho 21 Fed Unit 6H

County Rig API WBS

Surface Fresh Water 8.4 - 8.6 PPG

Intermediate Brine 9.8 - 10.0 PPG 28 FV NC API FL Formation Depth (TVD) Thickness (ft) Rustler 1606 270 1793 Top of Salt 1876 Base of Salt 3669 170 342 Yates 3839 1103 Capitan 5284 Delaware 200 Brushy Canyon 5484 3019 Bone Spring 8503 1041 1st BSPG Sand 9544 80 2nd BSPG Lime 9624 460 2nd BSPG Sand 10084

**Hole:** 17.5 **MD:** 1,625

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**Hole:** 12.25 **MD:** 5,100

Casing Program:										
Section	Size	Weight	Grade	Conn	Top	Shoe (APD)	Shoe (Plan)			
Surface	13 3/8	54.5	J-55	BTC	0	1,625	1,625			
Intermediate	9 5/8	40	J-55	BTC	0	5,100	5,100			
Production	5 1/2	17	P110RY	CDC HTO	0	15.074	15,074			

Casing Mechanical Specifications:										
Size	Collapse	Burst	Jt Yield	Min	Opt	Max	ID	Drift		
13 3/8	1130	2740	853		13380		12.615	12.459		
9 5/8	4230	3950	630	3900	5200	6500	8.835	8.679		
5 1/2	7460	10640	568	10000	12500	14000	4.892	4.767		

Cementing Program:									
Section	Slurry	Тор	Sacks	Gauge Vol (BBL)	Excess Vol (BBL)	Tot Vol w/ Excess (BBL)	Density (PPG)	Excess	
Surface	Lead	Surf	675.6	139.2	208.8	301.6	13.5	50%	
Surface	Tail	1125.0	391.7	61.9	92.8		14.8	50%	
Inter	Lead	Surf	823.2	243.0	284.5	360.2	12.5	30%	
inter	Tail	4100.0	319.6	59.0	75.7		14.8	30%	
Prod	Lead	3100.0	509.8	303.1	324.1	564.0	10.5	10%	
	Tail	9772.0	922.6	218.1	239.9		13.2	10%	

<sup>\*</sup>Cement volumes are rough estimates. Use volumes provided in cement proposals

MD 9,772 TVD 9,761 Prod Curve Cut Brine 8.4 - 9.0 PPG 28 FV NC API FL

LP:

10,664 MD 10,334 TVD Production Lateral Cut Brine 8.4 - 9.0 PPG

Cut Brine 8.4 - 9.0 PPG 35 FV 15 API FL

TD:

Expected BHP @ TVD:

4,702

15,002 MD 10,394 TVD

Hole Size (Int CSG - LP): 8.75

Hole Size (LP - TD): 8.5



Hole: 17.5 **MD:** 1,625

Hole: 12.25 MD: 5,100

Gaucho 21 Fed Unit 7H

County Rig API WBS

Surface

Fresh Water 8.4 - 8.6 PPG

Intermediate

Brine 9.8 - 10.0 PPG 28 FV NC API FL

Formation	Depth (TVD)	Thickness (ft)
Rustler	1606	270
Top of Salt	1876	1793
Base of Salt	3669	170
Yates	3839	342
Capitan	4181	1103
Delaware	5284	200
Brushy Canyon	5484	3019
Bone Spring	8503	1041
1st BSPG Sand	9544	80
2nd BSPG Lime	9624	460
2nd BSPG Sand	10084	

Casing Program:										
Section	Size	Weight	Grade	Conn	Top	Shoe (APD)	Shoe (Plan)			
Surface	13 3/8	54.5	J-55	BTC	0	1,625	1,625			
Intermediate	9 5/8	40	J-55	BTC	0	5,100	5,100			
Production	5 1/2	17	P110RY	CDC HTQ	0	15,074	15,074			

	Casing Mechanical Specifications:										
Size	Collapse	Burst	Jt Yield	Min	Opt	Max	ID	Drift			
13 3/8	1130	2740	853		13380		12.615	12.459			
9 5/8	4230	3950	630	3900	5200	6500	8.835	8.679			
5 1/2	7460	10640	568	10000	12500	14000	4.892	4.767			

Cementing Program:									
Section	Slurry	Тор	Sacks	Gauge Vol (BBL)	Excess Vol (BBL)	Tot Vol w/ Excess (BBL)	Density (PPG)	Excess	
Surface Lead	Lead	Surf	675.6	139.2	208.8	301.6	13.5	50%	
Surface	Tail	1125.0	391.7	61.9	92.8		14.8	50%	
Inter	Lead	Surf	823.2	243.0	284.5	360.2	12.5	30%	
inter	Tail	4100.0	319.6	59.0	75.7		14.8	30%	
Prod	Lead	3100.0	516.0	306.6	328.0	5.77.6	10.5	10%	
	Tail	9851.0	921.4	217.8	239.6	567.6	13.2	10%	

<sup>\*</sup>Cement volumes are rough estimates. Use volumes provided in cement proposals

KOP:

MD 9,851 TVD 9,761

**Prod Curve** Cut Brine 8.4 - 9.0 PPG 28 FV NC API FL

**Production Lateral** Cut Brine

8.4 - 9.0 PPG 35 FV 15 API FL

Expected BHP @ TVD:

4,702

**LP:**10,743 MD
10,334 TVD

Hole Size (Int CSG - LP): 8.75

Hole Size (LP - TD): 8.5

TD: 15,074 MD 10,394 TVD