BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING MARCH 5, 2020

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

Case No. 21119

Hot Potato 26-23 Fed 333H Well

Case No. 21120

Hot Potato 26-23 Fed 399H Well Hot Potato 26-23 Fed 332H Well

Case No. 21121

Hot Potato 26-23 Fed 331H Well

Case No. 21122

Hot Potato 26-23 Fed 622H Well Hot Potato 26-23 Fed 712H Well

Case No. 21123

Hot Potato 26-23 Fed 621H Well Hot Potato 26-23 Fed 711H Well

Devon Energy Production Company, L.P.

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY LP FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NOS. 21119, 21120 & 21121

AFFIDAVIT OF VERL BROWN IN SUPPORT OF CASE NOS. 21119, 21120 & 21121

Verl Brown, of lawful age and being first duly sworn, declares as follows:

 My name is Verl Brown. I work for Devon Energy Production Company, L.P. ("Devon") as a Landman.

2. I graduated from the University of Tulsa with a bachelor's degree in Energy Management in 2011, and I graduated from Oklahoma City University School of Law with a Juris Doctor in 2017. I have previously testified before the New Mexico Oil Conservation Division as an expert witness as a petroleum landman. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

I am familiar with the applications filed by Devon in Case Nos. 21119, 21120, and
21121, and I am familiar with the status of the lands in the subject area.

4. The purpose of this application is to force pool uncommitted interest owners, both working interests and overriding royalty interests, into the horizontal spacing units and wells, as described below, pursuant to **Case Nos. 21119, 21120, and 21121.**

5. None of the uncommitted parties has indicated opposition to these pooling applications, and therefore I do not expect any opposition at the hearing.



<u>CASE NO. 21119</u>

6. In this case, Devon is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

7. Devon seeks to dedicate the above horizontal spacing unit to proposed **Hot Potato** 26-23 Fed 333H well to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 26, 325' FSL x 1499' FEL, more or less, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 23, 20' FNL x 1254' FEL, more or less. Total Vertical Depth of said Well is 10,206'. The completed interval for the **Hot Potato 26-23 Fed 333H well** will remain within 330 feet of the quarter-section line separating the W/2 E/2 from the E/2 E/2 of Sections 23 and 26, and will utilize proximity tracts, to allow inclusion of offset acreage into a standard 640-acre horizontal well spacing unit.

8. Devon has prepared a draft Form C-102 to file with the Division for this proposed well that is attached hereto as **Devon Exhibit A-1**. Devon has been advised by the District Office that this horizontal spacing unit is located in the Laguna Salado; Bone Spring Pool (Pool Code 96721).

9. As shown on **Devon Exhibit A-1**, the first take point and last take point for the Hot Potato 26-23 Fed 333H well are:

- First Take Point: 100' FSL & 1254' FEL of Section 26
- Last Take Point: 100' FNL & 1254' FEL of Section 23

10. There are no depth severances in the Bone Spring formation underlying this acreage.

11. **Devon Exhibit A-2** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal land. This exhibit shows the interest owners that Devon seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit.

12. Devon is seeking to pool both working interest owners and overriding royalty interest owners identified on **Devon Exhibit A-2**, which shows the nature of their interests and last known addresses.

13. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Devon Exhibit A-3**. The costs reflected in the AFE are consistent with, reasonable and comparable to, what Devon and other operators have incurred for drilling similar horizontal wells in the area.

<u>CASE NO. 21120</u>

14. In this case, Devon is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

15. Devon seeks to dedicate the above horizontal spacing unit to the following proposed wells:

• The Hot Potato 26-23 Fed 332H well to be horizontally drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 26, 325' FSL x 1022' FWL, more or less, to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 23, 20' FNL x 2178' FWL, more or less. Total Vertical Depth of said

Well is 10,160'. The completed interval for will remain within the standard setback as required by the statewide rules for horizontal oil wells.

The Hot Potato 26-23 Fed 399H well to be horizontally drilled from surface hole locations in the SE/4 SW/4 (Unit N) of Section 26, 325' FSL x 1802' FWL, more or less, to bottom hole locations in the NE/4 NW/4 (Unit C) of Section 23, 20' FNL x 2148' FWL. Total Vertical Depth of said Well is 10,195'. The completed interval for will remain within the standard setback as required by the statewide rules for horizontal oil wells.

16. Devon has prepared a draft Form C-102 to file with the Division for the proposed wells that is attached hereto as **Devon Exhibit A-4**. Devon has been advised by the District Office that this horizontal spacing unit is located in the Laguna Salado; Bone Spring Pool (Pool Code 96721)

17. As shown on **Devon Exhibit A-4**, the first take point and last take point for the wells are:

- Hot Potato 26-23 Fed 332H well
 - o First Take Point: 100' FSL & 2178' FEL of Section 26
 - o Last Take Point: 100' FNL & 2178' FEL of Section 23

• Hot Potato 26-23 Fed 399H well -

- o First Take Point: 100' FSL & 2148' FEL of Section 26
- o Last Take Point: 100' FNL & 2148' FEL of Section 23

18. There are no depth severances in the Bone Spring formation underlying this acreage.

19. **Devon Exhibit A-5** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal land. This exhibit shows the interest owners that Devon seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit.

20. Devon is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-5.

21. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Devon Exhibit A-6**. The costs reflected in the AFE are consistent with, reasonable and comparable to, what Devon and other operators have incurred for drilling similar horizontal wells in the area.

<u>CASE NO. 21121</u>

22. In this case, Devon is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Sections 23 and 26, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

23. Devon seeks to dedicate the above horizontal spacing unit to the proposed Hot Potato 26-23 Fed 331H well to be horizontally drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 26, 325' FSL x 962' FWL, more or less, to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 23, 20' FNL' x 330' FWL, more or less. Total Vertical Depth of said Well is 10,160'. The completed interval for the Hot Potato 26-23 Fed 331H well will remain within the standard setback as required by the statewide rules for horizontal oil wells.

24. Devon has prepared a draft Form C-102 to file with the Division for the proposed well that is attached hereto as **Devon Exhibit A-7**. Devon has been advised by the District Office that this horizontal spacing unit is located in the Laguna Salado; Bone Spring Pool (Pool Code 96721)

25. As shown on **Devon Exhibit A-7**, the first take point and last take point for the Hot Potato 26-23 Fed 331H well are:

• First Take Point: 100' FSL & 330' FEL of Section 26

• Last Take Point: 100' FNL & 330' FEL of Section 23

26. There are no depth severances in the Bone Spring formation underlying this acreage.

27. **Devon Exhibit A-8** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal land. This exhibit shows the interest owners that Devon seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit.

28. Devon is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-8, which the nature of their interests and last known addresses.

29. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Devon Exhibit A-9**. The costs reflected in the AFE are consistent with, reasonable and comparable to, what Devon and other operators have incurred for drilling similar horizontal wells in the area.

30. Devon has been able to locate contact information for all of the parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest

owners in **Case Nos. 21119**, **21120**, and **21121**. The interest owners requested to be pooled have been contacted regarding the proposed wells but did not agree to voluntarily commit their interests in the wells. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If there is a mutually agreeable Joint Operating Agreement reached between Devon and another interest owner(s), Devon requests that the voluntary agreement become operative and supersede the Division's order, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

31. In Case Nos. 21119, 21120, and 21121, Devon seeks approval of overhead and administrative costs at \$8,000/month while drilling and \$800/month while producing. These costs are consistent with, reasonable and comparable to, what Devon and other operators are charging in this area for these types of wells. Devon respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in these cases and that periodic adjustments be allowed as provided by the COPAS Accounting Procedure.

32. The four wells in Case Nos. 21119, 21120, and 21121 will be drilled to the Bone Spring formation in the same sections as other wells in Case Nos. 21123 and 21112, to be drilled to the Wolfcamp formation. The wells have separate laterals to the Wolfcamp formation, and Devon does not intend, or anticipate the need, to downhole comingle the two formations. However, given that two pools are involved, and certain units overlap between the formations, Devon requests approval of downhole comingling, pursuant to 19.15.16.11 NMAC, only in the event such option may be useful during the latter parts of production to promote conservation and prevent waste. If the Division determines that such request is premature, Devon respectfully requests that the Division Order be granted

without the commingling provision which would be applied for administratively at a later date if needed.

33. Devon requests that it be designated as operator of the units and wells in Case Nos. 21119, 21120, and 21121.

34. Devon requests costs to the maximum extent allowable, plus a 200% risk charge be assessed against non-consenting working interest owner.

35. Because the proposed wells will be drilled and completed with other proposed wells, as part of a simultaneous drilling and completion project, Devon requests an extension of the normal 120-day period to 365 days to drill and complete the initial well within each unit of Case Nos. 21119, 21120 and 21121.

36. The Hot Potato 26-23 Fed 331H Well, the Hot Potato 26-23 Fed 332H Well, the Hot Potato 26-23 Fed 333H Well, and the Hot Potato 26-23 Fed 399H Well are the same wells, as the Hot Potato 26-23 Fed Com 331H Well, the Hot Potato 26-23 Fed Com 332H Well, the Hot Potato 26-23 Fed Com 333H Well, and the Hot Potato 26-23 Fed Com 399H Well, respectively. Devon removed the "Com" designation at the request of the BLM, and notice of this minor adjustment was provided to all interest owners pursuant to 19.15.4.12 NMAC.

37. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

38. **Devon Exhibit A-1** through **A-9** were either prepared by me or compiled under my direction and supervision.

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

[Signature page follows]

FURTHER AFFIANT SAYETH NOT.

VERL BROWN

STATE OF OKLAHOMA

COUNTY OF OKLAHOMA

SUBSCRIBED and SWORN to before me this 4π day of March 2020 by Verl

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Brown.

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NOTARY PUBLIC

My Commission Expires:

23

District I 1625 N. French Dr., H	obbs, NM 8824	0		S	tate of Ne	w Mexico		Deviced	Form C-102
Phone: (575) 393-6163 District II		Ene	ergy, N	1ineral	s & Natura	al Resources	Departme	ent	August 1, 2011
811 S. First St., Artesia Phone: (575) 748-1283 District III		-9720	0	L COI	NSERVA	FION DIVI	SION		mit one copy to
1000 Rio Brazos Road Phone: (505) 334-6178				122	20 South St	t. Francis Dr		appropriat	e District Office
District IV 1220 S. St. Francis Dr.,				9	Santa Fe, N	IM 87505			NDED REPORT
Phone: (505) 476-3460		-3462							
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⁷ OGRID	No.				⁸ Operato	r Name			⁹ Elevation
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Well Number 333H
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Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitu	Latitude			Longitude		NAD			

First Take Point (FTP)

UL P	Section 26	Township 23-S	Range 29-E	Lot	Feet 100	From N/S SOUTH	Feet 1254	From E/W EAST	County EDDY	
	Latitude 32.268875°				Longitude -103.9508	325°	NAD 83			

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
A	23	23-S	29-E		100	NORTH	1254	EAST	EDDY
Latitude				Longitude				NAD	
32.297542°				-103.950872°				83	

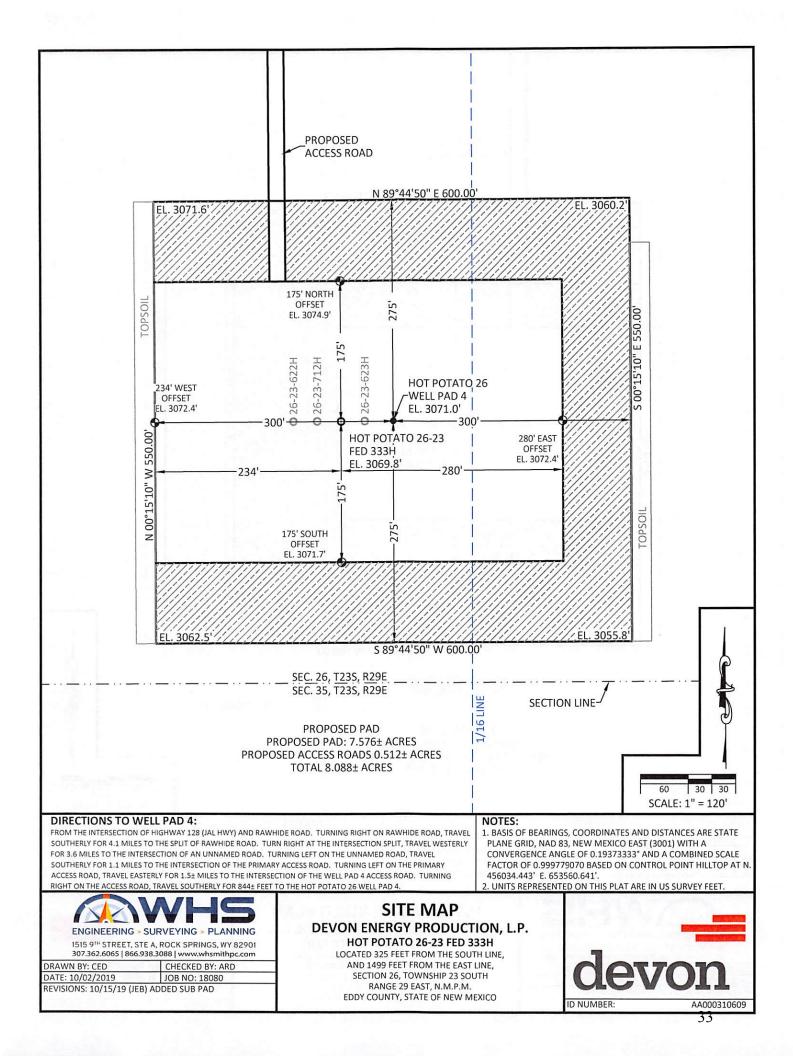
Is this well the defining well for the Horizontal Spacing Unit?

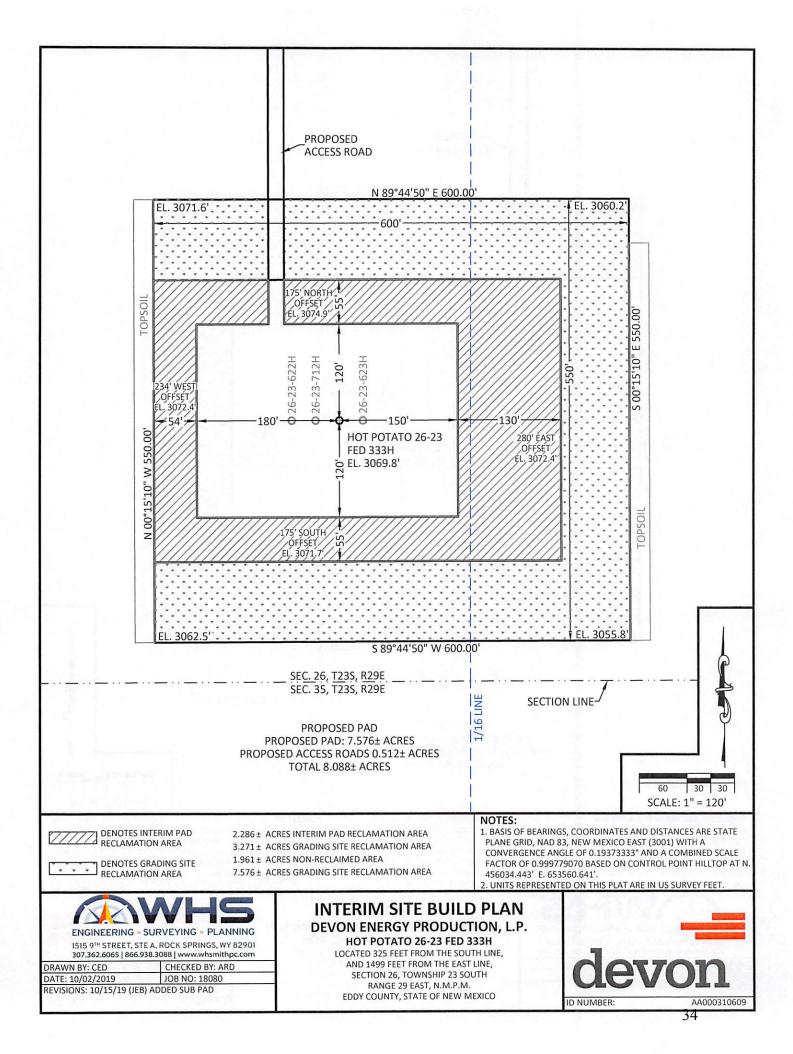
Is this well an infill well?

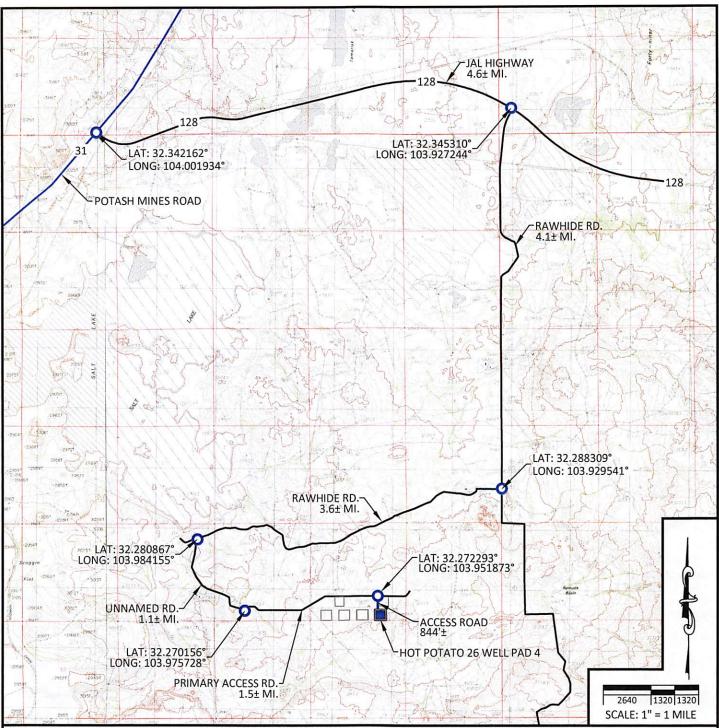
N I

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

API #		
Operator Name:	Property Name:	Well Number
<u> </u>	······································	KZ 06/29/2018







1. BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE STATE PLANE GRID, NAD 83, NEW MEXICO EAST (3001) WITH A CONVERGENCE ANGLE OF 0.19373333° AND A COMBINED SCALE FACTOR OF 0.999779070 BASED ON CONTROL POINT HILLTOP AT N. 456034.443' E. 653560.641'. 2. UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET.

DIRECTIONS TO WELL PAD 4:

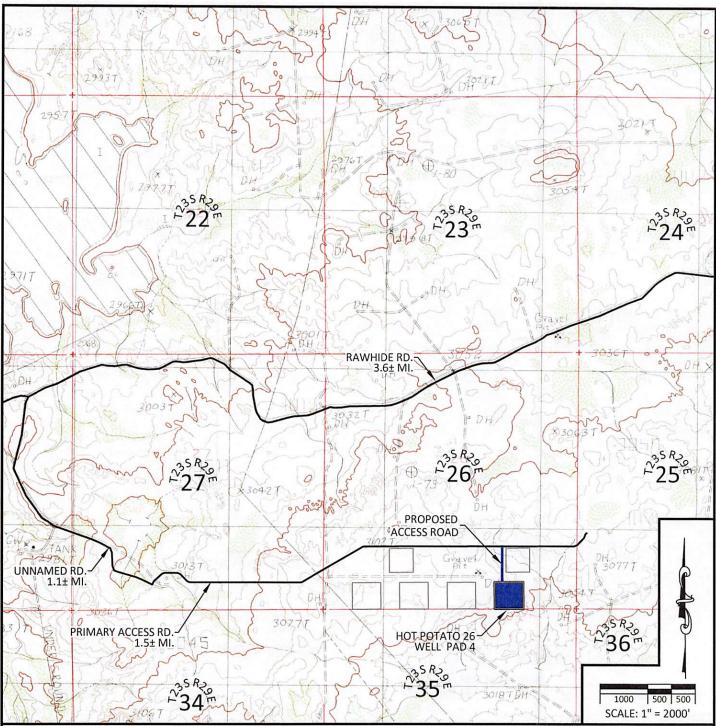
FROM THE INTERSECTION OF HIGHWAY 128 (JAL HWY) AND RAWHIDE ROAD. TURNING RIGHT ON RAWHIDE ROAD, TRAVEL SOUTHERLY FOR 4.1 MILES TO THE SPLIT OF RAWHIDE ROAD. TURN RIGHT AT THE INTERSECTION SPLIT, TRAVEL WESTERLY FOR 3.6 MILES TO THE INTERSECTION OF AN UNNAMED ROAD. TURNING LEFT ON THE UNNAMED ROAD, TRAVEL SOUTHERLY FOR 1.1 MILES TO THE INTERSECTION OF THE PRIMARY ACCESS ROAD. TURNING LEFT ON THE PRIMARY ACCESS ROAD, TRAVEL EASTERLY FOR 1.5± MILES TO THE INTERSECTION OF THE WELL PAD 4 ACCESS ROAD. TURNING RIGHT ON THE ACCESS ROAD, TRAVEL SOUTHERLY FOR 844± FEET TO THE HOT POTATO 26 WELL PAD 4.

	WHS
ENGINEERING	SURVEYING > PLANNING
	TE A, ROCK SPRINGS, WY 82901 938.3088 www.whsmithpc.com
RAWN BY: NJC	CHECKED BY: ARD
ATE: 10/01/2019	JOB NO: 18080
EVISIONS:	TT BUT BEAU

VICINITY MAP **DEVON ENERGY PRODUCTION, L.P.** HOT POTATO 26-23 FED 333H LOCATED 325 FEET FROM THE SOUTH LINE, AND 1499 FEET FROM THE WEST LINE, SECTION 26, TOWNSHIP 23 SOUTH

RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO





1. BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE STATE PLANE GRID, NAD 83, NEW MEXICO EAST (3001) WITH A CONVERGENCE ANGLE OF 0.19373333° AND A COMBINED SCALE FACTOR OF 0.999779070 BASED ON CONTROL POINT HILLTOP AT N. 456034.443' E. 653560.641'. 2. UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET.

DIRECTIONS TO WELL PAD 4:

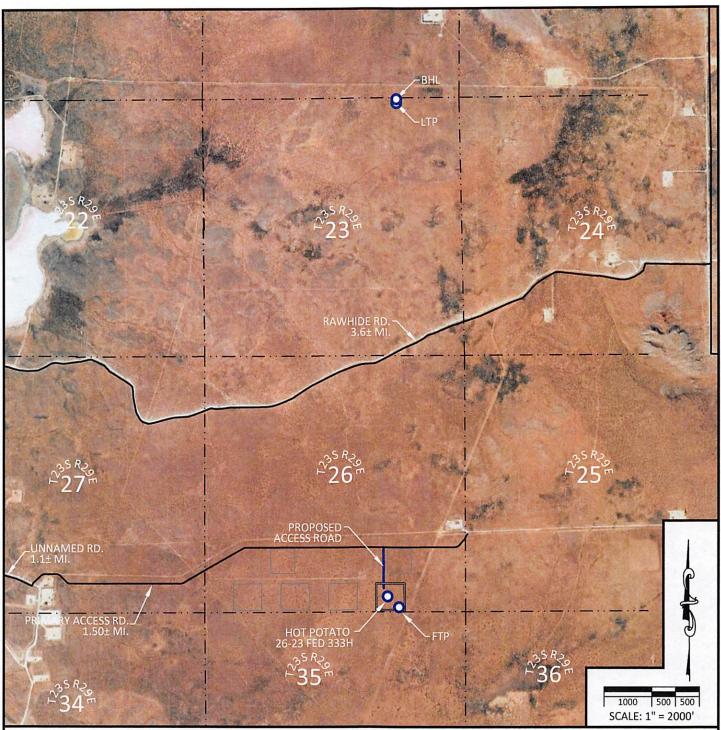
FROM THE INTERSECTION OF HIGHWAY 128 (JAL HWY) AND RAWHIDE ROAD. TURNING RIGHT ON RAWHIDE ROAD, TRAVEL SOUTHERLY FOR 4.1 MILES TO THE SPLIT OF RAWHIDE ROAD. TURN RIGHT AT THE INTERSECTION SPLIT, TRAVEL WESTERLY FOR 3.6 MILES TO THE INTERSECTION OF AN UNNAMED ROAD. TURNING LEFT ON THE UNNAMED ROAD, TRAVEL SOUTHERLY FOR 1.1 MILES TO THE INTERSECTION OF THE PRIMARY ACCESS ROAD. TURNING LEFT ON THE VERIAL FOR 1.5± MILES TO THE INTERSECTION OF THE WELL PAD 4 ACCESS ROAD. TURNING RIGHT ON THE ACCESS ROAD, TRAVEL SOUTHERLY FOR 844± FEET TO THE HOT POTATO 26 WELL PAD 4.

	WHS
	SURVEYING > PLANNING
	TE A, ROCK SPRINGS, WY 82901 938.3088 www.whsmithpc.com
DRAWN BY: NJC	CHECKED BY: ARD
DATE: 10/01/2019	JOB NO: 18080
REVISIONS:	

LOCATION VERIFICATION MAP DEVON ENERGY PRODUCTION, L.P. HOT POTATO 26-23 FED 333H

LOCATED 325 FEET FROM THE SOUTH LINE, AND 1499 FEET FROM THE WEST LINE, SECTION 26, TOWNSHIP 23 SOUTH RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO





1. BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE STATE PLANE GRID, NAD 83, NEW MEXICO EAST (3001) WITH A CONVERGENCE ANGLE OF 0.19373333° AND A COMBINED SCALE FACTOR OF 0.999779070 BASED ON CONTROL POINT HILLTOP AT N. 456034.443' E. 653560.641'. 2. UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET.

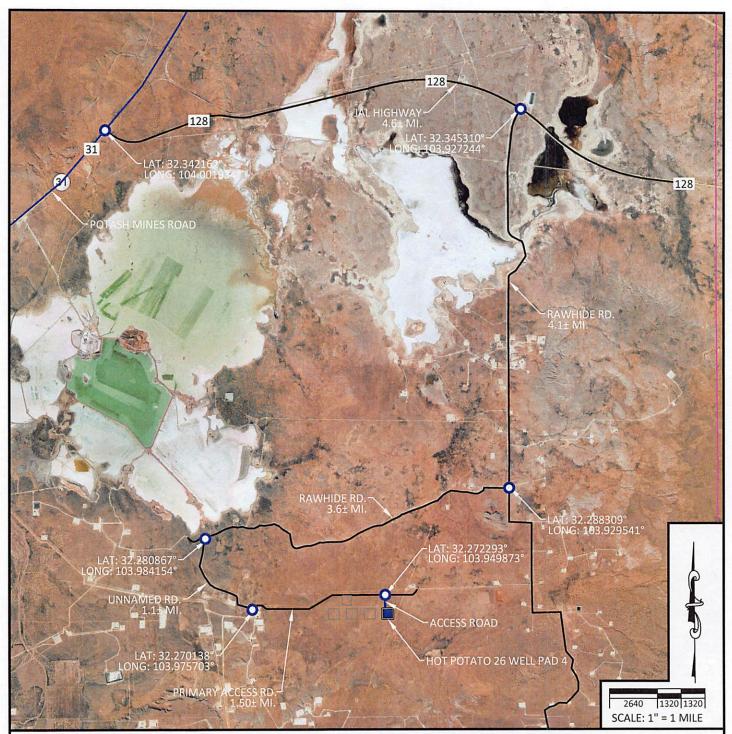
DIRECTIONS TO WELL PAD 4:

FROM THE INTERSECTION OF HIGHWAY 128 (JAL HWY) AND RAWHIDE ROAD. TURNING RIGHT ON RAWHIDE ROAD, TRAVEL SOUTHERLY FOR 4.1 MILES TO THE SPLIT OF RAWHIDE ROAD. TURN RIGHT AT THE INTERSECTION SPLIT, TRAVEL WESTERLY FOR 3.6 MILES TO THE INTERSECTION OF AN UNNAMED ROAD. TURNING LEFT ON THE UNNAMED ROAD, TRAVEL SOUTHERLY FOR 1.1 MILES TO THE INTERSECTION OF THE PRIMARY ACCESS ROAD. TURNING LEFT ON THE PRIMARY ACCESS ROAD, TRAVEL EASTERLY FOR 1.5± MILES TO THE INTERSECTION OF THE WELL PAD 4 ACCESS ROAD. TURNING RIGHT ON THE ACCESS ROAD, TRAVEL SOUTHERLY FOR 844± FEET TO THE HOT POTATO 26 WELL PAD 4.

ENGINEERING >	SURVEYING > PLANNING
	TE A, ROCK SPRINGS, WY 82901 938.3088 www.whsmithpc.com
DRAWN BY: NJC	CHECKED BY: ARD
DATE: 10/01/2019	JOB NO: 18080
REVISIONS:	and the second second

AERIAL MAP DEVON ENERGY PRODUCTION, L.P. HOT POTATO 26-23 FED 333H LOCATED 325 FEET FROM THE SOUTH LINE, AND 1499 FEET FROM THE WEST LINE, SECTION 26, TOWNSHIP 23 SOUTH RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO





1. BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE STATE PLANE GRID, NAD 83, NEW MEXICO EAST (3001) WITH A CONVERGENCE ANGLE OF 0.19373333° AND A COMBINED SCALE FACTOR OF 0.999779070 BASED ON CONTROL POINT HILLTOP AT N. 456034.443' E. 653560.641'. 2. UNITS REPRESENTED ON THIS PLAT ARE IN US SURVEY FEET.

DIRECTIONS TO WELL PAD 4:

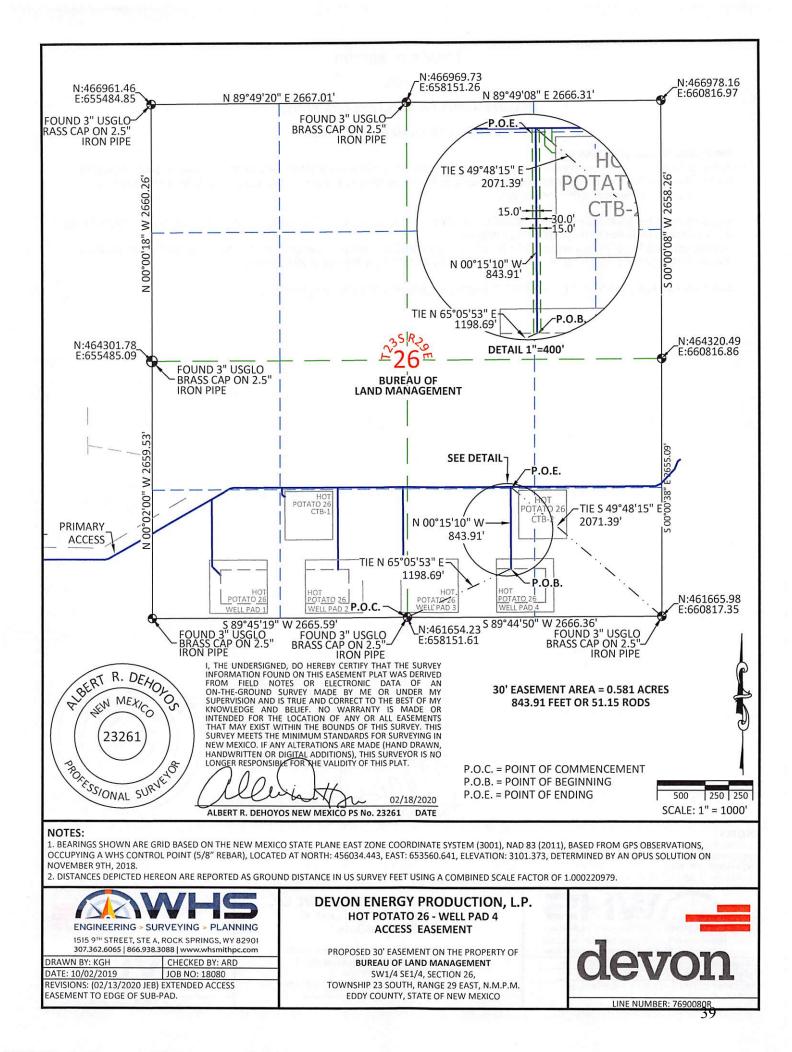
FROM THE INTERSECTION OF HIGHWAY 128 (JAL HWY) AND RAWHIDE ROAD. TURNING RIGHT ON RAWHIDE ROAD, TRAVEL SOUTHERLY FOR 4.1 MILES TO THE SPLIT OF RAWHIDE ROAD. TURN RIGHT AT THE INTERSECTION SPLIT, TRAVEL WESTERLY FOR 3.6 MILES TO THE INTERSECTION OF AN UNNAMED ROAD. TURNING LEFT ON THE UNNAMED ROAD, TRAVEL SOUTHERLY FOR 1.1 MILES TO THE INTERSECTION OF THE PRIMARY ACCESS ROAD. TURNING LEFT ON THE PRIMARY ACCESS ROAD, TRAVEL EASTERLY FOR 1.5± MILES TO THE INTERSECTION OF THE WELL PAD 4 ACCESS ROAD. TURNING RIGHT ON THE ACCESS ROAD, TRAVEL SOUTHERLY FOR 844± FEET TO THE HOT POTATO 26 WELL PAD 4.

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ENGINEERING	SURVEYING > PLANNING
	TE A, ROCK SPRINGS, WY 82901 938.3088 www.whsmithpc.com
DRAWN BY: NJC	CHECKED BY: ARD
DATE: 10/01/2019	JOB NO: 18080
REVISIONS:	and the second second

AERIAL ACCESS ROUTE MAP DEVON ENERGY PRODUCTION, L.P. HOT POTATO 26-23 FED 333H

HOT POTATO 26-23 FED 333H LOCATED 325 FEET FROM THE SOUTH LINE, AND 1499 FEET FROM THE WEST LINE, SECTION 26, TOWNSHIP 23 SOUTH RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO





LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

PROPOSED 30' ACCESS EASEMENT:

A strip of land locate in the Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4) of Section 26, Township 23 South, Range 29 East, of the New Mexico Principal Meridian, Eddy county, State of New Mexico, being thirty feet (30') in width, lying fifteen feet (15') on each side of the following described centerline:

Commencing at the South Quarter corner of said Section 26 (Found 3" USGLO Brass Cap on 2.5" Iron Pipe); thence, North 65°05'53" East a distance of 1198.69 feet to the POINT OF BEGINNING;

thence, North 00°15'10" West a distance of 843.91 feet to the POINT OF ENDING, from which the Southeast corner of said Section 26 (Found 3" USGLO Brass Cap on 2.5" Iron Pipe) bears South 49°48'15" East a distance of 2071.39 feet.

Said centerline being 843.91 feet or 51.15 rods in length and containing 0.581 Acres more or less.

I, THE UNDERSIGNED, DO HEREBT CERTIFIT THAT THE SURVET
INFORMATION FOUND ON THIS EASEMENT PLAT WAS DERIVED
FROM FIELD NOTES OR ELECTRONIC DATA OF AN
ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY
SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY
KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR
INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS
THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THIS
SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN
NEW MEXICO. IF ANY ALTERATIONS ARE MADE (HAND DRAWN,
HANDWRITTEN OR DIGITAL ADDITIONS), THIS SURVEYOR IS NO
LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.
$ \land \land$

ALBERT R. DEHOYOS NEW MEXICO PS No. 23261

02/18/2020

DATE

RERT R. DEHOL NEW MEXICO 0 23261 PROFESSIONAL SURVEY

NOTES:

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.373, DETERMINED BY AN OPUS SOLUTION ON NOVEMBER 9TH, 2018.

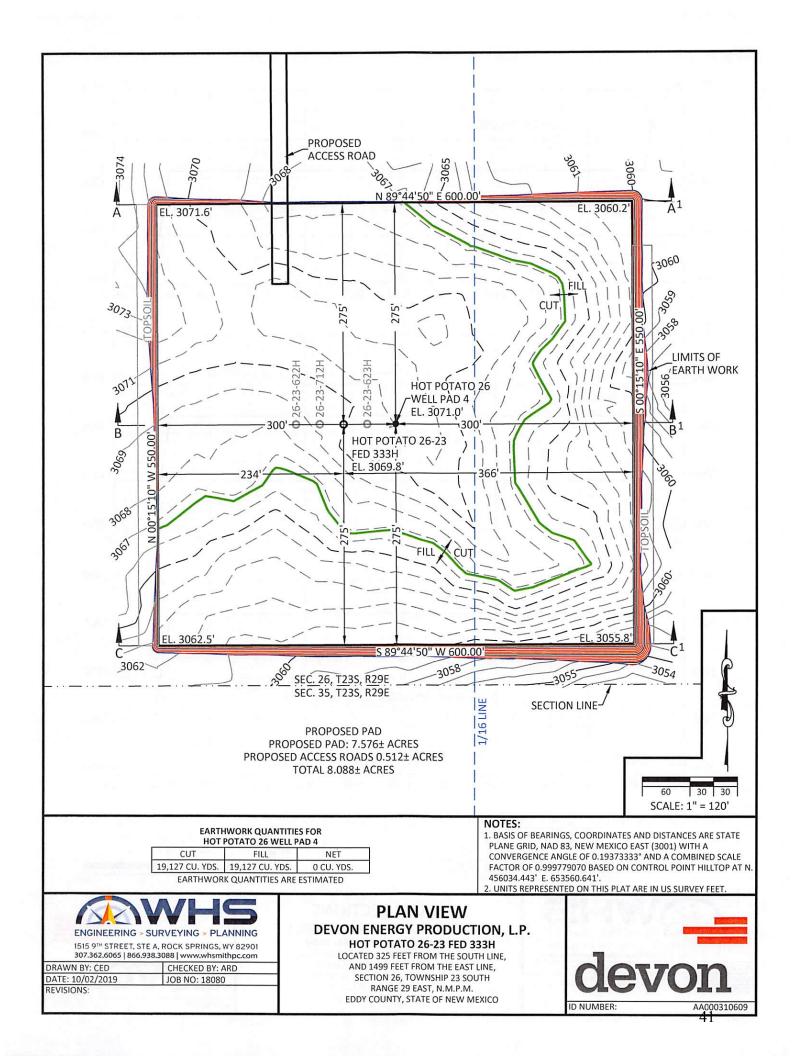
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979.

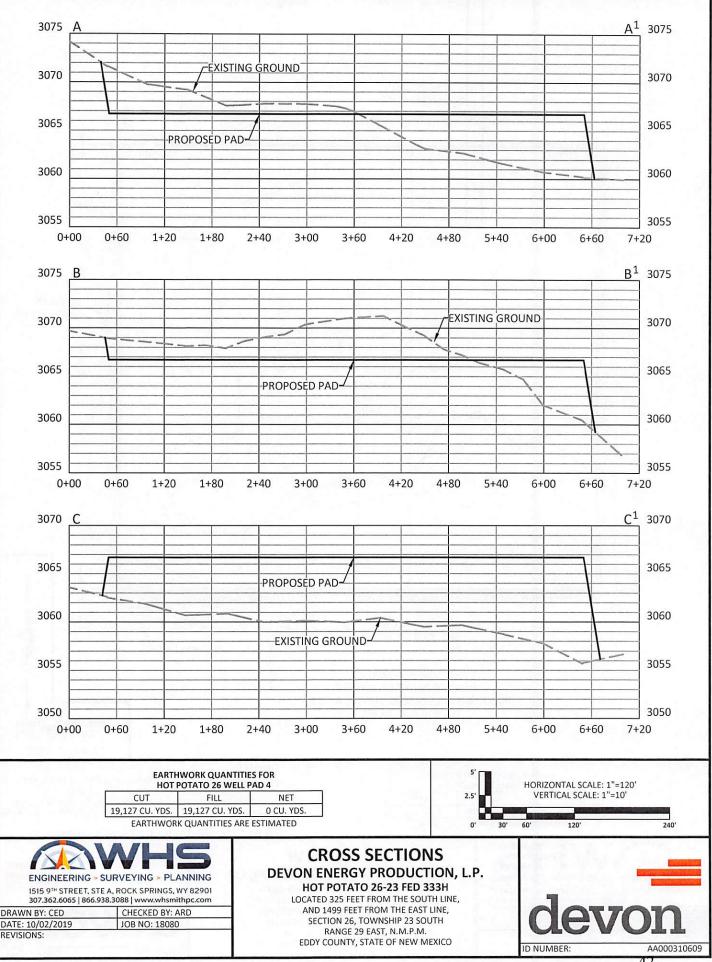
ENGINEERING - S	WHS
	A, ROCK SPRINGS, WY 82901 8.3088 www.whsmithpc.com
DRAWN BY: KGH	CHECKED BY: ARD
DATE: 10/02/2019	JOB NO: 18080
REVISIONS: (02/13/2020 JE EASEMENT TO EDGE OF SU	

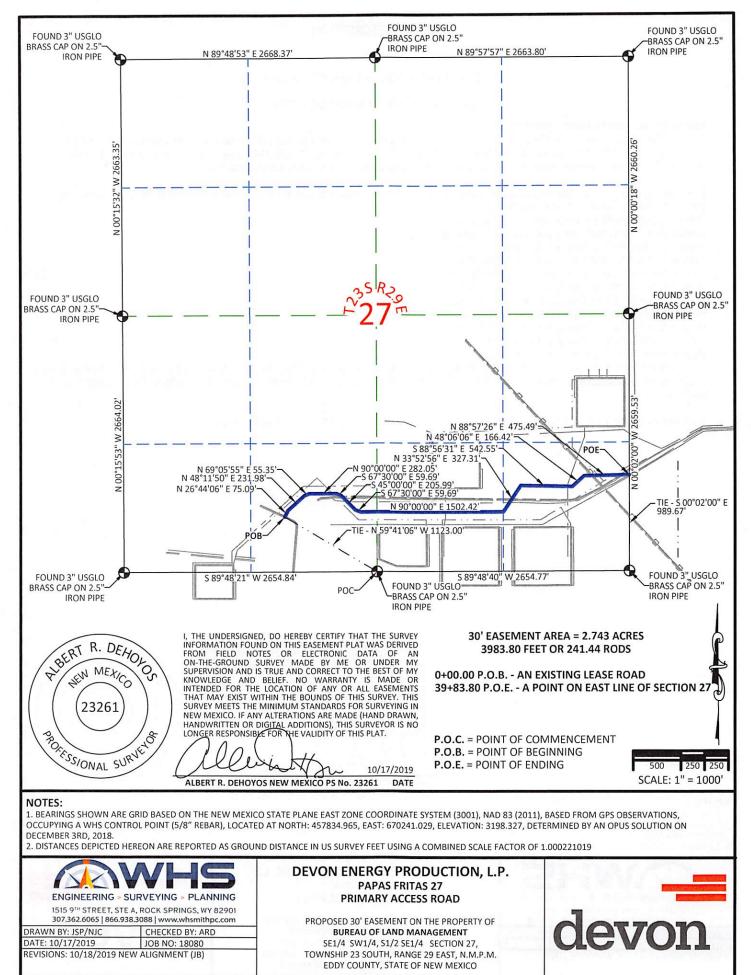
DEVON ENERGY PRODUCTION, L.P. HOT POTATO 26 - WELL PAD 4 ACCESS EASEMENT

PROPOSED 30' EASEMENT ON THE PROPERTY OF BUREAU OF LAND MANAGEMENT SW1/4 SE1/4, SECTION 26, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO









LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

PROPOSED 30' ACCESS ROAD EASEMENT:

A strip of land located in the Southeast Quarter of the Southwest Quarter and the South Half of the SoutheastQuarter (SE1/4 SW1/4, S1/2 SE1/4) of Section 27, Township 23 South, Range 29 East, of the New Mexico Principal Meridian, Eddy county, State of New Mexico, being thirty feet (30') in width, lying fifteen feet (15') on each side of the following described centerline:

Commencing at the South Quarter corner of said Section 27 (Found 3" USGLO Brass Cap on a 2.5" Iron Pipe); thence, North 59°41'06" West a distance of 1123.00 feet to the Point Of Beginning;

thence, North 26°44'06" East a distance of 75.09 feet;

thence, North 48°11'50" East a distance of 231.98 feet; thence, North 69°05'55" East a distance of 55.35 feet;

thence, North 90°00'00" East a distance of 282.05 feet; thence, South 67°30'00" East a distance of 59.69 feet;

thence, South 45°00'00" East a distance of 205.99 feet;

thence, South 67°30'00" East a distance of 59.69 feet:

thence, North 90°00'00" East a distance of 1502.42 feet;

thence, North 33°52'56" East a distance of 327.31 feet:

thence, South 88°56'31" East a distance of 542.55 feet;

thence, North 48°06'06" East a distance of 166.42 feet;

thence, North 88°57'26" East a distance of 475.49 feet; to a point on the East line of said Section 27, also being the Point of Ending, from which the Southeast corner of said Section 27 (Found 3" USGLO Brass Cap on a 2.5" Iron Pipe) bears South 00°02'00" Ease a distance of 989.67 feet.

Said centerline being 3983.80 feet or 241.44 rods in length and containing 2.743 Acres more or less.

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY INFORMATION FOUND ON THIS EASEMENT PLAT WAS DERIVED FROM FIELD NOTES OR ELECTRONIC DATA OF AN ON-THE-GROUND SURVEY MADE BY ME OR UNDER MY SUPERVISION AND IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. NO WARRANTY IS MADE OR INTENDED FOR THE LOCATION OF ANY OR ALL EASEMENTS THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY. THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEYCO. LE ANN AL TERATIONS ARE MADE (HAND BRANMY NEW MEXICO. IF ANY ALTERATIONS ARE MADE (HAND DRAWN, HANDWRITTEN OR DIGITAL ADDITIONS), THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

ALBERT R. DEHOYOS NEW MEXICO PS No. 23261

10/17/2019

DATE

R. DEHOLOS ABERT NEN MEXICO 23261 BOFFSSIONAL SURVEY

NOTES:

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 457834.965, EAST: 670241.029, ELEVATION: 2306.69, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD 2018

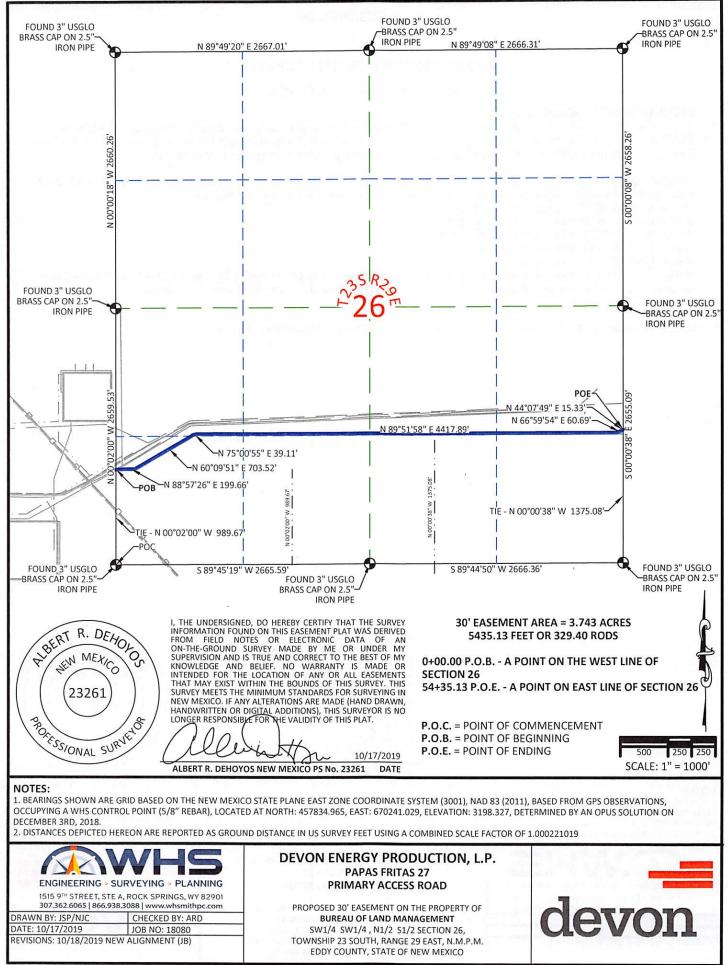
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000221019



DEVON ENERGY PRODUCTION, L.P. PAPAS FRITAS 27 PRIMARY ACCESS ROAD

PROPOSED 30' EASEMENT ON THE PROPERTY OF BURFAU OF LAND MANAGEMENT SE1/4 SW1/4, S1/2 SE1/4 SECTION 27, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

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LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

PROPOSED 30' ACCESS ROAD EASEMENT:

A strip of land located in the Southwest One Half of the Southwest One Half and the North One Half of the South One Half (SW1/4 SW1/4, N1/2 S1/2) of Section 26, Township 23 South, Range 29 East, of the New Mexico Principal Meridian, Eddy county, State of New Mexico, being thirty feet (30') in width, lying fifteen feet (15') on each side of the following described centerline:

Commencing at the Southwest corner of said Section 26 (Found 3" USGLO Brass Cap on a 2.5" Iron Pipe); thence, North 00°02'00" West a distance of 989.67 feet to a point on the West Line of said Section 26, also being the Point Of Beginning;

thence, North 88°57'26" East a distance of 199.66 feet;

thence, North 60°09'51" East a distance of 703.52 feet; thence, North 75°00'55" East a distance of 39.11 feet;

thence, North 89°51'58" East a distance of 4417.89 feet;

thence, North 66°59'54" East a distance of 60.69 feet;

thence, North 44°07'49" East a distance of 15.33 feet; to a point on the East line of said Section 26, also being the Point of Ending, from which the Southwest corner of said Section 26 (Found 3" USGLO Brass Cap on a 2.5" Iron Pipe) bears South 00°00'38" East a distance of 1375.08 feet.

Said centerline being 5435.13 feet or 329.40 rods in length and containing 3.743 Acres more or less.

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT THE SURVEY SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. IF ANY ALTERATIONS ARE MADE (HAND DRAWN, HANDWRITTEN OR DIGITAL ADDITIONS), THIS SURVEYOR IS NO LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.

ALBERT R. DEHOYOS NEW MEXICO PS No. 23261

10/17/2019

DATE

ABERT R. DEHOL NEW MEXICO 0 23261 BOFFSSIONAL SURVE

NOTES:

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 457834.965, EAST: 670241.029, ELEVATION: 2306.69, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.

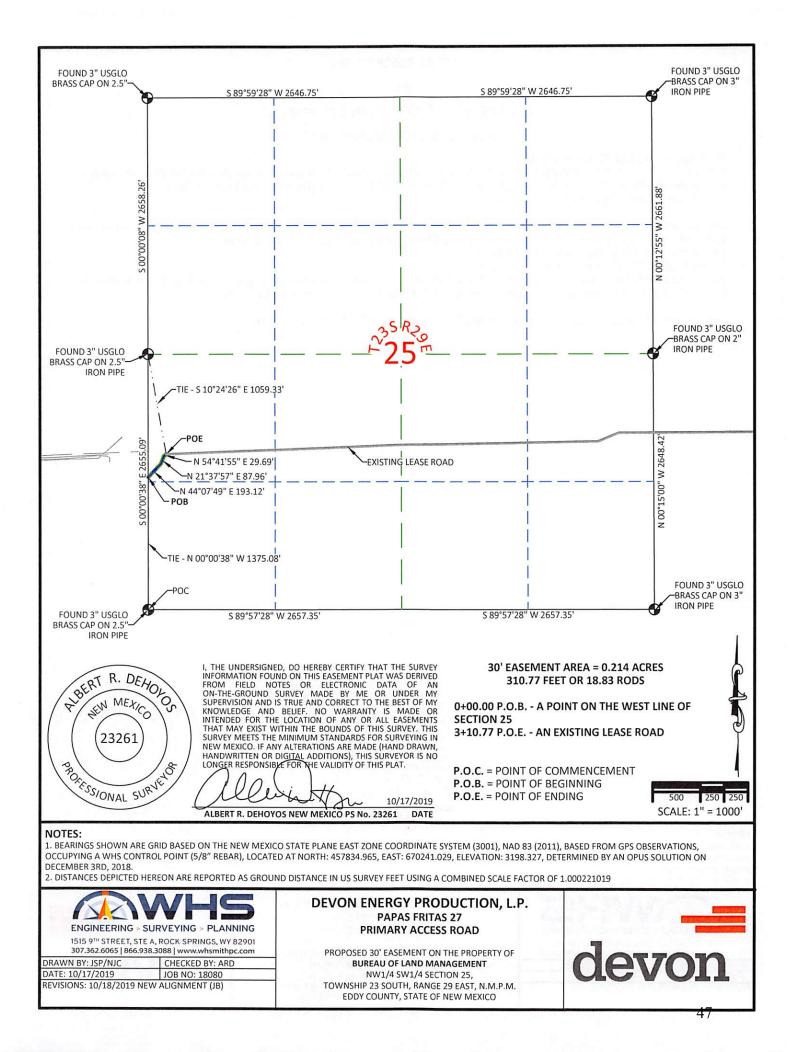
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000221019



DEVON ENERGY PRODUCTION, L.P. PAPAS FRITAS 27 PRIMARY ACCESS ROAD

PROPOSED 30' EASEMENT ON THE PROPERTY OF BURFAU OF LAND MANAGEMENT SW1/4 SW1/4 . N1/2 S1/2 SECTION 26. TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO





LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

PROPOSED 30' ACCESS ROAD EASEMENT:

A strip of land located in the Northwest Quarter of the Southwest Quarter (NW1/4 SW1/4) of Section 25 Township 23 South, Range 29 East, of the New Mexico Principal Meridian, Eddy county, State of New Mexico, being thirty feet (30') in width, lying fifteen feet (15') on each side of the following described centerline:

Commencing at the Southwest corner of said Section 25 (Found 3" USGLO Brass Cap on a 2.5" Iron Pipe); thence, North 00°00'38" West a distance of 1375.08 feet to a point on the West line of said Section 25, also being the Point Of Beginning; thence, North 54°41'55" East a distance of 29.69 feet;

thence, North 21°37'57" East a distance of 87.96 feet;

thence, North 44°07'49" West a distance of 193.12 feet to the Point of Ending, from which the East Quarter corner of said Section 25 (Found 3" USGLO Brass Cap on a 2.5" Iron Pipe) bears North 10°24'26" West a distance of 1059.33 feet.

Said centerline being 310.77 feet or 18.83 rods in length and containing 0.214 Acres more or less.

INFORMATION FOUND ON THIS EASEMENT PLAT WAS DE	RIVED	
FROM FIELD NOTES OR ELECTRONIC DATA OF	AN	
ON-THE-GROUND SURVEY MADE BY ME OR UNDER	R MY	
SUPERVISION AND IS TRUE AND CORRECT TO THE BEST O	DF MY	
KNOWLEDGE AND BELIEF. NO WARRANTY IS MAD	E OR	
INTENDED FOR THE LOCATION OF ANY OR ALL EASEN	AENTS	
THAT MAY EXIST WITHIN THE BOUNDS OF THIS SURVEY	. THIS	
SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYI	NG IN	
NEW MEXICO. IF ANY ALTERATIONS ARE MADE (HAND DR	AWN,	
HANDWRITTEN OR DIGITAL ADDITIONS), THIS SURVEYOR	IS NO	
LONGER RESPONSIBLE FOR THE VALIDITY OF THIS PLAT.		

ALBERT R. DEHOYOS NEW MEXICO PS No. 23261

10/17/2019

DATE

I THE LINDERSIGNED DO HEREBY CERTIFY THAT THE SURVEY



NOTES:

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 457834.965, EAST: 670241.029, ELEVATION: 2306.69, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.

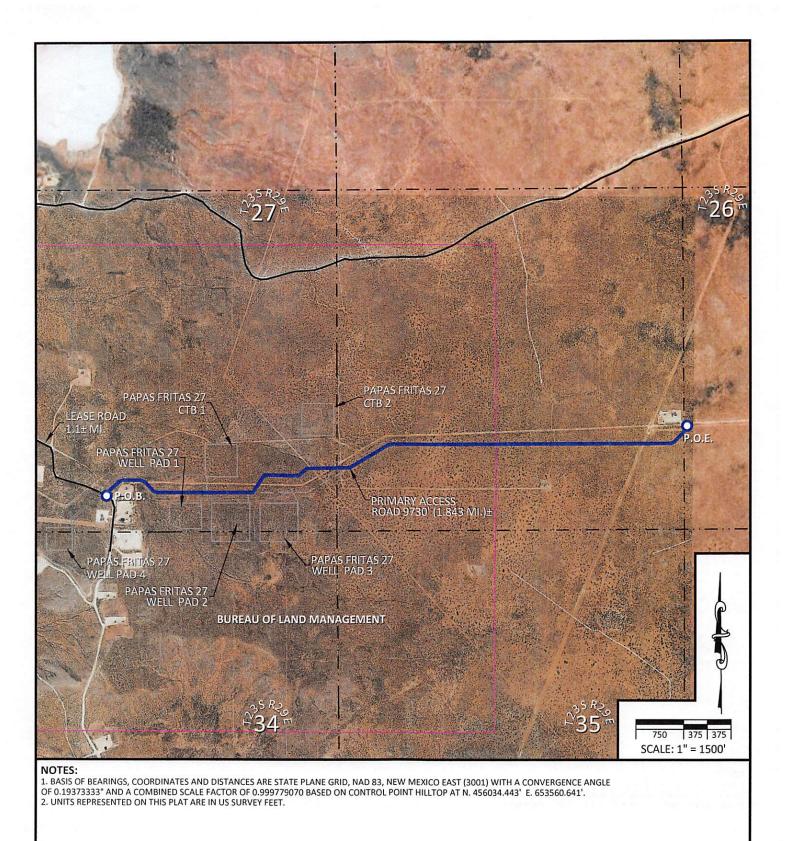
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000221019

		WHS
EN	GINEERING >	SURVEYING > PLANNING
		E A, ROCK SPRINGS, WY 82901 38.3088 www.whsmithpc.com
DRAWN BY	: JSP/NJC	CHECKED BY: ARD
DATE: 10/1	7/2019	JOB NO: 18080
REVISIONS	: 10/18/2019 N	IEW ALIGNMENT (JB)

DEVON ENERGY PRODUCTION, L.P. PAPAS FRITAS 27 PRIMARY ACCESS ROAD

PROPOSED 30' EASEMENT ON THE PROPERTY OF BUREAU OF LAND MANAGEMENT NW1/4 SW1/4 SECTION 25, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

d	ev	on	
		48	



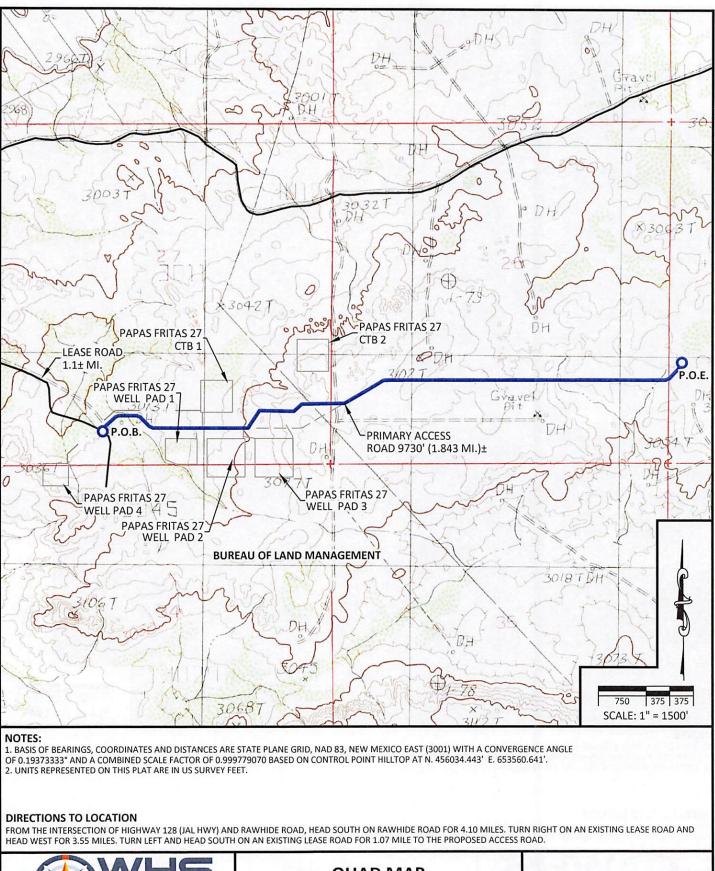
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF HIGHWAY 128 (JAL HWY) AND RAWHIDE ROAD, HEAD SOUTH ON RAWHIDE ROAD FOR 4.10 MILES. TURN RIGHT ON AN EXISTING LEASE ROAD AND HEAD WEST FOR 3.55 MILES. TURN LEFT AND HEAD SOUTH ON AN EXISTING LEASE ROAD FOR 1.07 MILE TO THE PROPOSED ACCESS ROAD.

ENGINEERING	SURVEYING > PLANNING
	TE A, ROCK SPRINGS, WY 82901 .938.3088 www.whsmithpc.com
DRAWN BY: JEB	CHECKED BY: ARD
DATE: 10/21/2019	JOB NO: 18080
REVISIONS:	E Establish

AERIAL MAP DEVON ENERGY PRODUCTION, L.P. PAPAS FRITAS 27 PRIMARY ACCESS ROAD SECTION 27, TOWNSHIP 23 SOUTH RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO





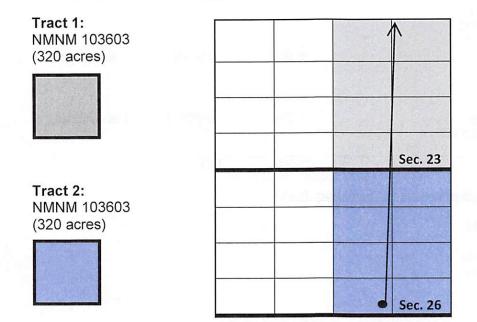


QUAD MAP DEVON ENERGY PRODUCTION, L.P. PAPAS FRITAS 27 PRIMARY ACCESS ROAD SECTION 27, TOWNSHIP 23 SOUTH RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO



OWNERSHIP BREAKDOWN Hot Potato 26-23 Fed 333H

E/2 of Section 23 & E/2 of Section 26, T-23-S, R-29-E, Eddy County, New Mexico, Bone Spring Formation (Proximity Tract), Delaware Basin



TRACT 1 OWNERSHIP (E/2 of Section 23-T23S-R29E, being 320 acres):

Owner	Net Acres	Unit WI	Status
			throld Milling State
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue	227.512	.71097500	Committed
Oklahoma City, OK 73102			
The Allar Company P.O. Box 1567	36.800	.11500000	Uncommitted
Graham, TX 76450			
Franklin Mountain Energy, LLC 2401 E 2 nd Avenue, Suite 300	54.400	.17000000	Uncommitted
Denver, CO 80206			
Highland (Texas) Energy	1.288	.00402500	Uncommitted
7557 Rambler Road, Suite 918 Dallas, TX 75218			
Total:	320.0	1.00	E-P-S load IV-9



TRACT 2 OWNERSHIP (E/2 of Section 26-T23S-R29E, being 320 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company 333 W. Sheridan Avenue Oklahoma City, OK 73102	y, L.P. 281.912	.880975	Committed
The Allar Company P.O. Box 1567 Graham, TX 76450	36.800	.1150000	Uncommitted
Highland (Texas) Energy 7557 Rambler Road, Suite 918 Dallas, TX 75218	1.288	.00402500	Uncommitted
Total:	320.000	1.00	

Overriding Royalty Interest seeking to Compulsory Pool:

ORRI Owners (Tract 1)

John Thoma Trustee of the Cornerstone Family Trust P.O. Box 558 Peyton, CO 80831-0558

Crownrock Minerals, L.P P.O. Box 51933 Midland, TX 79710

The Allar Company P.O. Box 1567 Graham, TX 76450

Highland (Texas) Energy 7557 Rambler Road, Suite 918 Dallas, TX 75218

Tumbler Operating Partners, LLC 1701 River Run, Suite 306 Fort Worth, TX 76107

ORRI Owners (Tract 2)

John Thoma Trustee of the Cornerstone Family Trust P.O. Box 558 Peyton, CO 80831-0558

Crownrock Minerals, L.P P.O. Box 51933 Midland, TX 79710 The Allar Company P.O. Box 1567 Graham, TX 76450

Highland (Texas) Energy 7557 Rambler Road, Suite 918 Dallas, TX 75218

Tumbler Operating Partners, LLC 1701 River Run, Suite 306 Fort Worth, TX 76107

Unit Recapitulation-Bone Spring- 640 AC HSU (Proximity Tract)

Hot Potato 26-23 Fed 333H E/2 of Section 23 & E/2 of Section 26, T-23-S, R-29-E, Eddy County, New Mexico

Owner	Interest	
Devon Energy Production Company, L.P.	79.597500%	
Franklin Mountain Energy, LLC	<mark>8.500000%</mark>	
The Allar Company	<mark>11.500000%</mark>	
Highland (Texas) Energy	<mark>0.402500%</mark>	
TOTAL	100.000000%	

Uncommitted Working Interest Owners seeking to Compulsory Pool



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

November 14, 2019

The Allar Company P.O. Box 1567 Graham, TX 76450-7501

Rc: IIot Potato 26-23 Fed Com 331H, 332H, 333H, 399H 621H, 622H, 711H, & 712H Well Proposals Section 23 & 26, Township 23 South, Range 29 East Eddy County, New Mexico (the "Wells")

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Wells located in Sections 23 & 26 23S-29E, Eddy County, New Mexico. Accordingly, enclosed are the AFEs for the following wells:

- Ilot Potato 26-23 Fed Com 331H to be drilled from a surface hole location ("SHL") of 325' FSL x 962' FWI. of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,160' subsurface in the Bone Spring Formation.
- Hot Potato 26-23 Fed Com 332H to be drilled from a surface hole location ("SHL") of 325' FSL x 1022' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,195' subsurface in the Bone Spring Formation.
- Hot Potato 26-23 Fed Com 333H to be drilled from a surface hole location ("SIIL") of 325' FSL x 1499' FEL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,206' subsurface in the Bone Spring Formation.
- Hot Potato 26-23 Fed Com 399H to be drilled from a surface hole location ("SIIL") of 325' FSL x 1802' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2148' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,195' subsurface in the Wolfcamp Formation.
- Hot Potato 26-23 Fed Com 621H to be drilled from a surface hole location ("SHL") of 325' FSL x 992' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2154' FWL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,325' subsurface in the Wolfcamp Formation.
- Hot Potato 26-23 Fed Com 622H to be drilled from a surface hole location ("SHL") of 325' FSL x 1559' FEL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,345' subsurface in the Wolfcamp Formation.
- Hot Potato 26-23 Fed Com 711H to be drilled from a surface hole location ("SHL") of 325' FSL x 1772' FWL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1716' FWL



of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,495' subsurface in the Wolfcamp Formation.

Hot Potato 26-23 Fed Com 712H to be drilled from a surface hole location ("SHL") of 325' FSL x 1529' FEL of Section 26-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1716' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,535' subsurface in the Wolfcamp Formation.

These proposed locations and target depths are subject to change depending on any surface or subsurface concerns. Also, the enclosed AFEs represent an estimate of the costs that will be incurred to drill and complete these wells, but those electing to participate in the wells are responsible for their share of the <u>actual</u> costs incurred.

A new AAPL model form operating will need to be negotiated and executed to cover the proposed project area. If you would like to participate in these wells, please execute and return this letter to the undersigned. If you do not wish to participate, please contact the undersigned to discuss a potential trade or farmout of your interest. If an agreement cannot be reached within 30 days of the date of this letter, Devon will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest for the proposed wells.

If you have any questions or concerns regarding this proposal, please contact me at (405) 228-8804 or <u>verl.brown@dvn.com</u>.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Verl Brown Landman

Enclosures

The Allar Company hereby elects to:

participate in the drilling of the Hot Potato 26-23 FED COM 331H

non-consent the drilling of the Hot Potato 26-23 FED COM 331H

_ participate in the drilling of the Hot Potato 26-23 FED COM 332H

non-consent the drilling of the Hot Potato 26-23 FED COM 332H

participate in the drilling of the Hot Potato 26-23 FED COM 333H

<u></u>	non-consent the drilling of the Hot Potato 26-23 FED COM 333H
	participate in the drilling of the Hot Potato 26-23 FED COM 399H
	non-consent the drilling of the Hot Potato 26-23 FED COM 399H
	participate in the drilling of the Hot Potato 26-23 FED COM 62111
	non-consent the drilling of the Hot Potato 26-23 FED COM 621H
	participate in the drilling of the Hot Potato 26-23 FED COM 62211
<u></u>	_ non-consent the drilling of the Hot Potato 26-23 FED COM 62211
	participate in the drilling of the Hot Potato 26-23 FED COM 711H
	_ non-consent the drilling of the Hot Potato 26-23 FED COM 711H
	participate in the drilling of the Hot Potato 26-23 FED COM 712H
	non-consent the drilling of the Hot Potato 26-23 FED COM 71211
By:	

.

Name:	
Title:	

Date:

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

December 20, 2019

Tumbler Operating Partners, LLC Attn: Blake O'Donnel 1701 River Run, Suite 306 Fort Worth, TX 76107

Re: Hot Potato 26-23 Fed Com 331H, 332H, 333H, 399H 621H, 622H, 711H, & 712H Well Proposals Section 23 & 26, Township 23 South, Range 29 East Eddy County, New Mexico (the "Wells")

To Whom It May Concern:

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of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,495' subsurface in the Wolfcamp Formation.

Hot Potato 26-23 Fed Com 712H to be drilled from a surface hole location ("SHL") of 325' FSL x 1529' FEL of Section 26-T23S-R29E to a bottom hole location ("BIIL") of 20' FNL x 1716' FEL of Section 23-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,535' subsurface in the Wolfcamp Formation.

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If you have any questions or concerns regarding this proposal, please contact me at (405) 228-8804 or verl.brown@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Verl Brown Landman

Enclosures

Tumbler Operating Partners, LLC hereby elects to:

participate in the drilling of the Hot Potato 26-23 FED COM 331H

non-consent the drilling of the Hot Potato 26-23 FED COM 331H

_ participate in the drilling of the Hot Potato 26-23 FED COM 332H

non-consent the drilling of the Hot Potato 26-23 FED COM 332H

participate in the drilling of the Hot Potato 26-23 FED COM 333H

Date:

	_ non-consent the drilling of the Hot Potato 26-23 FED COM 333H
	_ participate in the drilling of the Hot Potato 26-23 FED COM 399H
<u></u>	_ non-consent the drilling of the Hot Potato 26-23 FED COM 399H
	_ participate in the drilling of the Hot Potato 26-23 FED COM 621H
	non-consent the drilling of the Hot Potato 26-23 FED COM 621H
	_ participate in the drilling of the Hot Potato 26-23 FED COM 622H
	non-consent the drilling of the Hot Potato 26-23 FED COM 622H
	_participate in the drilling of the Hot Potato 26-23 FED COM 71111
	non-consent the drilling of the Hot Potato 26-23 FED COM 711H
	participate in the drilling of the Hot Potato 26-23 FED COM 712H
	non-consent the drilling of the Hot Potato 26-23 FED COM 712H
Ву: _	
Name:	· · · · · · · · · · · · · · · · · · ·
Title: _	



Authorization for Expenditure

AFE # XX-133737.01 Well Name: HOT POTATO 26-23 FED COM 333H Cost Center Number: 1094070001 Legal Description: SEC 26-23S-29E & 23-23S-29E Revision: □

AFE Date: 11/14/2019 State: NM County/Parish: EDDY

Explanation and Justification:

DRILL & COMPLETE FOR THE HOT POTATO 26-23 FED COM 333H WELL.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	192,814.36	0.00	192,814.36
6060100	DYED LIQUID FUELS	135,000.00	335,095.33	0.00	470,095.33
	DISPOSAL - SOLIDS	56,184.38	1,053.67	0.00	57,238.05
6080110	DISP-SALTWATER & OTH	0.00	211,483.03	0.00	211,483.03
6090100	FLUIDS - WATER	29,600.00	459,298.73	0.00	488,898.73
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
1.5.5 States - 1.12 States	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
	ROAD&SITE PREP M&S	40,825.00	0.00	0.00	40,825.00
	ROAD&SITE PREP SVC	127,925.00	12,644.03	0.00	140,569.03
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
	& C SERVICES	200,930.00	0.00	0.00	200,930.00
	COMM SVCS - WAN	5.551.00	0.00	0.00	5.551.00
	RTOC - ENGINEERING	0.00	10,536.69	0.00	10,536.69
	RTOC - GEOSTEERING	19.000.00	0.00	0.00	19.000.00
	CH LOG PERFRTG&WL SV	0.00	315,705.71	0.00	315,705.7
	MATERIALS & SUPPLIES	15,250.00	0.00	0.00	15,250.00
Contraction of the second s	PULLING&SWABBING SVC	0.00	33,000.00	0.00	33,000.00
	SNUBBG&COIL TUBG SVC	0.00	255,546.47	0.00	255,546.4
	TRCKG&HL-SOLID&FLUID	70,150.00	0.00	0.00	70,150.00
	TRUCKING&HAUL OF EQP	70,125.00	18.805.04	0.00	88,930.04
	CONSLT & PROJECT SVC	183,000.00	100.358.95	0.00	283,358.9
	SAFETY SERVICES	39,650.00	0.00	0.00	39,650.00
	SOLIDS CONTROL SRVCS	118,500.00	0.00	0.00	118,500.0
	STIMULATION SERVICES	0.00	858,573.81	0.00	858,573.8
	PROPPANT PURCHASE	0.00	579,360.82	0.00	579,360.8
	CASING & TUBULAR SVC	70,100.00	0.00	0.00	70,100.00
	CEMENTING SERVICES	200,000.00	0.00	0.00	200,000.0
	DAYWORK COSTS	780,000.00	0.00	0.00	780,000.0
	DIRECTIONAL SERVICES	335,650.00	0.00	0.00	335,650.0
	DRILL BITS	111.600.00	0.00	0.00	111,600.0
	DRILL&COMP FLUID&SVC	288,960.00	6,607,34	0.00	295,567.3
	MOB & DEMOBILIZATION	38,700.00	0.00	0.00	38,700.00
State of the second	OPEN HOLE EVALUATION	19,000.00	0.00	0.00	19,000.00
	TSTNG-WELL, PL & OTH	0.00	207,020.83	0.00	207,020.8
	MISC PUMPING SERVICE	0.00	66,397.62	0.00	66,397.63
	EQPMNT SVC-SRF RNTL	171,094.00	167,297.24	0.00	338,391.2
	EQUIP SVC - DOWNHOLE	37.010.00	0.00	0.00	37,010.00
	WELDING SERVICES	1,000.00	0.00	0.00	1,000.00
	WATER TRANSFER	0.00	127,205.86	0.00	127,205.8
	CONSTRUCTION SVC	213,312.40	0.00	0.00	213,312.4
	LEGAL FEES	5.000.00	0.00	0.00	5,000.00
14 1 2 Mar 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	MISCS COSTS & SERVS	0.00	11,924.20	0.00	11,924.20
	MISCELLANEOUS SVC	55,900.00	0.00	0.00	55,900.00
	CAPITAL OVERHEAD	41,513.87	900.00	0.00	42,413.8

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



Authorization for Expenditure

AFE	#	XX-1:	33737	.01
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Well Name: HOT POTATO 26-23 FED COM 333H Cost Center Number: 1094070001 Legal Description: SEC 26-23S-29E & 23-23S-29E Revision: AFE Date: 11/14/2019 State: NM County/Parish: EDDY

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6740340	TAXES OTHER	391.50	8,784.00	0.00	9,175.50
	Total Intangibles	3,530,922.15	3,980,413.73	0.00	7,511,335.88
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	&C EQUIPMENT	99,721.45	0.00	0.00	99,721.45
6120120	MEASUREMENT EQUIP	49,345.00	0.00	0.00	49,345.00
6230130	SAFETY EQUIPMENT	6,710.00	0.00	0.00	6,710.00
6300150	SEPARATOR EQUIPMENT	419,015.73	0.00	0.00	419,015.73
6300220	STORAGE VESSEL&TANKS	112,428.50	0.00	0.00	112,428.50
6300230	PUMPS - SURFACE	20,945.00	0.00	0.00	20,945.00
6310130	ARTIFICIAL LIFT EQP	0.00	37,000.00	0.00	37,000.00
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310420	TUBING & COMPONENTS	0.00	77,300.00	0.00	77,300.00
6310460	WELLHEAD EQUIPMENT	58,000.00	72,552.47	0.00	130,552.47
6310530	SURFACE CASING	15,228.00	0.00	0.00	15,228.00
6310540	INTERMEDIATE CASING	294,032.00	0.00	0.00	294,032.00
6310550	PRODUCTION CASING	383,784.50	0.00	0.00	383,784.50
6310580	CASING COMPONENTS	30,500.00	0.00	0.00	30,500.00
6330100	PIPE,FIT,FLANG,CPLNG	187,120.50	0.00	0.00	187,120.50
	Total Tangibles	1,726,830.68	186,852.47	0.00	1,913,683.15

TOTAL ESTIMATED COST	5,257,752.83	4,167,266.20	0.00	9,425,019.03

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

L

Date:

Email:

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

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.

Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21119:

- 1. Well Proposal Letter from Devon Energy Production Company to all the Interest Owners dated and mailed November 14, 2019, and December 20, 2019 (Exhibit A-5)
- 2. Initial phone call(s) between Devon Energy Production Company and the Interest Owners from November 25, 2019 through December 19, 2019
 - The Allar Company 12/19/2019
 - Highland (Texas) Energy Company 11/25/2019
 - Franklin Mountain Energy, LLC 12/12/2019
- 3. Follow up email(s) sent from Devon Energy Production Company to the Interest Owners from November 21, 2019 through 3/4/2020:
 - The Allar Company 3/4/2020 JOA Inquiry
 - Highland (Texas) Energy Company 11/21/2019, 11/25/2019, 1/9/2020, 1/13/2020, 1/15/2020, 1/19/2020, 2/27/2020, & 2/28/2020
 - Franklin Mountain Energy, LLC 12/17/2019, 12/18/2019, 1/14/2020, 1/16/2020, 1/17/2020, 1/23/2020, 1/23/2020, 1/28/2020
- Follow up phone call(s) between Devon Energy Production Company and the Interest Owners from 1/15/2020 through 2/20/2020:
 - The Allar Company –
 - Highland (Texas) Energy Company 1/15/2020
 - Franklin Mountain Energy, LLC 2/3/2020, and 2/20/2020
- 5. Exchange of agreement mailed between Devon Energy Production Company and the Interest Owners from 1/28/2020 through 2/28/2020:
 - The Allar Company 1/28/2020
 - Highland (Texas) Energy Company 1/28/2020
 - Franklin Mountain Energy, LLC 1/28/2020, 3/3/2020
- 6. Follow up discussions to work out existing matters, from 1/28/2020 through 3/4/2020:
 - The Allar Company 3/4/2020
 - Highland (Texas) Energy Company 3/2/2020, 3/3/2020
 - Franklin Mountain Energy, LLC 3/3/2020

