#### **BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING OCTOBER 22, 2020**

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

Case No. 21396: Red Bull 30-31 Fed State Com 4H Well

Case No. 21397: Red Bull 30-31 Fed State Com 2H Well

Case No. 21398: Red Bull 30-31 Fed State Com 3H Well

Case No. 21399: Red Bull 30-31 Fed State Com 1H Well

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

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# **TAB 1**

Reference for Case No. 21396 Application Case No. 21396 - Red Bull 30-31 Fed State Com 4H Well NMOCD Checklist Case No. 21396

#### 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, LEA COUNTY, NEW MEXICO

Case No. 21396

#### **APPLICATION**

Devon Energy Production Company, L.P., ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit.

In support of its Application, Devon states the following:

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

2. Devon proposes for the HSU its **Red Bull 30-31 Fed State Com 4H Well**, an oil well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 31.

3. The completed interval and first and last take point for the well proposed in the HSU meet the setback requirements set forth in the Division's statewide rules and regulations for horizontal oil wells for a standard location.

1 6 4. Devon has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed HSU.

5. The pooling of all interests in the Bone Spring formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

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

7. Since Devon will be drilling and completing this well as part of a simultaneous drilling program for additional wells and units within Sections 30 and 31, Devon requests that it be allowed to commence drilling the well at any time within one year after the date of the Order, with the option to complete the well any time within one year after the commencement of drilling.

WHEREFORE, Devon requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 320-acre, more or less, spacing and proration unit comprising the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the proposed HSU.

C. Approving the **Red Bull 30-31 Fed State Com 4H Well**, as the well for the HSU.

2 7 D. Designating Devon as operator of this HSU and the horizontal well to be drilled thereon;

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

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

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

H. Allowing the commencement of drilling the well any time within one year after the date of the Order and completing the well any time within one year after commencement of drilling.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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

Attorneys for Devon Energy Production Company, L.P.

Case No. 21396: Application of Devon Energy Production Company L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the Red Bull 30-31 Fed State Com 4H Well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line.

## **COMPULSORY POOLING APPLICATION CHECKLIST**

#### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21396	APPLICANT'S RESPONSE
Date	October 20, 2020
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of Devon Energy Production Company, L.P.,. for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Red Bull
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Exhibit
Pool Name and Pool Code:	ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]
Well Location Setback Rules:	NMAC statewide rules apply
Spacing Unit Size:	40-acre tracts, 320 ac unit
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40-acre tracts
Orientation:	north - south
Description: TRS/County	E/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Landman Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Red Bull 30-31 Fed State Com 4H Well (API-pending), SHL: Unit B, 883' FNL, 1711' FEL, Section 30, T23S-R35E, NMPM; BHL: Unit P, 20' FSL, 330' FEL, Section 31, T23S-R35E, NMPM, standup, standard

Horizontal Well First and Last Take Points	Red Bull 30-31 Fed State Com 4H Well: FTP 100' FNL, 330' FEL, Sec. 30; LTP 100' FSL, 330' FEL, Sec. 31.					
Completion Target (Formation, TVD and MD)	Red Bull 30-31 Fed State Com 4H Well: TVD approx 11,660', TMD approx 21,660'; Bone Spring See Exhibts B-2					
AFE Capex and Operating Costs						
Drilling Supervision/Month \$	\$8000, Exhibit A					
Production Supervision/Month \$	\$800, Exhibit A					
Justification for Supervision Costs	Exhibit A					
Requested Risk Charge	200%, Exhibit A					
Notice of Hearing						
Proposed Notice of Hearing	Exhibit C-1					
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2					
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3					
Ownership Determination						
Land Ownership Schematic of the Spacing Unit	Exhibit A-2					
Tract List (including lease numbers and owners)	Exhibit A-2					
Pooled Parties (including ownership type)	Exhibit A-2					
Unlocatable Parties to be Pooled	Exhibit A, N/A					
Ownership Depth Severance (including percentage above & below)	Exhibit A-2, N/A					
Joinder						
Sample Copy of Proposal Letter	Exhibit A-3					
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2					
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4					
Overhead Rates In Proposal Letter	Exhibit A-3					
Cost Estimate to Drill and Complete	Exhibit A-3					
Cost Estimate to Equip Well	Exhibit A-3					
Cost Estimate for Production Facilities	Exhibit A-3					
Geology						
Summary (including special considerations)	Exhibit B - Geologist's Affidavit					
Spacing Unit Schematic	Exhibit B-1					
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5, B-6					
Well Orientation (with rationale)	Exhibit B - Geologist's Affidavit, B-1					
Target Formation	Exhibit B - Geologist's Affidavit, B-2					
HSU Cross Section	Exhibit B-5, B-6					
Depth Severance Discussion	Exhibit B - Geologist's Affidavit					
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C-102	Exhibit A-1				
Tracts	Exhibit A-1, A-2, B-1				
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2				
General Location Map (including basin)	Exhibit A-2				
Well Bore Location Map	Exhibit B-1				
Structure Contour Map - Subsea Depth	Exhibit B-6				
Cross Section Location Map (including wells)	Exhibit B-5				
Cross Section (including Landing Zone)	Exhibit B-5				
Additional Information					
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.				
Printed Name (Attorney or Party Representative):	Darin C. Savage				
Signed Name (Attorney or Party Representative):					
Date:	20-Oct-20				

## **TAB 2**

- Exhibit A: Affidavit of Andy D. Bennett, Landman Case No. 21396
- Exhibit A-1: C-102 Forms Case No. 21396
- Exhibit A-2: Tracts, Ownership and Sectional Map Case No. 21396
- Exhibit A-3: Well Proposal Letter and AFE Case No. 21396
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners Case No. 21396

#### 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, LEA COUNTY, NEW MEXICO

Case No. 21396

#### AFFIDAVIT OF ANDY D. BENNETT

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

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

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

3. I graduated from the University of Oklahoma with a Bachelor's degree in Business (Energy Management) in 2008. I have worked at Devon for approximately 11 years, and I have been working in New Mexico for 2 1/2 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

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

> EXHIBIT A

5. The purpose of this application is to force pool uncommitted working interest owners and overriding royalty interest owners into the horizontal spacing unit described below, and in the well proposed to be drilled in the unit by Devon.

6. Devon seeks an order creating a standard 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit in the Permian Basin.

7. The proposed spacing unit will be dedicated to the **Red Bull 30-31 Fed State Com 4H** Well, an oil well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 31. The **Red Bull 30-31 Fed State Com 4H Well** is the Defining Well for the unit.

8. A plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which shows the location of the proposed well within the unit. The location of all the well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners and overriding royalty interest owners.

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

11. The locations and proposed depths of the well to be drilled on the pooled units is as follows:

Well Name	SHL	BHL	TVD	TMD
Red Bull 30-31	883' FNL and	20' FSL and 330'	11,660'	21,660'
Fed State Com	1,711' FEL of	FEL of Section		
4H Well	Section 30	31		

12. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners and ORRI owners shown on Exhibit A-2. In compiling these addresses, I conducted a diligent search of the public records in Lea County, New Mexico, where the well is located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. Because not all parties were locatable, notice of this hearing was published in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to cover any unlocatable parties. There were 0 unlocatable parties.

13. Devon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well. **Exhibit A-4** provides a chronology and history of negotiations and communications with the owners.

14. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

15. Proposed C-102 for the well is attached as **Exhibit A-1**. The well will develop the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]).

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

17. Devon requests overhead and administrative rates of \$8,000/month for drilling the well and \$800/month for producing the well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. Devon requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

19. Devon requests that it be designated operator of the unit and well.

20. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records under my direct supervision.

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

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

#### [Signature page follows]

#### FURTHER AFFIANT SAYETH NAUGHT

BR

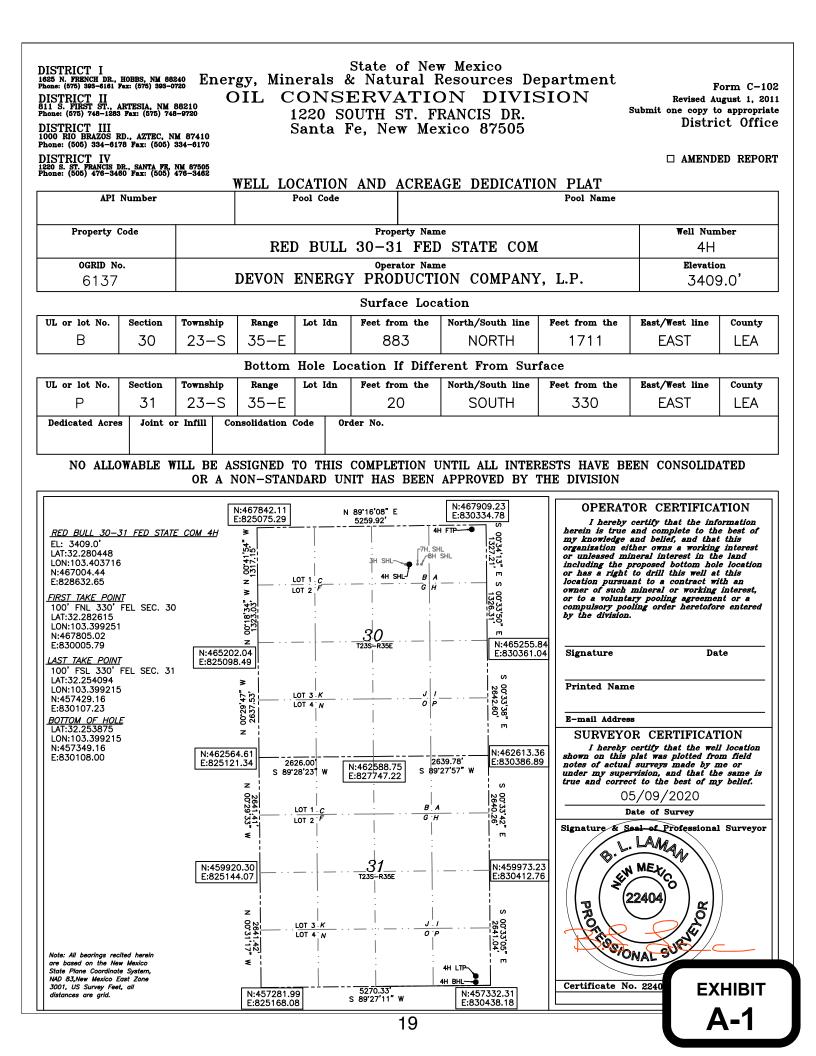
Andy D. Bennett

Subscribed to and sworn before me this  $\frac{15}{15}$  day of October, 2020.



v McKiddie

Notary Public



Intent		As Drilled	
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API #

Operator Name:		Property Name:	Well Number
DEVON ENERGY PI	RODUCTION	RED BULL 30-31 FED STATE COM	4H
COMPANY, LP.			

#### Kick Off Point (KOP)

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

#### First Take Point (FTP)

UL A	Section <b>30</b>	Township 23-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet <b>330</b>	From E/W	County LEA
Latitu <b>32.</b>	<sup>de</sup> 2826	15			Longitude <b>103.39</b>	9215			NAD 83

#### Last Take Point (LTP)

UL Section Township Range <b>31 23-S 35-E</b>	Lot	Feet <b>100</b>	From N/S	Feet <b>330</b>	From E/W	County LEA
Latitude <b>32.254094</b>		Longitud	։ 39921։	5		NAD 83

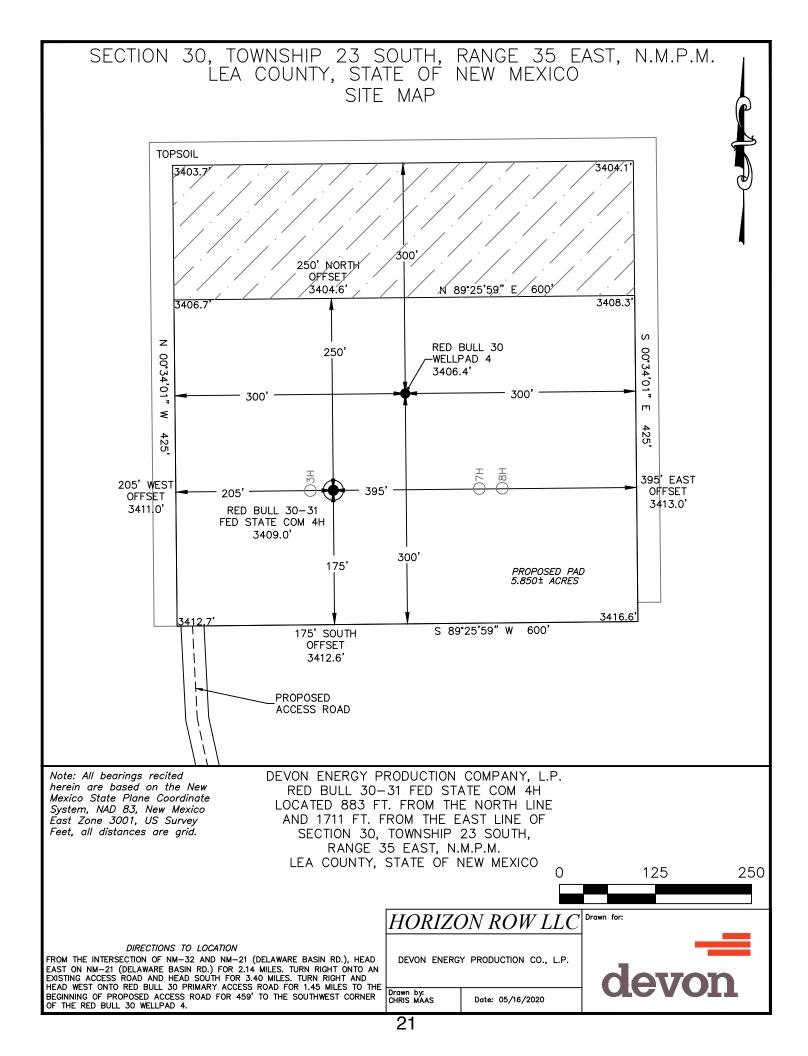
Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

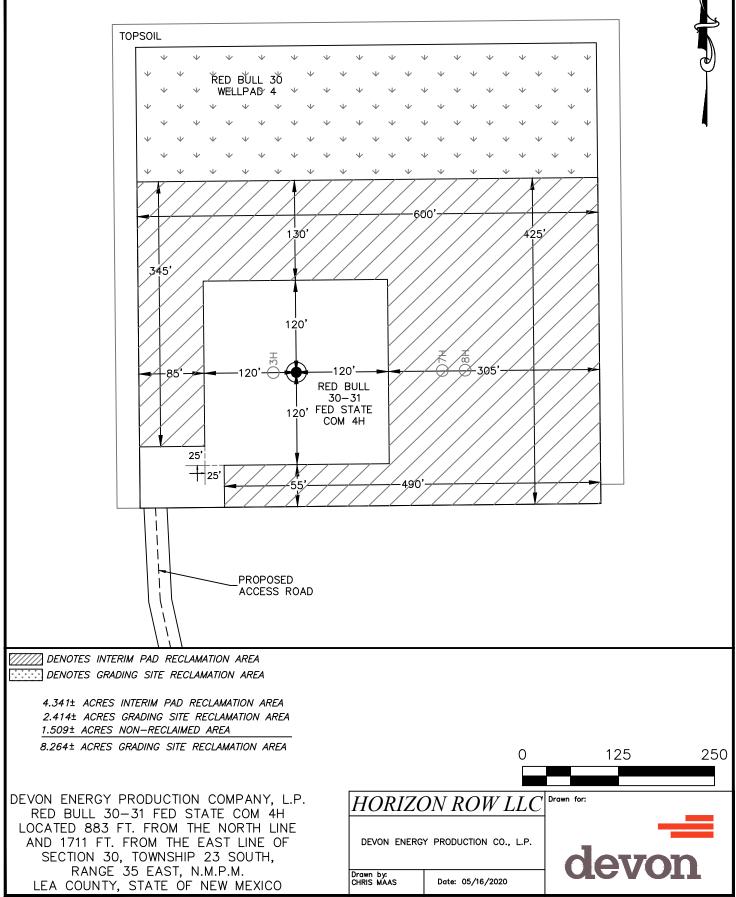
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

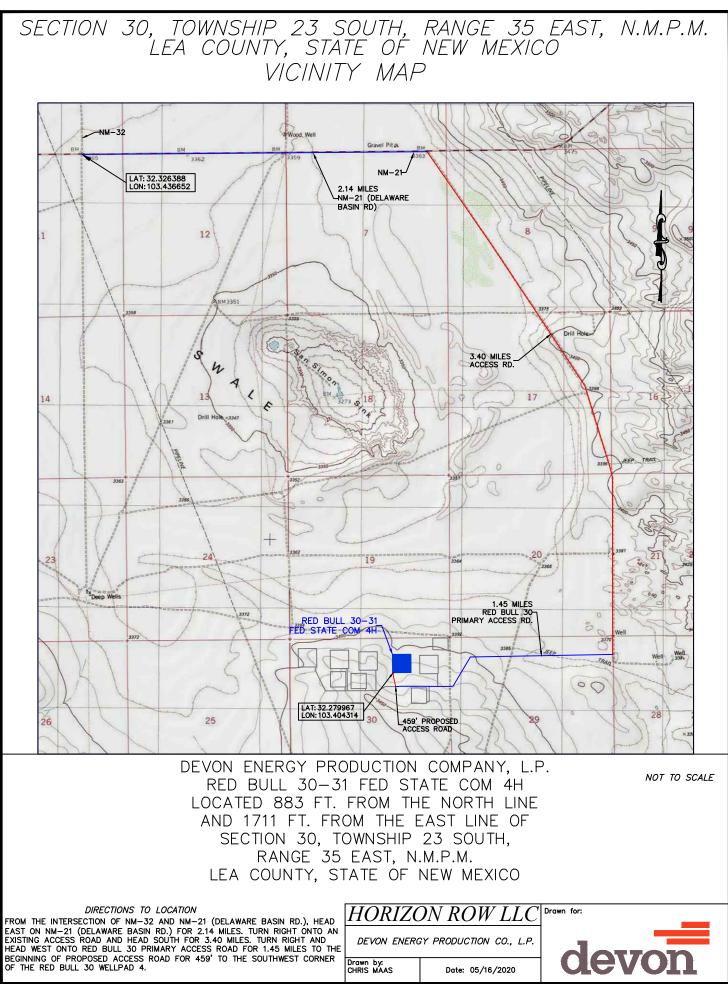
Operator Name: Property Name: Well Num	API #		
	Operator Name:	Property Name:	Well Number

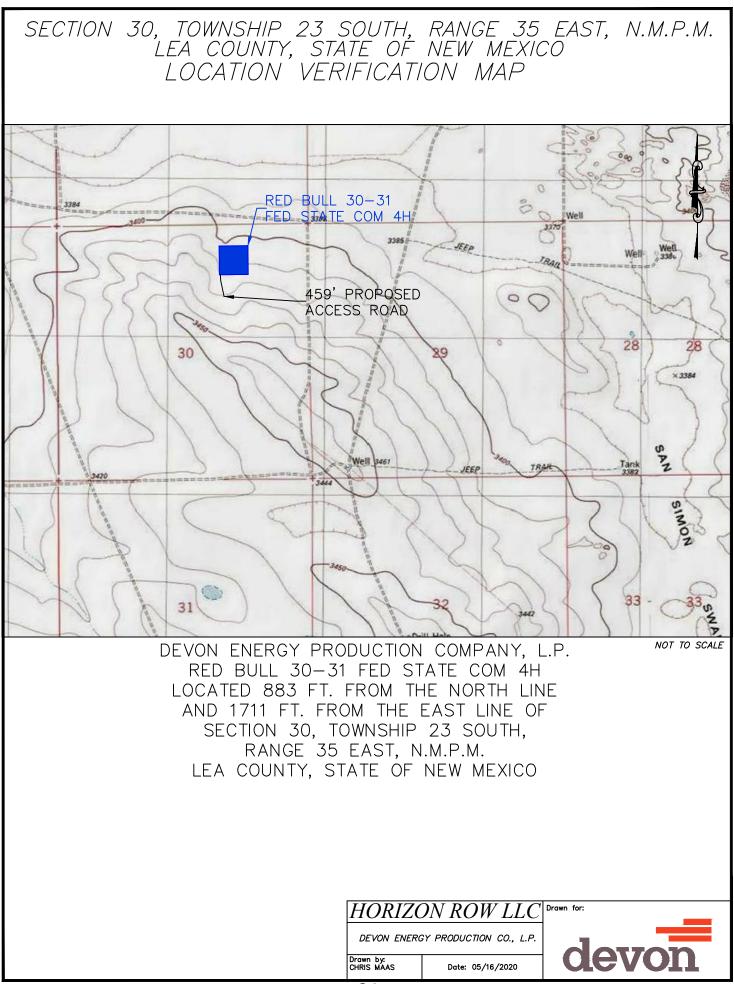
KZ 06/29/2018

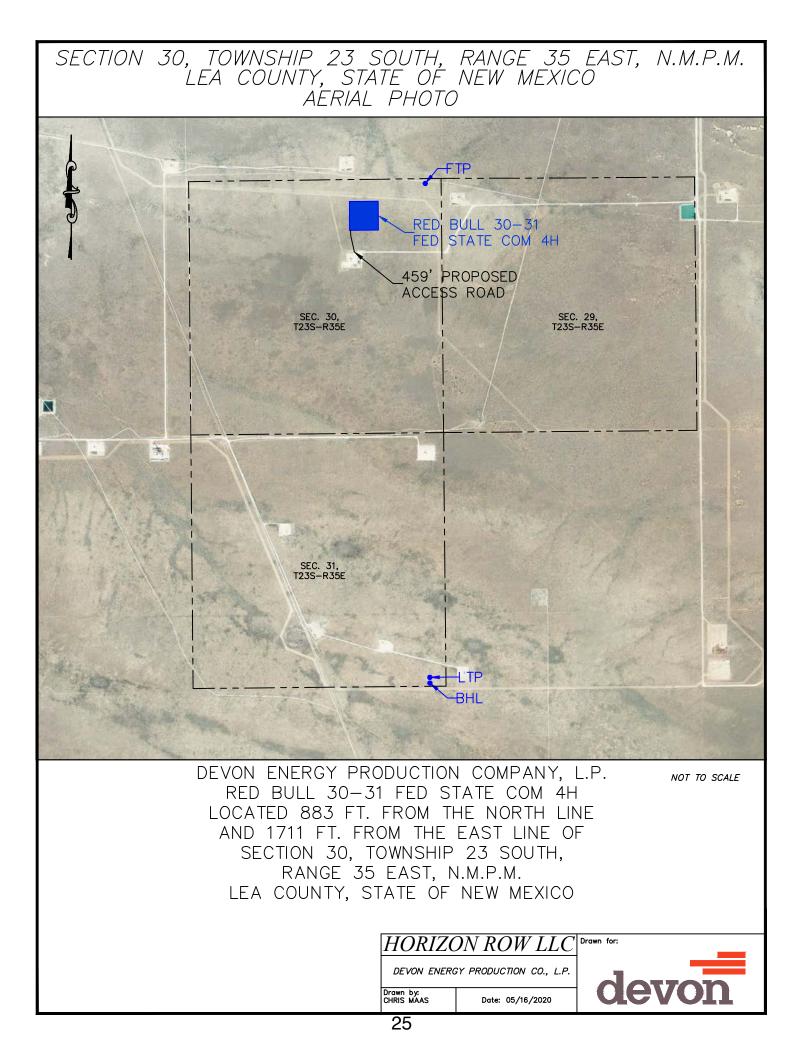


#### SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO INTERIM SITE BUILD PLAN

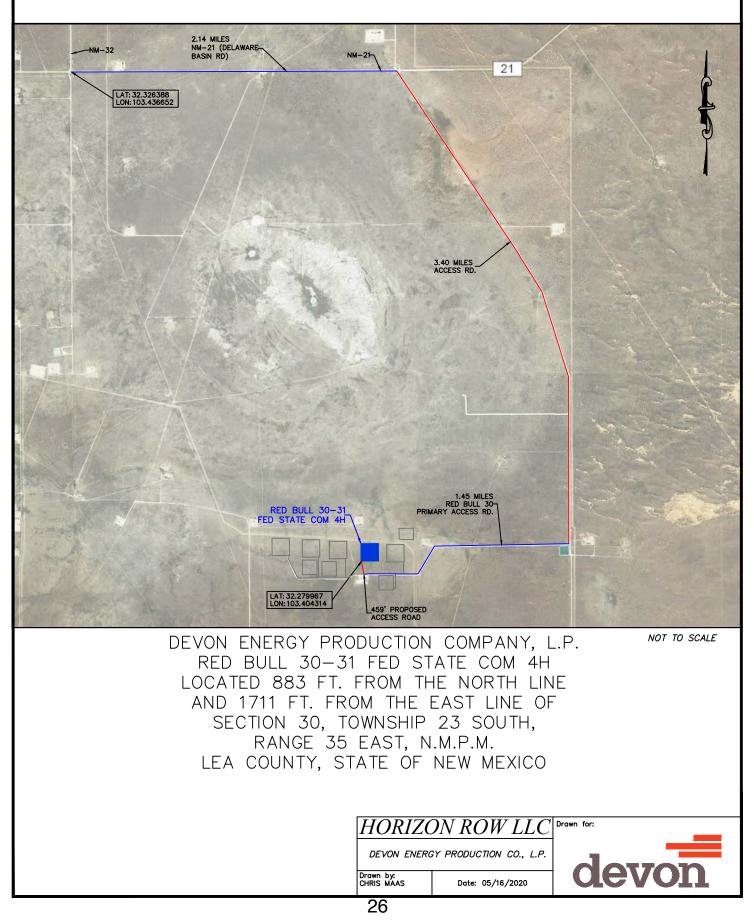


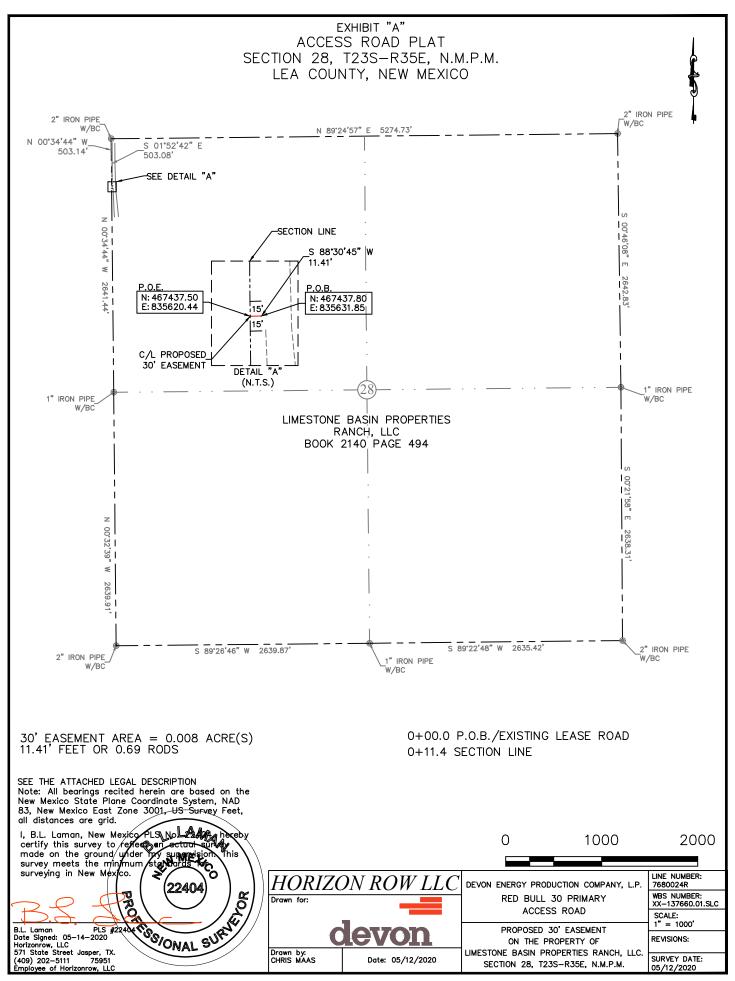






### SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP





#### SECTION 28, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### DEVON ENERGY PRODUCTION COMPANY, L.P.

#### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northwest quarter (NW <sup>1</sup>/<sub>4</sub>) of Section 28, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northwest quarter corner of Section 28;

Thence S 01°52'42" E a distance of 503.08' to the **Point of Beginning** of this easement, having coordinates of Northing=467437.80, Easting=835631.85 feet and continuing the following course;

Thence S 88°30'45" W a distance of 11.41' to the **Point of Ending**, being in the west line of said Section 28 and having coordinates of Northing= 467437.50, Easting= 835620.44 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 28, T23S-R35E bears N 00°34'44" W a distance of 503.14', covering **11.41' or 0.69 rods** and having an area of **0.008 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

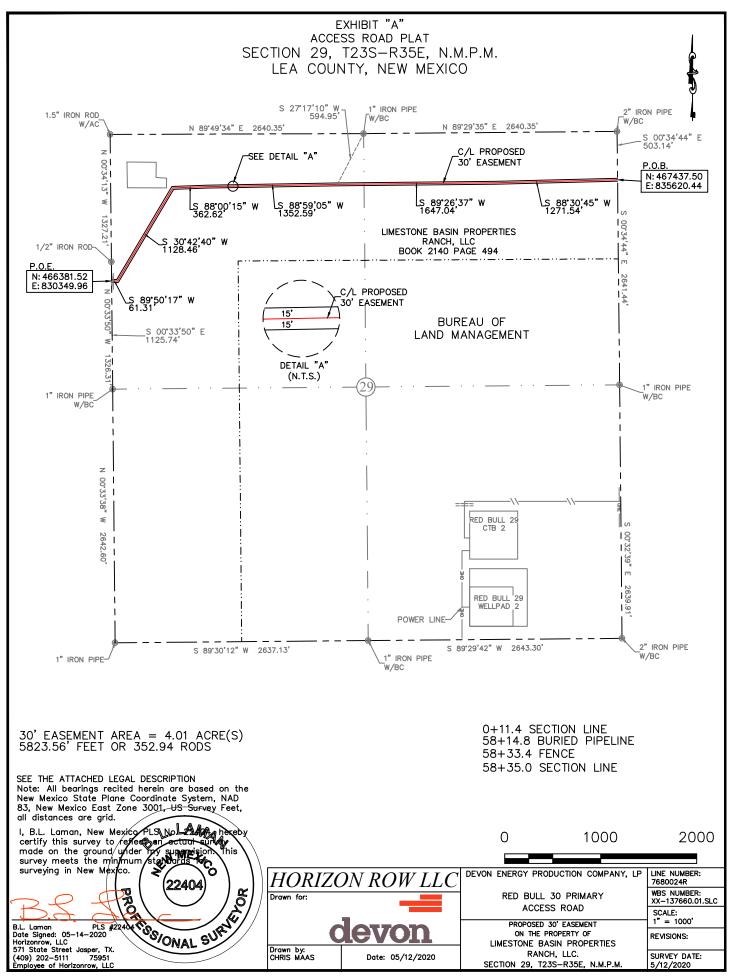
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 29, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) of Section 29, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northeast corner of Section 29;

Thence S 00°34'44" E a distance of 503.14' to the **Point of Beginning** of this easement in the east line of Section 29, having coordinates of Northing=467437.50, Easting=835620.44 feet and continuing the following courses;

Thence S 88°30'45" W a distance of 1271.54' to an angle point;

Thence S 89°26'37" W a distance of 1647.04' to an angle point;

Thence S 88°59'05" W a distance of 1352.59' to an angle point;

Thence S 88°00'15" W a distance of 362.62' to an angle point;

Thence S 30°42'40" W a distance of 1128.46' to an angle point;

Thence S 89°50'17" W a distance of 61.31' to the **Point of Ending** in the west line of Section 29, having coordinates of Northing=466381.52, Easting=830349.96 feet, from said point a 1" iron pipe w/BC for the west quarter corner of Section 29, T23S-R35E bears S 00°33'50" E a distance of 1125.74', covering **5823.56' or 352.94 rods** and having an area of **4.01 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

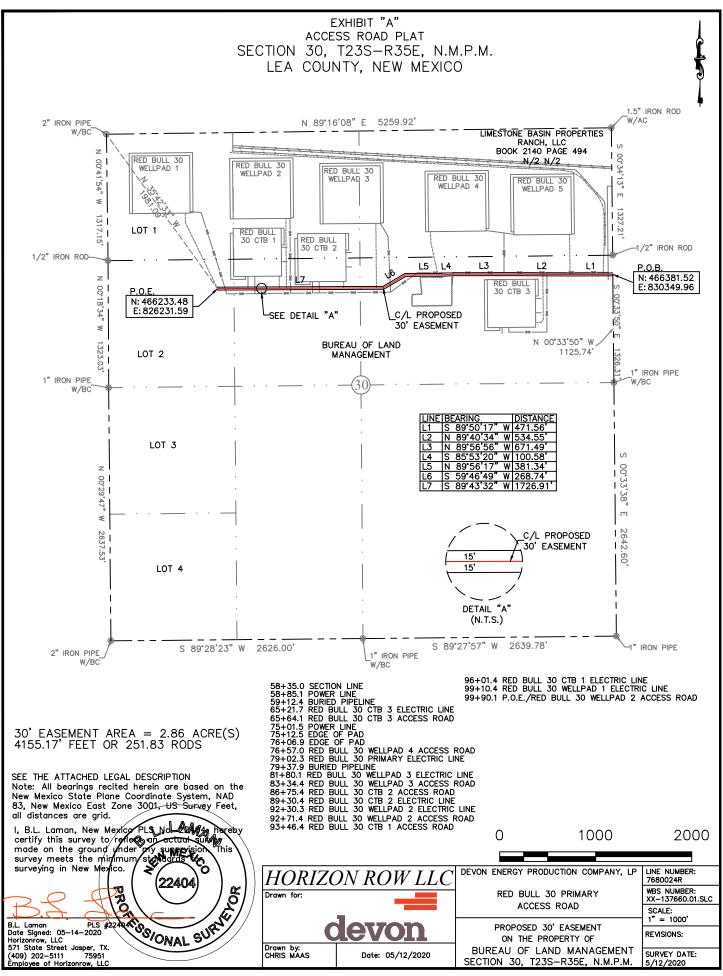
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### **BUREAU OF LAND MANAGEMENT**

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE <sup>1</sup>/<sub>4</sub>) and the northwest quarter (NW <sup>1</sup>/<sub>4</sub>) and Lot 2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC for the east quarter corner of Section 30;

Thence N 00°33'50" W a distance of 1125.74' to the **Point of Beginning** of this easement in the east line of Section 30, having coordinates of Northing=466381.52, Easting=830349.96 feet and continuing the following courses;

Thence S 89°50'17" W a distance of 471.56' to an angle point;

Thence N 89°40'34" W a distance of 534.55' to an angle point;

Thence N 89°56'56" W a distance of 671.49' to an angle point;

Thence S 85°53'20" W a distance of 100.58' to an angle point;

Thence N 89°56'17" W a distance of 381.34' to an angle point;

Thence S 59°46'49" W a distance of 268.74' to an angle point;

Thence S 89°43'32" W a distance of 1726.91' to the **Point of Ending**, having coordinates of Northing=466233.48, Easting=826231.59 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 30, T23S-R35E bears N 35°42'33" W a distance of 1981.09', covering **4155.17' or 251.83 rods** and having an area of **2.86 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

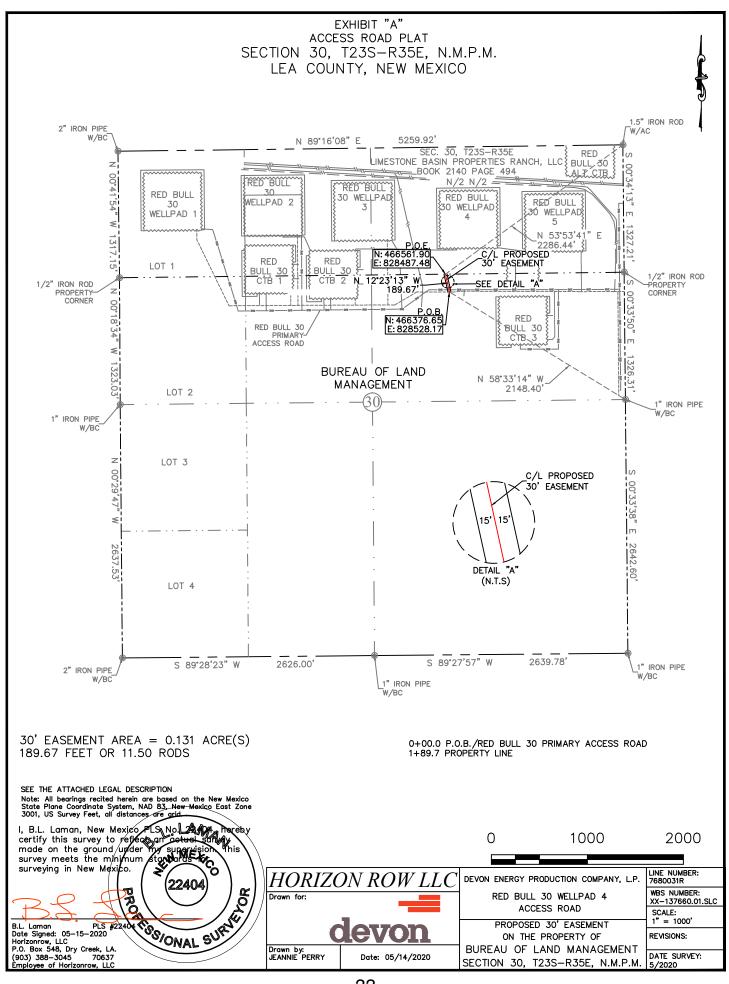
 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.
 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. BUREAU OF LAND MANAGEMENT

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the S/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC found for the east quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 58°33'14" W, a distance of 2148.40' to the **Point of Beginning** of this easement, having coordinates of Northing=466376.65 feet, Easting=828528.17 feet, and continuing the following courses;

Thence N 12°23'13" W, a distance of 189.67' to the **Point of Ending** of this easement, in the north line of the S/2 of the N/2 of Section 30, having coordinates of Northing=466561.90 feet, Easting=828487.48 feet, from said point a 1.5" iron rod w/AC found for the northeast corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 53°53'41" E a distance of 2286.44', covering **189.67' or 11.50 rods** and having an area of **0.131 acres**.

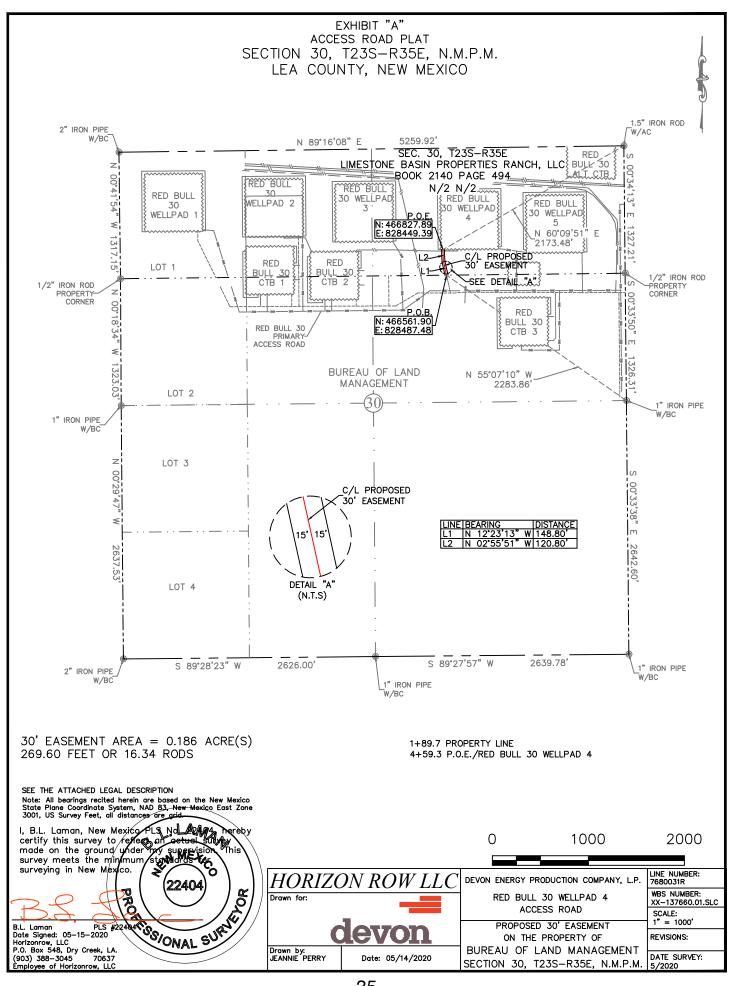
#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/15/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. LIMESTONE BASIN PROPERTIES RANCH, LLC

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the N/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Limestone Basin Properties Ranch, LLC, recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described in a deed as follows:

Commencing from a 1" iron pipe w/BC found for the east quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 55°07'10" W, a distance of 2283.86' to the **Point of Beginning** of this easement, having coordinates of Northing=466561.90 feet, Easting=828487.48 feet, in the south line of the N/2 of the N/2 of Section 30, and continuing the following courses;

Thence N 12°23'13" W, a distance of 148.80' to an angle point;

Thence N 02°55'51" W, a distance of 120.80' to the **Point of Ending** of this easement, having coordinates of 466827.89 feet, Easting=828449.39 feet, from said point a 1.5" iron rod w/AC found for the northeast corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 60°09'51" E a distance of 2173.48', covering **269.60' or 16.34 rods** and having an area of **0.186 acres**.

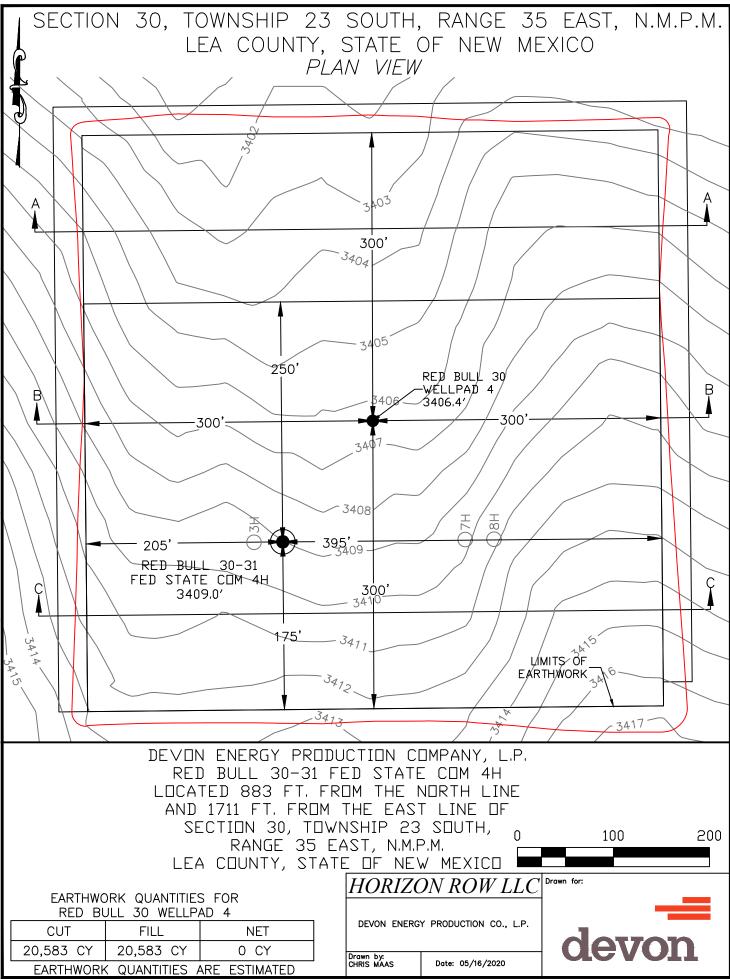
#### NOTES:

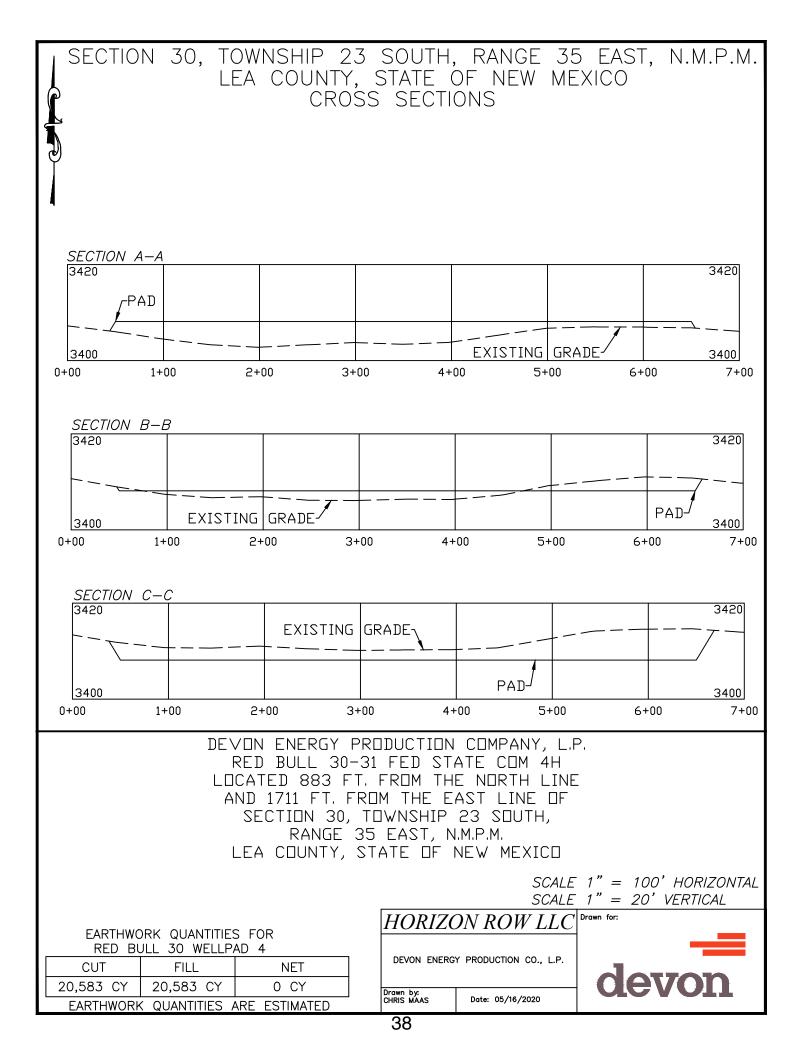
Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/15/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC

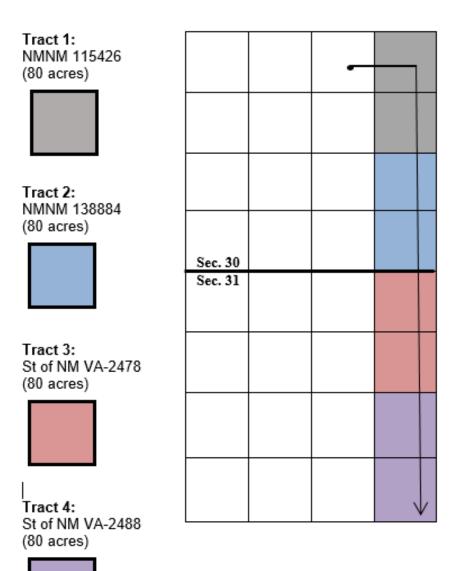






PLAT

E/2 E/2 of Sections 30 & 31, T-23-S, R-35-E, Lea County, New Mexico, Bone Spring Formation



Red Bull 30-31 Fed State Com 4H SHL: 883' FNL & 1,711' FEL BHL: 20' FSL & 330' FEL



## Exhibit "A-2"

## **OWNERSHIP BREAKDOWN – Bone Spring formation, Permian Basin**

## E/2E/2 of Sections 30 and 31, Township 23 South, Range 35 East, of Lea County, NM

## Red Bull 30-31 Fed State Com 4H (320-acre spacing unit)

## TRACT 1 OWNERSHIP (E2NE4 of Section 30-T23S-R35E, being 80 acres):

Owner	Net Acres	Unit WI	Status	
Devon Energy Production Company, L.P.	80	0.25	Committed	
333 W. Sheridan Avenue				
Oklahoma City, OK 73102				
TRACT 1 TOTAL	80	0.25		

## TRACT 2 OWNERSHIP (E2SE4 of Section 30-T23S-R35E, being 80 acres):

Owner Net Acres Unit WI Status
Murchison Oil and Gas, LLC 80 0.25 Uncommittee
7250 Dallas Pkwy, Suite 1400
Plano, TX 75024
TRACT 2 TOTAL 80 0.25

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	52	0.1625	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	28	0.0875	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
TRACT 3 TOTAL	80	0.25	

# TRACT 3 OWNERSHIP (E2NE4 of Section 31-T23S-R35E, being 80 acres):

# TRACT 4 OWNERSHIP (W2SE4 of Section 31-T23S-R35E, being 80 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	52	0.1625	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	26	0.08125	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
VPD New Mexico, LLC	2	0.00625	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			
TRACT 3 TOTAL	80	0.25	

Owner	Net Acres	Unit WI	Status		
Devon Energy Production Company, L.P.	184	0.575 Commi	nitted		
333 W. Sheridan Avenue					
Oklahoma City, OK 73102					
Chevron U.S.A. Inc.	54	0.16875	Uncommitted		
6301 Deauville Blvd.					
Midland, TX 79706					
Murchison Oil and Gas, LLC	80	0.25	Uncommitted		
7250 Dallas Pkwy, Suite 1400					
Plano, TX 75024					
VPD New Mexico, LLC	2	0.00625	Uncommitted		
2100 McKinney Avenue, Suite 1770					
Dallas, TX 75201					
UNIT TOTAL	320	1.00			
	320	1.00			
Overriding Royalty Owners					
EOG Resources Inc.	P.O. Box 4	1362	Houston	ТΧ	
Devon Energy Production Co, LP	333 W. Sheridan Ave.		Oklahoma City	ОК	
Stryker Energy, LLC	1011 Fann	iin, Suite 2020	Houston	ТХ	
Oxy Y-1 Company	5 Greenwa 110	ay Plaza, Suite	Houston	ТХ	

# OVERALL UNIT OWNERSHIP (E2E2 of Sections 30 and 31 – 23S-35E; 320.00 acres)

Exhibit A-3



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

**EXHIBIT** 

June 30, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

Ms. Hunter:

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

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

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June 30, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

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

Devon is proposing to drill the Wells under the terms of the modified and superseding 2015 AAPL form of Operating Agreements ("JOA's"). The JOA's will be supplied to those parties interested in participating. The JOA's will have the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract Area #1: W/2 and W/2 E/2 of Sections 30 and 31 T23S-R35E, being approximately 956.44 acres
- Contract Area #2: E/2E/2 of Sections 30 and 31 T23S-R35E, being approximately 320.00 acres
- 100/400% Non-Consenting Penalty

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

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

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

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

PBEE

Andy Bennett, CPL Senior Staff Landman

**Chevron USA Inc.:** 

	To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H
	Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H
	To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H
	Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H
	To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H
_	Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H
	To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H
	Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H
ed to	o and Accepted this day of, 2020.

Chevron USA Inc.

D				
By:				
-	 	 	 	 _

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



 AFE # XX-137558.01
 AFE # XX-137558.01

 Well Name: RED BULL 30-31 FED STATE COM 1H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094494801
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 1H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	153,328.80	167,398.64	0.00	320,727.44
6060130	GASEOUS FUELS	25,135.90	0.00	0.00	25,135.90
6080100	DISPOSAL - SOLIDS	73,525.60	1,054.54	0.00	74,580.14
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	58,150.40	158,049.88	0.00	216,200.28
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170	COMM SVCS - WAN	4,724.70	0.00	0.00	4,724.70
6130360	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	13,804.10	0.00	0.00	13,804.10
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
6160100	MATERIALS & SUPPLIES	12,980.00	0.00	0.00	12,980.0
6170100	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
6190100	TRCKG&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110	TRUCKING&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.7
6200130	CONSLT & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.2
6230120	SAFETY SERVICES	33,748.00	0.00	0.00	33,748.0
6300270	SOLIDS CONTROL SRVCS	70,380.40	0.00	0.00	70,380.4
6310120	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
6310200	CASING & TUBULAR SVC	56,699.90	0.00	0.00	56,699.9
6310250	CEMENTING SERVICES	160,704.70	0.00	0.00	160,704.7
6310280	DAYWORK COSTS	691,236.20	0.00	0.00	691,236.2
6310300	DIRECTIONAL SERVICES	220,008.90	0.00	0.00	220,008.9
6310310	DRILL BITS	103,592.70	0.00	0.00	103,592.7
6310330	DRILL&COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.5
6310370	MOB & DEMOBILIZATION	22,745.90	0.00	0.00	22,745.9
6310380	OPEN HOLE EVALUATION	16,564.90	0.00	0.00	16,564.9
6310480	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
6310510	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
6320100	EQPMNT SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.8
6320110	EQUIP SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.6
6320160	WELDING SERVICES	1,030.20	0.00	0.00	1,030.20
6320190	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137558.01 Well Name: RED BULL 30-31 FED STATE COM 1H Cost Center Number: 1094494801 Legal Description: SEC 30-23S-35E Revision:			AFE Dat State: County/		07/01/ NM LEA	2020
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Ho Cost	2.12	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64		0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00		0.00	5,000.00
		0.00	7 700 00		0.00	7 700 00

6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
	Total Intangibles	2,364,503.90	3,501,482.39	0.00	5,865,986.29

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:

AFE Date: 07/01/2020 State: NM County/Parish: LEA

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

DRILL AND COMPLETE THE RED BUL 30-31 FED STATE COM 2H

Intangible Code Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100 DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
6060130 GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100 DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110 DISP-SALTWATER & OT	°H 0.00	9,490.86	0.00	9,490.86
6080115 DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.46
6090120 RECYC TREAT&PROC-	120 0.00	210,506.08	0.00	210,506.08
6100100 PERMIT SURVEY&TITLE	E 30,000.00	0.00	0.00	30,000.00
6100110 RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130 ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170 DAMAGE & REMEDIATI	ON 5,000.00	0.00	0.00	5,000.00
6120100   & C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170 COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
6130360 RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370 RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
6140160 ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100 CH LOG PERFRTG&WL	SV 0.00	258,877.21	0.00	258,877.21
6160100 MATERIALS & SUPPLIE	S 15,276.06	0.00	0.00	15,276.06
6170100 PULLING&SWABBING	SVC 0.00	16,500.00	0.00	16,500.00
6170110 SNUBBG&COIL TUBG	SVC 0.00	129,385.25	0.00	129,385.25
6190100 TRCKG&HL-SOLID&FL	UID 61,104.26	0.00	0.00	61,104.26
6190110 TRUCKING&HAUL OF E	QP 28,400.57	35,490.59	0.00	63,891.16
6200130 CONSLT & PROJECT S	VC 182,452.34	93,278.30	0.00	275,730.64
6230120 SAFETY SERVICES	39,717.77	0.00	0.00	39,717.77
6300270 SOLIDS CONTROL SRV	/CS 73,497.23	0.00	0.00	73,497.23
6310120 STIMULATION SERVICE	ES 0.00	802,300.14	0.00	802,300.14
6310190 PROPPANT PURCHASE	E 0.00	462,984.03	0.00	462,984.03
6310200 CASING & TUBULAR S	VC 59,210.88	0.00	0.00	59,210.88
6310250 CEMENTING SERVICES	5 167,821.55	0.00	0.00	167,821.55
6310280 DAYWORK COSTS	721,847.81	0.00	0.00	721,847.81
6310300 DIRECTIONAL SERVICI	ES 229,752.00	0.00	0.00	229,752.00
6310310 DRILL BITS	108,180.35	0.00	0.00	108,180.35
6310330 DRILL&COMP FLUID&S	SVC 90,003.99	23,112.30	0.00	113,116.29
6310370 MOB & DEMOBILIZATIO	ON 361,461.79	0.00	0.00	361,461.79
6310380 OPEN HOLE EVALUAT	ION 17,298.53	0.00	0.00	17,298.53
6310480 TSTNG-WELL, PL & OT	Н 0.00	140,582.49	0.00	140,582.49
6310510 VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600 MISC PUMPING SERVIC	CE 0.00	45,731.33	0.00	45,731.33
6320100 EQPMNT SVC-SRF RNT	ГL 147,563.33	131,302.83	0.00	278,866.16
6320110 EQUIP SVC - DOWNHO	LE 58,617.05	27,589.32	0.00	86,206.37
6320160 WELDING SERVICES	215.16	0.00	0.00	215.16
6320190 WATER TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:			AFE Date: State: County/Parish:		/01/2020 // :A
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.6
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	9,165.64	32,366.39	0.00	41,532.03
6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2,846,484.11	3,501,482.39	0.00	6,347,966.50

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	AC EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	684,551.89	872,671.45	0.00	1,557,223.34

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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



 AFE # XX-137660.01
 AFE # XX-137660.01

 Well Name: RED BULL 30-31 FED STATE COM 3H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495001
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

#### Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 3H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMIC		0.00	167,124.67	0.00	167,124.67
6060100 DYED LI		153,328.80	167,398.64	0.00	320,727.44
6060130 GASEOU		25,135.90	0.00	0.00	25,135.90
6080100 DISPOS		73,525.60	1,054.54	0.00	74,580.14
6080110 DISP-SA	LTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115 DISP VIA	PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS -	WATER	58,150.40	158,049.88	0.00	216,200.28
6090120 RECYC	REAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100 PERMIT	SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110 RIGHT O	FWAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&S		0.00	20,412.50	0.00	20,412.50
6110130 ROAD&S	and the second se	45,000.00	36,616.98	0.00	81,616.98
and the second se	& REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100 & C SE	and the second sec	0.00	111,292.50	0.00	111,292.50
6130170 COMM S		4,724.70	0.00	0.00	4,724.70
6130360 RTOC - I		0.00	10,545.40	0.00	10,545.40
6130370 RTOC - 0		13,804.10	0.00	0.00	13,804.10
6140160 ENV-SEI		1,000.00	0.00	0.00	1,000.00
and so that the second s	PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
6160100 MATERI	ALS & SUPPLIES	12,980.00	0.00	0.00	12,980.00
6170100 PULLING	S&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110 SNUBBO	S&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
	HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110 TRUCK	NG&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.79
	& PROJECT SVC	155,817.90	93,278.30	0.00	249,096.20
6230120 SAFETY	SERVICES	33,748.00	0.00	0.00	33,748.00
	CONTROL SRVCS	70,380.40	0.00	0.00	70,380.40
6310120 STIMUL	ATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190 PROPP	ANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200 CASING	& TUBULAR SVC	56,699.90	0.00	0.00	56,699.90
6310250 CEMEN	TING SERVICES	160,704.70	0.00	0.00	160,704.70
6310280 DAYWO	RK COSTS	691,236.20	0.00	0.00	691,236.20
6310300 DIRECT	IONAL SERVICES	220,008.90	0.00	0.00	220,008.90
6310310 DRILL B		103,592.70	0.00	0.00	103,592.70
6310330 DRILL&	COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.50
6310370 MOB &	DEMOBILIZATION	22,745.90	0.00	0.00	22,745.90
6310380 OPEN H	OLE EVALUATION	16,564.90	0.00	0.00	16,564.90
6310480 TSTNG-		0.00	140,582.49	0.00	140,582.49
6310510 VACUU		0.00	2,500.00	0.00	2,500.00
	IMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100 EQPMN		129,247.00	131,302.83	0.00	260,549.83
	SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.62
6320160 WELDIN		1,030.20	0.00	0.00	1,030.20
6320190 WATER	TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137660.01 Well Name: RED BULL 30-31 FED STATE COM 3H Cost Center Number: 1094495001 Legal Description: SEC 30-23S-35E Revision:			AFE Dat State: County/	/01/2020 // :A	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550440	MISCELLANEOUS SHO	20 440 20	0.00	0.00	30 410 20

6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
	Total Intangibles	2,364,503.90	3,501,482.39	0.00	5,865,986.29

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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



 AFE # XX-137661.01
 Well Name: RED BULL 30-31 FED STATE COM 4H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495101
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 4H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
6060130	GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100	DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.40
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.5
6130170	COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
6130360	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
	MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.00
	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
6190100	TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.20
6190110	TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.10
6200130	CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.6
6230120	SAFETY SERVICES	39,717.77	0.00	0.00	39,717.7
	SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.2
	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
6310200	CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.8
	CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.5
6310280	DAYWORK COSTS	721,847.81	0.00	0.00	721,847.8
6310300	DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.0
6310310	DRILL BITS	108,180.35	0.00	0.00	108,180.3
6310330	DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.2
6310370	MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.7
6310380	OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.5
	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
and the desired and the statements	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
	EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.1
	EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.3
	WELDING SERVICES	215.16	0.00	0.00	215.16
	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137661.01 Well Name: RED BULL 30-31 FED STATE COM 4H Cost Center Number: 1094495101 Legal Description: SEC 30-23S-35E Revision:			AFE Date: 07/01/2 State: NM County/Parish: LEA			020
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	3	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0	.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0	.00	5,000.00
CEED400	MICOS COSTS & SERVIS	0.00	7 793 00	0	00	7 709 00

	Total Intangibles	2,846,484.11	3,501,482.39	0.00	6,347,966.50
6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
6630110	CAPITAL OVERHEAD	9,165.64	32,366.39	0.00	41,532.03
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0,00	23,000.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	684,551.89	872,671.45	0.00	1,557,223.34

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

WORKING INTEREST OWNER APPROVAL

Company Name:

Print Name:

Signature:

Title:

Date:

Email:

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



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

October 6, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

#### Ms. Hunter:

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposed, on June 30<sup>th</sup>, 2020, to drill and complete the following four (4) wells:

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

October 6, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

Devon wanted to let you know that we are planning a change to the BHL for the 2H, 3H, and 4H Wells, however they will remain in the same quarter-quarter section for pooling/spacing purposes. We are not planning any changes for the 1H Well. We are planning to move the BHL's as follows:

- 2H well will have an estimated BHL at 1,760' FWL
- 3H well will have an estimated BHL at 2,200' FEL
- 4H well will have an estimated BHL at 990' FEL

There are no changes to the TVD, target formation, AFE's, etc., which remain the same.

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

alBet B

Andy Bennett, CPL Senior Staff Landman

Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21396:

- 1. Well Proposal Letter from Devon Energy Production Company, L.P., to all the Working Interest Owners dated and mailed June 30, 2020, and July 1, 2020 (Exhibit A-3)
- 2. Initial email with exchange of agreements/drafts between Devon Energy Production Company, L.P. and the Working Interest Owners, on the following dates:
  - Chevron USA, Inc. July 1, 2020
  - VPD New Mexico, LLC July 7, 2020
  - Murchison Oil and Gas, LLC July 15, 2020
- Follow up email(s) and exchange of drafts, along with discussions to work out existing matters, between Devon Energy Production Company, L.P., to the Working Interest Owners, from 7/27/2020 through 10/14/2020
  - Chevron USA, Inc. emails on 7/27/2020, 8/14/2020, 10/6/2020, and 10/14/2020
  - VPD New Mexico, LLC emails on 8/27/2020, 10/6/2020, and 10/7/2020
  - Murchison Oil and Gas, LLC emails on 7/15/2020, 7/28/2020, 8/6/2020, 8/25/2020, and 10/6/2020



# **TAB 3**

- Exhibit B: Affidavit of Tom Peryam, Geologist Case No. 21396
- Exhibit B-1: Structure Map Case No. 21396
- Exhibit B-2: Type Log Case No. 21396
- Exhibit B-3: Gross Isochore Case No. 21396
- Exhibit B-4: Gross Isochore Case No. 21396
- Exhibit B-5: Gun Barrel View Case No. 21396
- Exhibit B-6: Structural Cross-section Case No. 21396

## 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, LEA COUNTY, NEW MEXICO

Case No. 21396

## **AFFIDAVIT OF TOM PERYAM**

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.

2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the geology involved.

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

4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.

a. I hold a Bachelor's degree in Geology obtained from the University of Oregon,

a Master's degree in Geology from New Mexico State University, and a Doctorate in Geology from the University of Oregon. I completed my education in 2012.

b. I have been employed as a petroleum geologist with Devon since August, 2012.

Devo58ublic

5. Exhibit B-1 is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.

6. Exhibit B-2 is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.

7. Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.

8. Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.

9. Exhibit B-5 is a "gun barrel" view showing location of the 4 proposed wells relative to the Red Bull 31 State 1 Type Log

10. Exhibit B-6 is a structural cross section showing estimated position of the proposed wellbore.

11. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

12. The preferred well orientation in this area is north-south.

13. The Exhibits to this Affidavit were prepared by me or compiled from Devon's company business records under my direct supervision.

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

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

[Signature page follows]

# FURTHER AFFIANT SAYETH NAUGHT

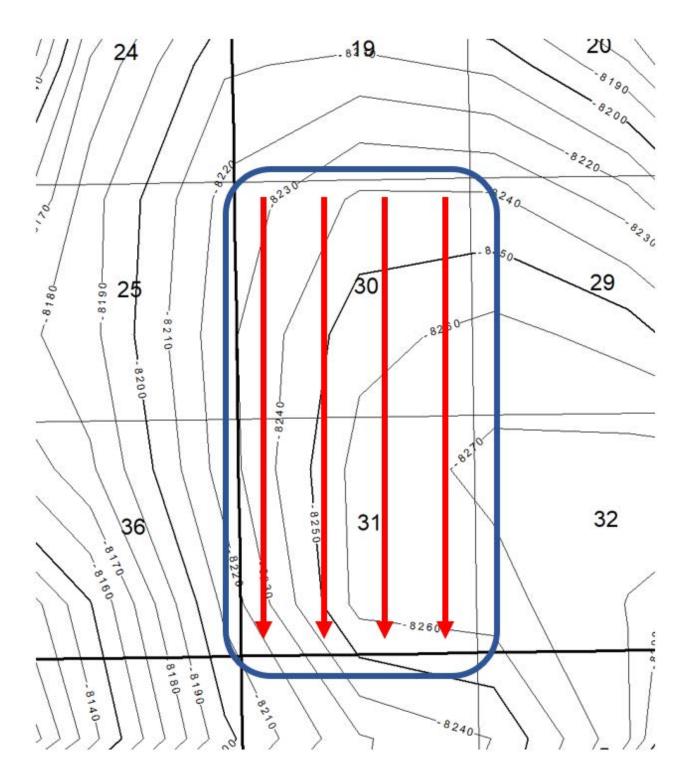
Tom Peryam

Subscribed to and sworn before me this  $15^{th}$  day of October, 2020.



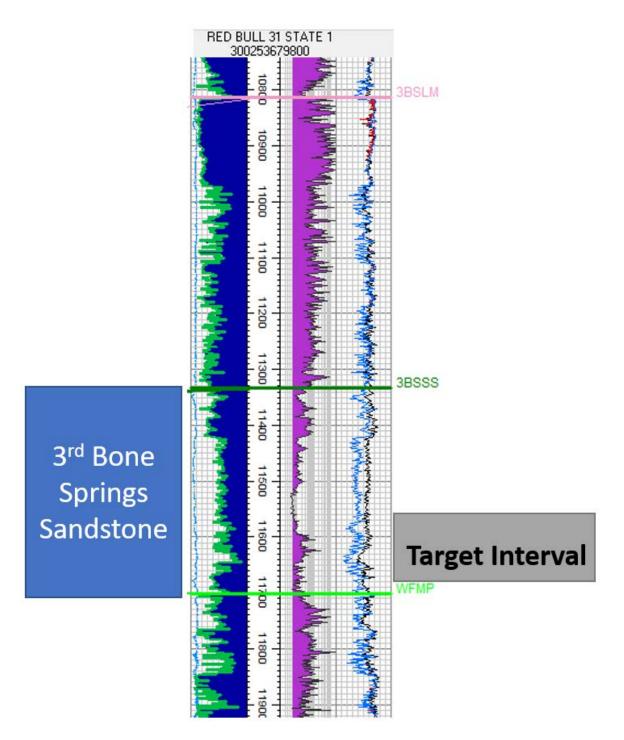
Kiddie

Notary Public



**Exhibit B-1** is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.





**Exhibit B-2** is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.



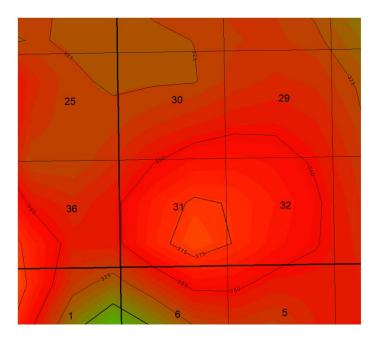


Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.



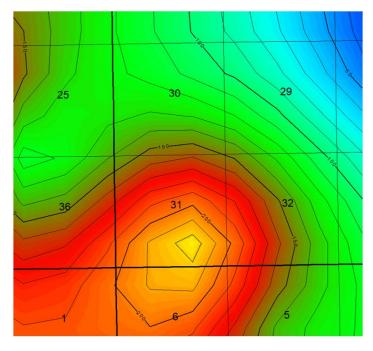
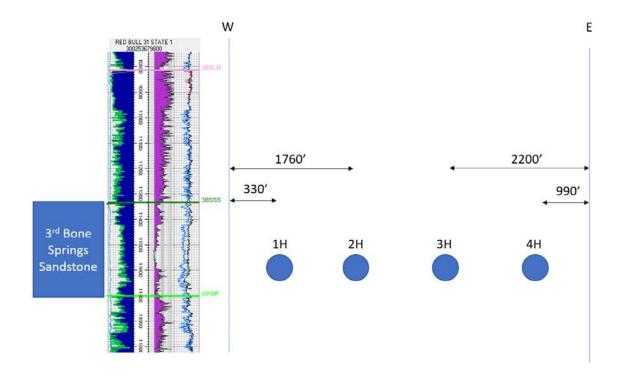
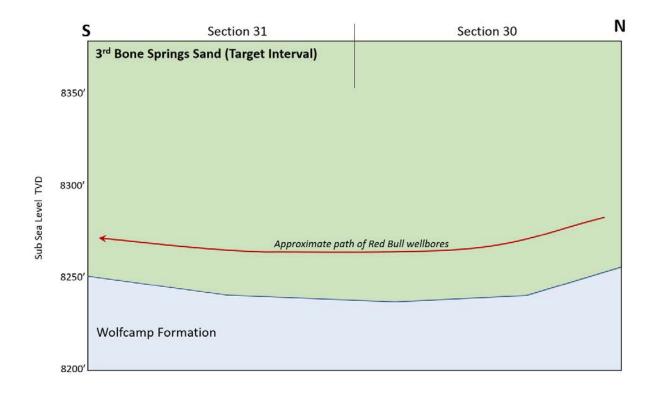


Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.











# TAB 4

- Exhibit C: Affidavit of Notice, Darin C. Savage Case No. 21396
- Exhibit C-1: Notice Letters (WI & ORRI) Case No. 21396
- Exhibit C-2: Mailing List Case Nos. 21396
- Exhibit C-3: Affidavit of Publication Case No. 21396

## 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, LEA COUNTY, NEW MEXICO

Case No. 21396

# **AFFIDAVIT OF NOTICE**

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

Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P., the Applicant herein, being first duly sworn, upon oath, states that the above referenced Application was under a notice letter and that proof of receipt attached hereto.

Darin C. Savage

SUBSCRIBED AND SWORN to before me this 19th day of October, 2020, by Darin C. Savage.

My Commission Expires:

10-4-20





#### ABADIE | SCHILL PC



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

**EXHIBIT** 

August 19, 2020

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 4H Well

Case No. 21396

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 21396, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the E/2 E/2 of Sections 30 and 31-23S-35E, NMPM, Lea County, New Mexico, encompassing 320 acres, more or less.

A hearing has been requested before a Division Examiner on September 10, 2020, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: http://www.emnrd.state.nm.us/OCD/hearings.html, or call (505) 476-3441.

You are being notified as a working interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

#### ABADIE I SCHILL PC



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

August 19, 2020

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

# TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 4H Well

Case No. 21396

Dear ORRI Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 21396, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the E/2 E/2 of Sections 30 and 31-23S-35E, NMPM, Lea County, New Mexico, encompassing 320 acres, more or less.

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You are being notified as an owner of an overriding royalty interest ("ORRI") and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.



Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

### ABADIE I SCHILL PC



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

August 19, 2020

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

# Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 4H Well

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You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 **73**  Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

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BLM	Bureau of Land Management	414 W. Tavlor St. Hobbs NM 88240	70200090000034244162	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
BLM	Bureau of Land Management	414 W. Tavlor St. Hobbs NM 88240	70200090000034244155	8/20/20		d Mail	8/24/20	9	YES
MIN	Bureau of Land Management	414 W. Tavlor St. Hohbs NM 88240	702000000034244179	8/20/20		d Mail	8/24/20	, c	YES
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BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244186	8/20/20		d Mail	8/24/20	9	YES
BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244131	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244148	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland, TX 79706	70200090000034242434	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland. TX 79706	70200090000034242458	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
M	Chevron USA Inc.		70200090000034242441	8/20/20		d Mail	Not Stated	9	YES
M	Chevron USA Inc.		70200090000034242465	8/20/20		d Mail	Not Stated	9	YES
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ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242373	8/20/20		d Mail	8/25/20	9	YES
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242359	8/20/20	Delivered Certified Mail	d Mail	8/25/20	9	YES
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242366	8/20/20	Delivered Certified Mail	d Mail	8/25/20	9	YES
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242380	8/20/20	Delivered Certified Mai	d Mail	8/25/20	9	YES
M	Murchison Oil and Gas LLC	Eric S. Buddenbohn Land Manager 7250 Dallas Parkway Suite 1400 Plano, TX 75024	70200090000034242342	8/20/20	Delivered Certified Mail	d Mail	8/25/20	9	YES
State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244100	8/20/20	Delivered Certified Mail	d Mail	Not Stated	9	YES
State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244094	8/20/20	Delivered Certified Mail	d Mail	Not Stated	9	YES
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State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244124	8/20/20	Delivered Certified Mail	d Mail	Not Stated	9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242397	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242410	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242427	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242403	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242496	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242502	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinnev Ave. Suite 2050 Dallas. TX 75201	70200090000034242472	8/20/20	Delivered Certified Mail	d Mail	8/24/20	9	YES
IM	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242489	8/20/20		d Mail	8/24/20	9	YES
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1. Article Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below: No
Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508	AUG 25 2020
9590 9402 4008 8079 4844 08	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Return Receipt for Merchandise
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Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X Agent
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or on the front if space permits.	J. Bowdoin 8-24-20
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes
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Bureau of Land Management	AUG 25 2020
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Santa Fe, NM 87508	(e) / / /
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	(over \$500)
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
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Santa Fe, NM 87508	
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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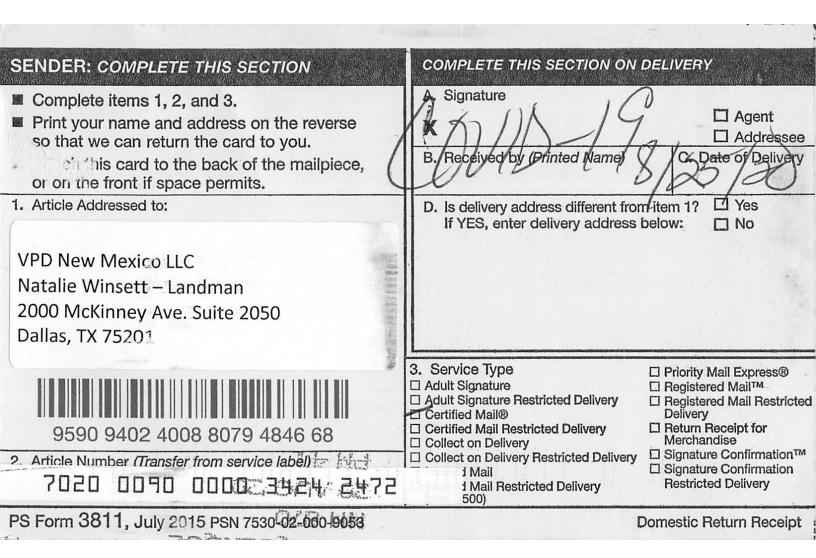
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X -El Agent
so that we can return the card to you.	Li Addressee
Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	J. Boudan 8-24-20
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes
	If YES, enter delivery address below:
Bureau of Land Management	1 C 0000
301 Dinosaur Trail	AUG 2 5 2020
Santa Fe, NM 87508	
	6
	3. Service Type
	□ Adult Signature □ Registered Mail <sup>™</sup> □ Adult Signature Restricted Delivery □ Registered Mail Restricted
	Certified Mail® Delivery
9590 9402 4008 8079 4843 47	Certified Mail Restricted Delivery
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation™
7020 0090 0000 3424 4193	ad Mail Li Signature Confirmation
	\$500)
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
Complete items 1, 2, and 3.	A. Signature	
Print your name and address on the reverse	XXIM	☐ Agent □ 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.	LLRF25 C/9	8/24/22
1. Article Addressed to:	D. Is delivery address different from If YES, enter delivery address	
	in TEO, ontor donvery address	
Bureau of Land Management	•	
414 W. Taylor St.		
Hobbs NM 88240		
		and the state way was to prove the second state of the second state of the second state of the second state of t
	3. Service Type	Priority Mail Express®
	Adult Signature     Adult Signature Restricted Delivery	□ Registered Mail <sup>™</sup> □ Registered Mail Restricted
	Certified Mail®	Delivery
9590 9402 4008 8079 4847 05	Certified Mail Restricted Delivery	Return Receipt for     Merchandise
2. Article Number (Transfer from service label)	Collect on Delivery Restricted Delivery	<ul> <li>□ Signature Confirmation<sup>™</sup></li> <li>□ Signature Confirmation</li> </ul>
7020/0090/0000/3424/4131	Mail Restricted Delivery	Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	l	Domestic Return Receipt

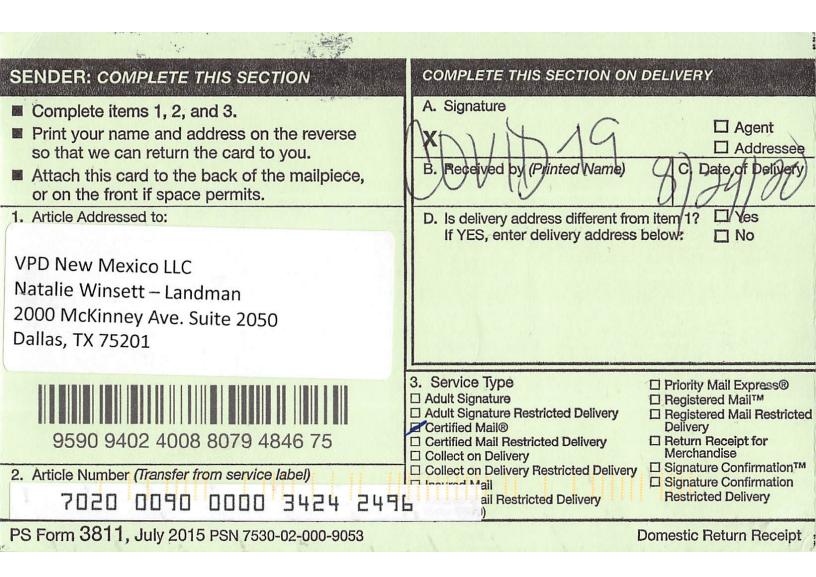
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  A. Signature A. Signature  A. Signature A. Signatu
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Bureau of Land Management 414 W. Taylor St. Hobbs NM 88240	
9590 9402 4008 8079 4847 43 2. Article Number (Transfer from service label) 7020/0090/0000/3424/4144	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Registered Mail Restricted Delivery         □ Collect on Delivery       □ Return Receipt for Merchandise         □ Collect on Delivery Restricted Delivery       □ Signature Confirmation™         □ Mail       □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul>	A. Signature X BL B. Received by (Printed Name) LLLLLS C/ D. Is delivery address different from If YES, enter delivery address	
Bureau of Land Management 414 W. Taylor St. Hobbs NM 88240		
9590 9402 4008 8079 4842 62 2. Article Number (Transfer from service label) 7020 0090 0000 3424 4167	<ul> <li>3. Service Type</li> <li>Adult Signature</li> <li>Adult Signature Restricted Delivery</li> <li>Certified Mail®</li> <li>Certified Mail Restricted Delivery</li> <li>Collect on Delivery</li> <li>Collect on Delivery Restricted Delivery</li> <li>Mail</li> <li>Mail Restricted Delivery</li> <li>D0)</li> </ul>	<ul> <li>□ Priority Mail Express®</li> <li>□ Registered Mail™</li> <li>□ Registered Mail Restricted Delivery</li> <li>□ Return Receipt for Merchandise</li> <li>□ Signature Confirmation™</li> <li>□ Signature Confirmation Restricted Delivery</li> </ul>
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> </ul> Bureau of Land Management 414 W. Taylor St. Hobbs NM 88249	A. Signature
9590 9402 4008 8079 4847 12 2. Article Number ( <i>Transfer from service label</i> ) 7020 0070 0000 3424 41,55	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Signature Confirmation™         □ Signature Confirmation ™       □ Signature Confirmation ™         □ sured Mail       □ Signature Confirmation ™         □ sured Mail       □ Signature Confirmation         □ sured Mail       □ Signature Confirmation
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A Signature
Print your name and address on the reverse so that we can return the card to you.	X // Agent Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name)
1. Article Addressed to:	D. Is delivery address different from item 1? Yes O If YES, enter delivery address below: No
VPD New Mexico LLC	
Natalie Winsett – Landman	
2000 McKinney Ave. Suite 2050	
Dallas, TX 75201	
	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™
	□ Adult Signature Restricted Delivery □ Registered Mail Restricted
9590 9402 4008 8079 4846 82	Certified Mail Restricted Delivery     Return Receipt for
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation™
7020 0090 0000 3424 2502	1 fail       Image: Signature Confirmation         1 fail       Restricted Delivery         1 fail       Restricted Delivery         0)       Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt





SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul>	A. S. ignature X Agent A. S. ignature X Agent Addressee B. Received by (Printed Name) C. Bate of Delivery D. Is deliv ery address different from item 1? If YES, enter delivery address below: If No
Stryker Energy LLC 1011 Fannin Suite 2020 Houston, TX 77002	IT YES, enter denvery address below.
9590 9402 4008 8079 4842 48 2. Article Number (Transfer from service label)	3. Service Type       □ Adult Signature         □ Adult Signature       □ Registered Mail™         □ Adult Signature       □ Registered Mail™         □ Certified Mail®       □ Stricted Delivery         □ Collect on Delive       "y         □ Collect on Delive       "y Restricted Delivery         □ Collect on Delive       "y Restricted Delivery         □ Signature Confirmation™       □ Signature Confirmation
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

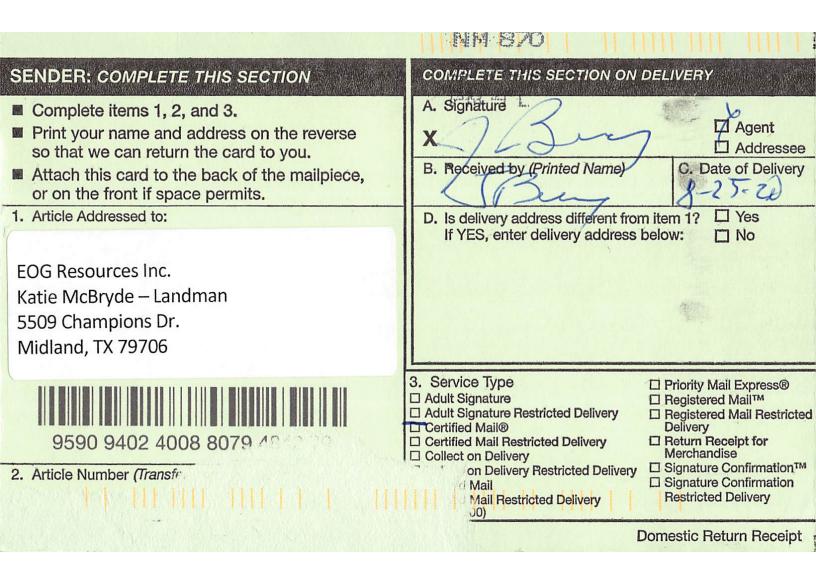
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse</li> </ul>	A. Signature
so that we can return the card to you.	X J, asach Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Stryker Energy LLC	
1011 Fannin Suite 2020	
Houston, TX 77002	
9590 9402 4008 8079 4842 24	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation™
7020 0090 0000 3424 2403	Mail Signature Confirmation Mail Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Stryker Energy LLC         1011 Fannin Suite 2020         Houston, TX 77002     </li> </ul>	A. Signature <ul> <li>Agent</li> <li>Addressee</li> <li>B. Received by (Printed Name)</li> <li>C. Date of Delivery</li> <li>Support</li> </ul> <li>D. Is delivery address different from item 11 Uses         <ul> <li>If YES, enter delivery address below:</li> <li>No</li> </ul> </li>
9590 9402 4008 8079 4846 06 2 Article Number (Transfer from service label) 7020 0090 0000 3424 2397	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail ®       □ Refute the second th
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X Agent
so that we can return the card to you.	Addressee           B. Beceived by (Printed Name)         C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes
	If YES, enter delivery address below: 🗋 No
Murchison Oil and Gas LLC	7750 752
Eric S. Buddenbohn – Land Manager	1250 NO7 7520
7520 Dallas Parkway, Suite 1400	
Plano, TX 75024	
	3. Service Type     □ Priority Mail Express®       □ Adult Signature     □ Registered Mail™
	Adult Signature Restricted Delivery
9590 9402 4008 8079 4842 93	Certified Mail® Delivery Certified Mail Restricted Delivery Return Receipt for
	□ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation™
2. Article Number (Transfer from service label)	ed Mail
7020 0090 0000 3424 2342	ed Mail Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X & Abach Agent
so that we can return the card to you.	Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. (Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Stryker Energy LLC	
1011 Fannin Suite 2020	
Houston, TX 77002	
10031011, 17, 77002	
	3. Service Type
	□ Adult Signature □ Registered Mail <sup>™</sup> □ Adult Signature Restricted Delivery □ Registered Mail Restricted
	Certified Mail® Delivery
9590 9402 4008 8079 4845 90	Certified Mail Restricted Delivery     Collect on Delivery     Collect on Delivery     Collect on Delivery
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation™
7020 0090 0000 3424 2427	
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse so that we can return the card to you.	Agent Addressee
<ul> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
EOG Resources Inc.	
Katie McBryde – Landman	
5509 Champions Dr.	
Midland, TX 79706	
9590 9402 4008 8079 4842 86	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for
	Collect on Delivery     Merchandise
2. Article Number (Transfer from service label) 7020 0090 0000 3424 2373	Collect on Delivery Restricted Delivery Mail Mail Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes If YES, enter delivery address below: No
EOG Resources Inc. Katie McBryde – Landman 5509 Champions Dr. Midland, TX 79706	
9590 9402 4008 8079 4842 55 2. Article Number (Transfer from service label)	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Receipt for         □ Collect on Delivery       □ Signature Confirmation™         □ Collect on Delivery       □ Signature Confirmation
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
EOG Resources Inc. Katie McBryde – Landman 5509 Champions Dr. Midland, TX 79706	
9590 9402 4008 8079 4842 31	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Return Receipt for         □ Collect on Delivery       □ Priority Mail Express®
2. Article Number (Transfer from service label) 7020 0090 0000 3424 2380	□ Collect on Delivery Restricted Delivery Signature Confirmation™ □ Signature Confirmation □ Signature Confirmation □ Signature Confirmation □ Signature Confirmation □ Signature Confirmation
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DE	ELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	D. Is delivery address different from i If YES, enter delivery address be	
9590 9402 4008 8079 4847 36 2. Article Number ( <i>Transfer from service label</i> ) 7020 0090 0000 3424 4124	Adult Signature     Adult Signature Restricted Delivery     Adult Signature Restricted Delivery     Certified Mail®     Certified Mail Restricted Delivery     Collect on Delivery     Collect on Delivery Restricted Delivery     Adult Mail	<ul> <li>Priority Mail Express®</li> <li>Registered Mail™</li> <li>Registered Mail Restricted Delivery</li> <li>Return Receipt for Merchandise</li> <li>Signature Confirmation™</li> <li>Signature Confirmation Restricted Delivery</li> </ul>
PS Form 3811, July 2015 PSN 7530-02-000-9053	Do	mestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse so that we can return the card to you.	X Agent
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	
9590 9402 4008 8079 4847 50	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation
7020 0090 0000 3424 4	גן Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DI	ELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from i If YES, enter delivery address be	
New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501		
3402 4008 8079 4846 99         2. Article Number (Transfer from service label)         7020 0090 0000 3424 410	Adult Signature     Adult Signature Restricted Delivery     Adult Signature Restricted Delivery     Certified Mail Restricted Delivery     Collect on Delivery     Collect on Delivery Restricted Delivery     Mail	<ul> <li>Priority Mail Express®</li> <li>Registered Mail™</li> <li>Registered Mail Restricted Delivery</li> <li>Return Receipt for Merchandise</li> <li>Signature Confirmation™</li> <li>Signature Confirmation Restricted Delivery</li> </ul>
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1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Chevron USA Inc. Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706	
9590 9402 4008 8079 4846 20	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Signature Confirmation™
7020 0090 0000 3424 246	5 I Signature Confirmation I Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Chevron USA Inc.</li> </ul>	A. Signature B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address	
Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706		
9590 9402 4008 8079 4846 51 2. Article Number ( <i>Transfer from service label</i> ) 7020 0090 0000 3424 2458	<ul> <li>3. Service Type</li> <li>Adult Signature</li> <li>Adult Signature Restricted Delivery</li> <li>Certified Mail®</li> <li>Certified Mail Restricted Delivery</li> <li>Collect on Delivery</li> <li>Collect on Delivery Restricted Delivery</li> <li><i>I</i> Ail Restricted Delivery</li> <li>0)</li> </ul>	<ul> <li>□ Priority Mail Express®</li> <li>□ Registered Mail™</li> <li>□ Registered Mail Restricted Delivery</li> <li>□ Return Receipt for Merchandise</li> <li>□ Signature Confirmation™</li> <li>□ Signature Confirmation Restricted Delivery</li> </ul>
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<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul>	A. Signature X B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address I	
Chevron USA Inc. Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706		
9590 9402 4008 8079 4846 44	<ul> <li>3. Service Type</li> <li>Adult Signature</li> <li>Adult Signature Restricted Delivery</li> <li>Certified Mail®</li> <li>Certified Mail Restricted Delivery</li> <li>Collect on Delivery</li> <li>Collect on Delivery Restricted Delivery</li> <li>d Mail Mail Restricted Delivery</li> </ul>	<ul> <li>□ Priority Mail Express®</li> <li>□ Registered Mail™</li> <li>□ Registered Mail Restricted Delivery</li> <li>□ Return Receipt for Merchandise</li> <li>□ Signature Confirmation™</li> <li>□ Signature Confirmation Restricted Delivery</li> </ul>
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt

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<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <b>x</b> AA R20 C-19 Agent B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Chevron USA Inc. Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706	
9590 9402 4008 8079 4846 13 2. Article Number ( <i>Transfer from service label</i> )	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Registered Mail Restricted Delivery         □ Collect on Delivery       □ Collect on Delivery Restricted Delivery         □ Collect on Delivery Restricted Delivery       □ Signature Confirmation™         □ Insured Mail       □ Signature Confirmation         □ Insured Mail       □ Signature Confirmation
	500) Domestic Return Receipt

## Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated August 26, 2020 and ending with the issue dated August 26, 2020.

use la

Publisher

Sworn and subscribed to before me this 26th day of August 2020.

Black

**Business Manager** 



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

LEGAL LEGAL **LEGAL NOTICE** August 26, 2020 CASE No. 21396: Notice to all affected parties and persons having any right, title, interest or claim to this case, including overriding royalty interest owners, as well as the known and unknown heirs, devisees, assigns and successors of VPD NEW MEXICO LLC, STRYKER ENERGY LLC, EOG RESOURCES INC., CHEVRON USA INC., AND MURCHISON OIL AND GAS LLC, of Devon Energy Production Company, L.P.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on September 10, 2020. CASE No. 21396: Notice to all affected parties public hearing at 8:15 a.m. on September 10, 2020, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you visit the For information about remote access, you visit the D i v i s i o n ' s w e b s i t e a t http://www.emnrd.state.nm.us/OCD/hearings.html. or call (505) 476-3441. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. Said horizontal spacing unit is to be dedicated to the Red Buil 30-31 Fed State Com 4H Well, an oil well, proposed to be horizontally drilled from a surface Bull 30-31 Fed State Com 4H Well, an oil well, proposed to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 31. The completed interval and first take and last take points for well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof: actual operating costs and charges for supervision; the designation of the Applicant as Coerator of the well and unit: and a 200% charge for the risk involved in drilling and completing the well. The well and lands are and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line. #35772

67115820

KAIYA TOOP

ABADIE SCHILL

**DURANGO, CO 81301** 

555 RIVERGATE LANE 84-180

00245742

**EXHIBIT** 

105

## **TAB 5**

Reference for Case No. 21397 Application Case No. 21397 - Red Bull 30-31 Fed State Com 2H Well NMOCD Checklist Case No. 21397

## 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, LEA COUNTY, NEW MEXICO

Case No. 21397

#### **APPLICATION**

Devon Energy Production Company, L.P., ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit.

In support of its Application, Devon states the following:

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

2. Devon proposes for the HSU its **Red Bull 30-31 Fed State Com 2H Well**, an oil well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 31.

3. The completed interval and first and last take point for the well proposed in the HSU meet the setback requirements set forth in the Division's statewide rules and regulations for horizontal oil wells for a standard location.

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

5. The pooling of all interests in the Bone Spring formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

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

7. Since Devon will be drilling and completing this well as part of a simultaneous drilling program for additional wells and units within Sections 30 and 31, Devon requests that it be allowed to commence drilling the well at any time within one year after the date of the Order, with the option to complete the well any time within one year after the commencement of drilling.

WHEREFORE, Devon requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 320-acre, more or less, spacing and proration unit comprising the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the proposed HSU.

C. Approving the **Red Bull 30-31 Fed State Com 2H Well**, as the well for the HSU.

2 108 D. Designating Devon as operator of this HSU and the horizontal well to be drilled thereon;

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

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

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

H. Allowing the commencement of drilling the well any time within one year after the date of the Order and completing the well any time within one year after commencement of drilling.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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

Attorneys for Devon Energy Production Company, L.P.

Case No. 21397: Application of Devon Energy Production Company L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the Red Bull 30-31 Fed State Com 2H Well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line.

# **COMPULSORY POOLING APPLICATION CHECKLIST**

# ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21397	APPLICANT'S RESPONSE
Date	October 20, 2020
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of Devon Energy Production Company, L.P.,. for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Red Bull
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Exhibit
Pool Name and Pool Code:	ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]
Well Location Setback Rules:	NMAC statewide rules apply
Spacing Unit Size:	40-acre tracts, 320 ac unit
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40-acre tracts
Orientation:	north - south
Description: TRS/County	E/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Landman Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Red Bull 30-31 Fed State Com 2H Well (API-pending), SHL: Unit C, 725' FNL, 1514' FWL, Section 30, T23S-R35E, NMPM; BHL: Unit N, 20' FSL, 1870' FWL, Section 31, T23S-R35E, NMPM, standup, standard
1	11

Horizontal Well First and Last Take Points	Red Bull 30-31 Fed State Com 2H Well:
	FTP 100' FNL, 1870' FWL, Sec. 30;
	LTP 100' FSL, 1870' FWL, Sec. 31.
Completion Target (Formation, TVD and MD)	Red Bull 30-31 Fed State Com 2H Well: TVD approx 11,680', TMD approx 21,680'; Bone Spring
	See Exhibts B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, N/A
Ownership Depth Severance (including percentage above & below)	
	Exhibit A-2, N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B - Geologist's Affidavit
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5, B-6
Well Orientation (with rationale)	Exhibit B - Geologist's Affidavit, B-1
Target Formation	Exhibit B - Geologist's Affidavit, B-2
HSU Cross Section	Exhibit B-5, B-6
Depth Severance Discussion	Exhibit B - Geologist's Affidavit
Forms, Figures and Tables 112	

C-102	Exhibit A-1
Tracts	Exhibit A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-6
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	
Date:	20-Oct-20

# **TAB 6**

- Exhibit A: Affidavit of Andy D. Bennett, Landman Case No. 21397
- Exhibit A-1: C-102 Forms Case No. 21397
- Exhibit A-2: Tracts, Ownership and Sectional Map Case No. 21397
- Exhibit A-3: Well Proposal Letter and AFE Case No. 21397
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners Case No. 21397

# 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, LEA COUNTY, NEW MEXICO

Case No. 21397

### AFFIDAVIT OF ANDY D. BENNETT

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

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

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

3. I graduated from the University of Oklahoma with a Bachelor's degree in Business (Energy Management) in 2008. I have worked at Devon for approximately 11 years, and I have been working in New Mexico for 2 1/2 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

4. This affidavit is submitted in connection with the filing by Devon of the abovereferenced spacing and compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC. 5. The purpose of this application is to force pool uncommitted working interest owners and overriding royalty interest owners into the horizontal spacing unit described below, and in the well proposed to be drilled in the unit by Devon.

6. Devon seeks an order creating a standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit in the Permian Basin.

7. The proposed spacing unit will be dedicated to the **Red Bull 30-31 Fed State Com 2H Well**, an oil well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 31. This well is the defining well for the unit.

8. A plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which shows the location of the proposed well within the unit. The location of all the well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners and overriding royalty interest owners.

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

11. The locations and proposed depths of the well to be drilled on the pooled units is as follows:

Well Name	SHL	BHL	TVD	TMD
Red Bull 30-31	725' FNL and	20' FSL and 1,870'	11,680'	21,680'
Fed State Com	1,514' FWL of	FWL of Section 31		
2H Well	Section 30			

12. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners and ORRI owners shown on Exhibit A-2. In compiling these addresses, I conducted a diligent search of the public records in Lea County, New Mexico, where the well is located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. Because not all parties were locatable, notice of this hearing was published in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to cover any unlocatable parties. There were 0 unlocatable parties.

13. Devon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well. **Exhibit A-4** provides a chronology and history of negotiations and communications with the owners.

14. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

15. Proposed C-102 for the well is attached as **Exhibit A-1**. The well will develop the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]).

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

17. Devon requests overhead and administrative rates of \$8,000/month for drilling the well and \$800/month for producing the well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. Devon requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

19. Devon requests that it be designated operator of the unit and well.

20. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records under my direct supervision.

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

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

### [Signature page follows]

# FURTHER AFFIANT SAYETH NAUGHT

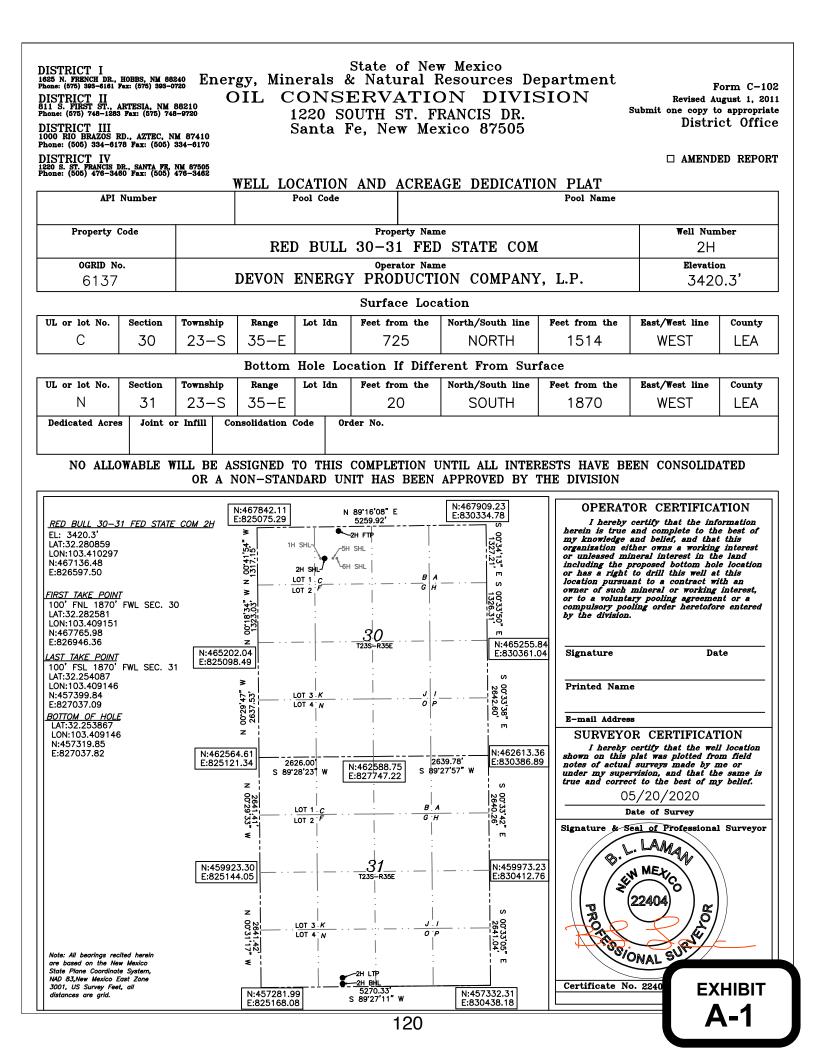
and P. B.H Andy D. Bennett

Subscribed to and sworn before me this <u>Ist</u> day of October, 2020.



McKildie

Notary Public



Intent		As Drilled	
--------	--	------------	--

API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	RED BULL 30-31 FED STATE COM	2H

# Kick Off Point (KOP)

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

# First Take Point (FTP)

UL C	Section <b>30</b>	Township 23-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet 1870	From E/W	County LEA
	Latitude         Longitude           32.282581         103.40			9151			NAD 83		

# Last Take Point (LTP)

ul N	Section <b>30</b>	Township 23-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet <b>1870</b>	From E/W	County LEA
Latitude 32.254087			Longitud 103.	40914	6	NAD 83			

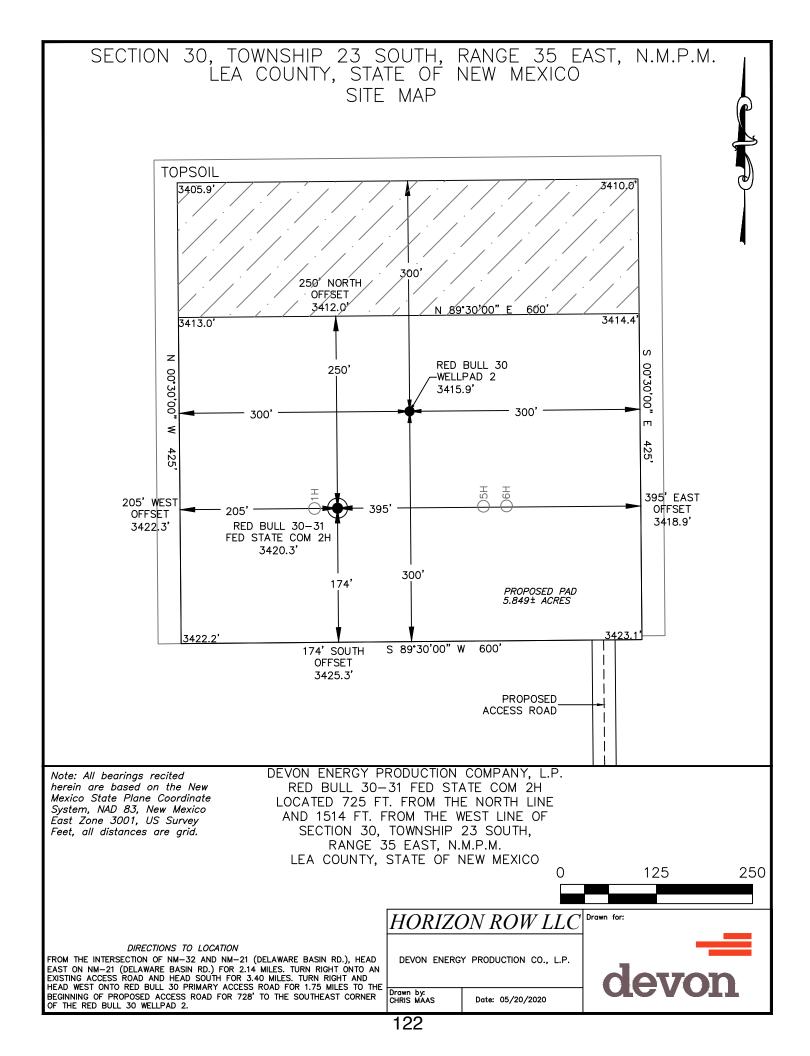
Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

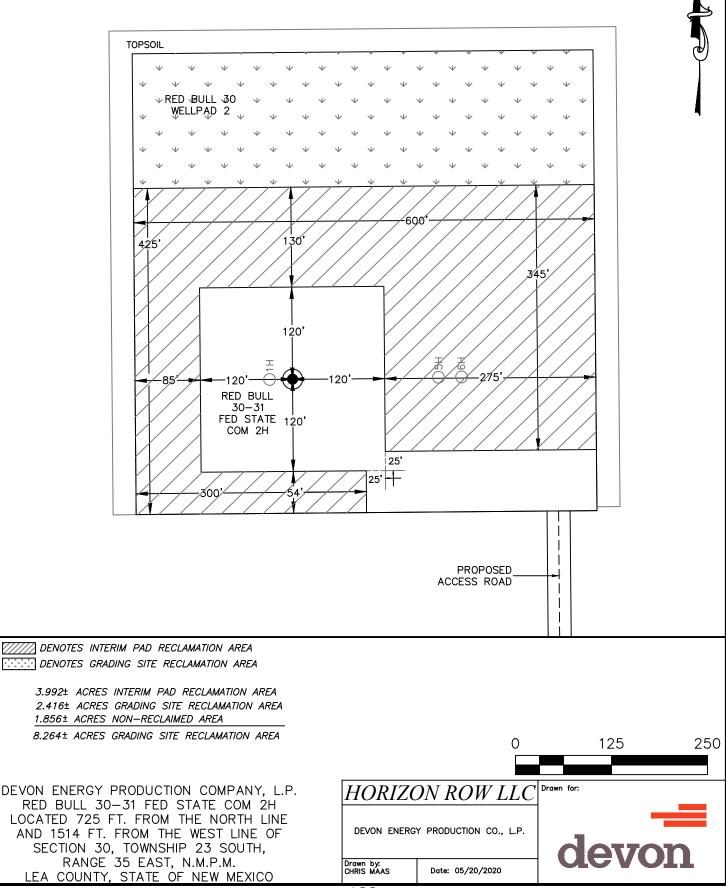
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

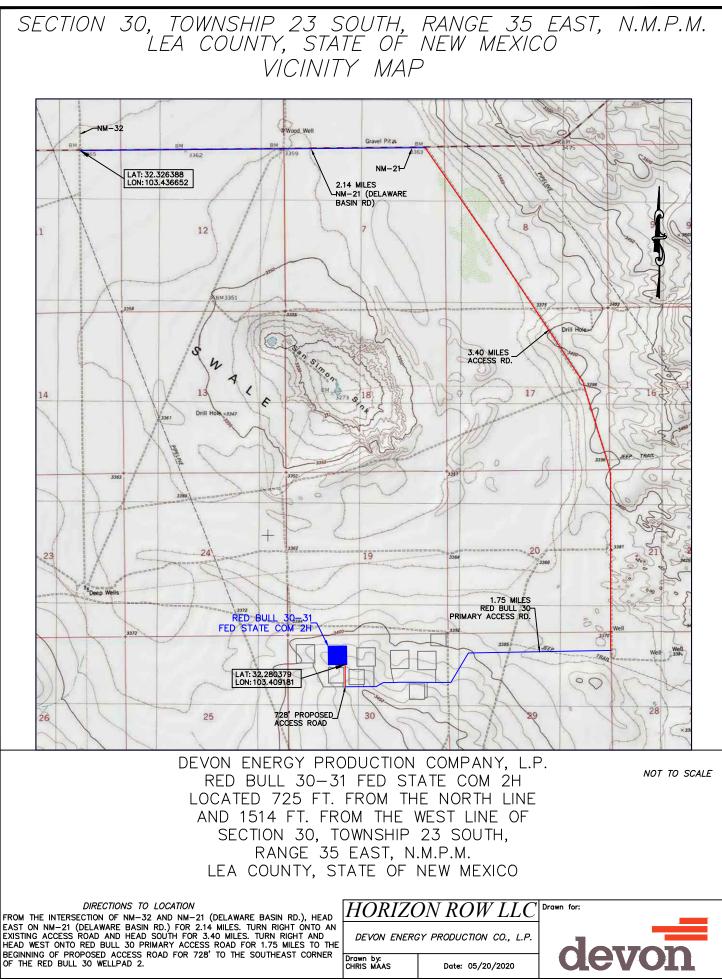
Operator Name: Property Name: Well Nu	API #		
	Operator Name:	Property Name:	Well Number

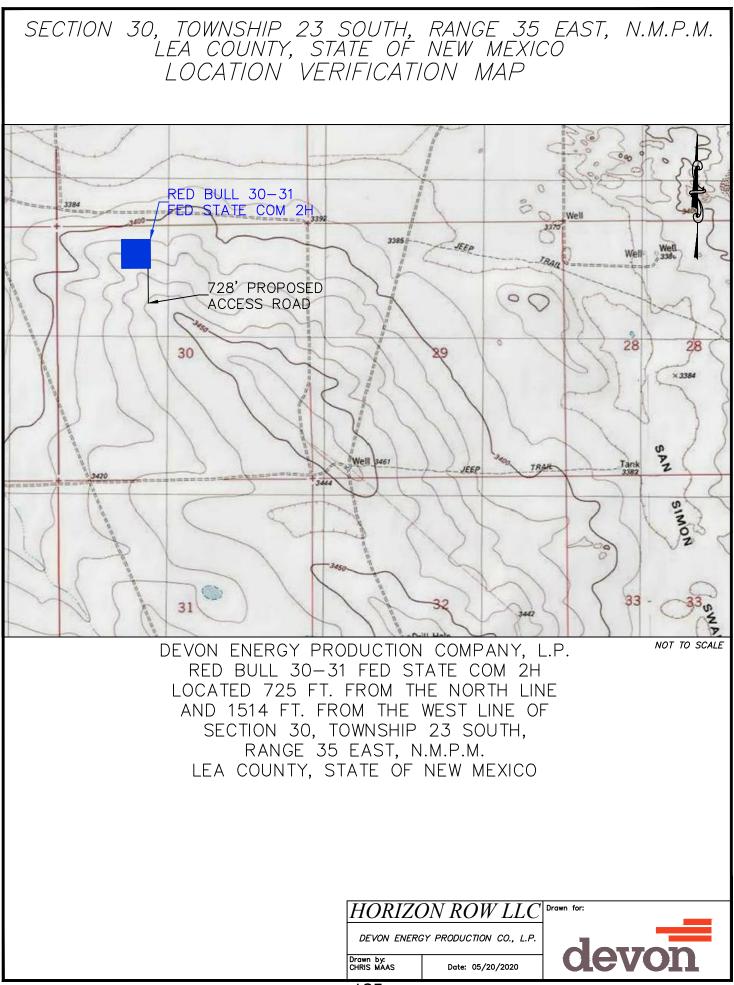
KZ 06/29/2018

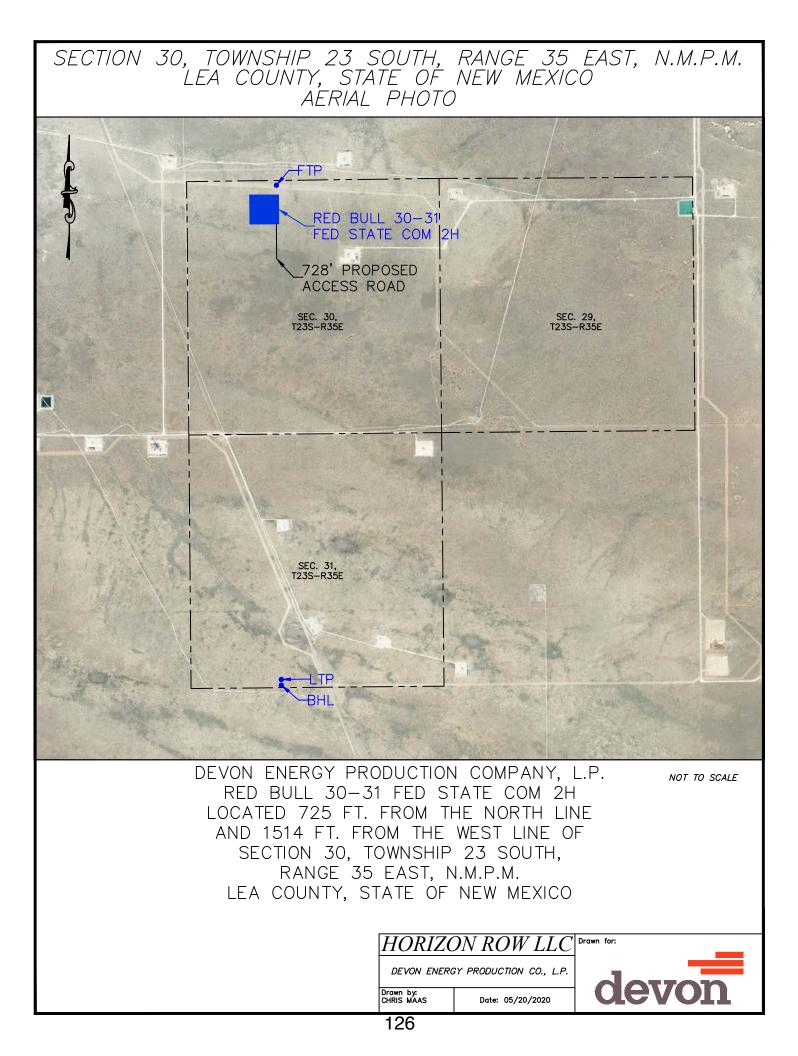


SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO INTERIM SITE BUILD PLAN

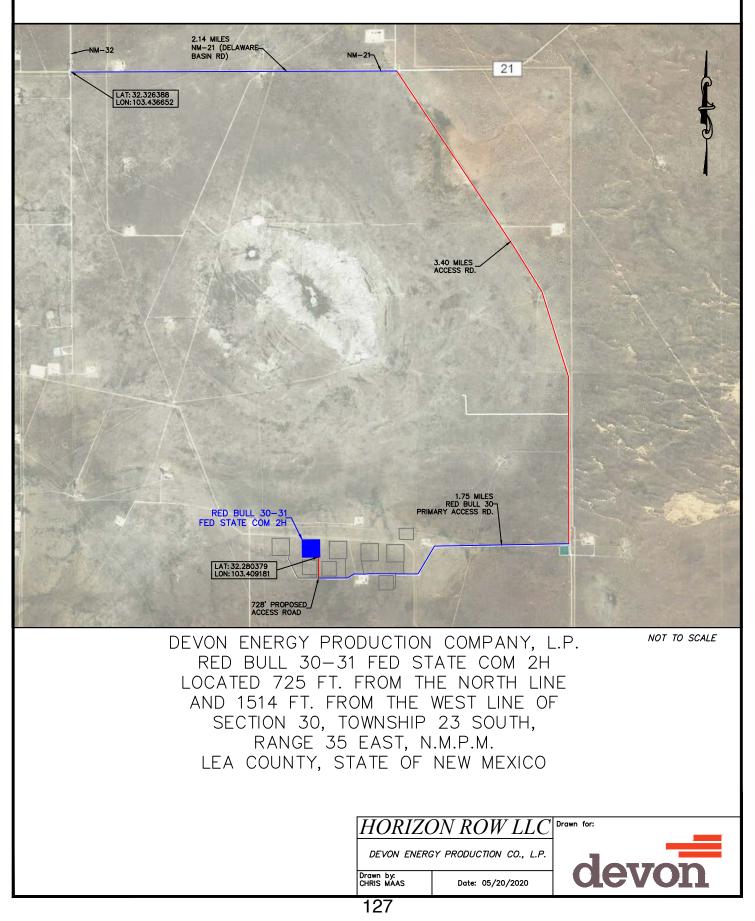


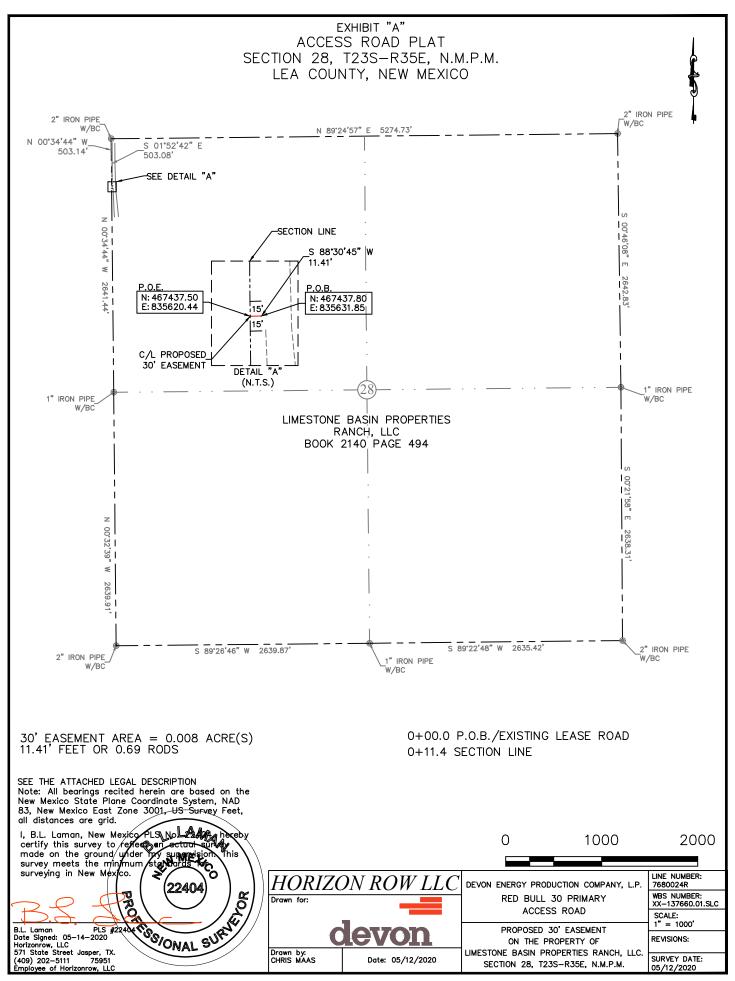






# SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP





### SECTION 28, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

### LEGAL DESCRIPTION

### FOR

### DEVON ENERGY PRODUCTION COMPANY, L.P.

### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northwest quarter (NW ¼) of Section 28, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northwest quarter corner of Section 28;

Thence S 01°52'42" E a distance of 503.08' to the **Point of Beginning** of this easement, having coordinates of Northing=467437.80, Easting=835631.85 feet and continuing the following course;

Thence S 88°30'45" W a distance of 11.41' to the **Point of Ending**, being in the west line of said Section 28 and having coordinates of Northing= 467437.50, Easting= 835620.44 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 28, T23S-R35E bears N 00°34'44" W a distance of 503.14', covering **11.41' or 0.69 rods** and having an area of **0.008 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

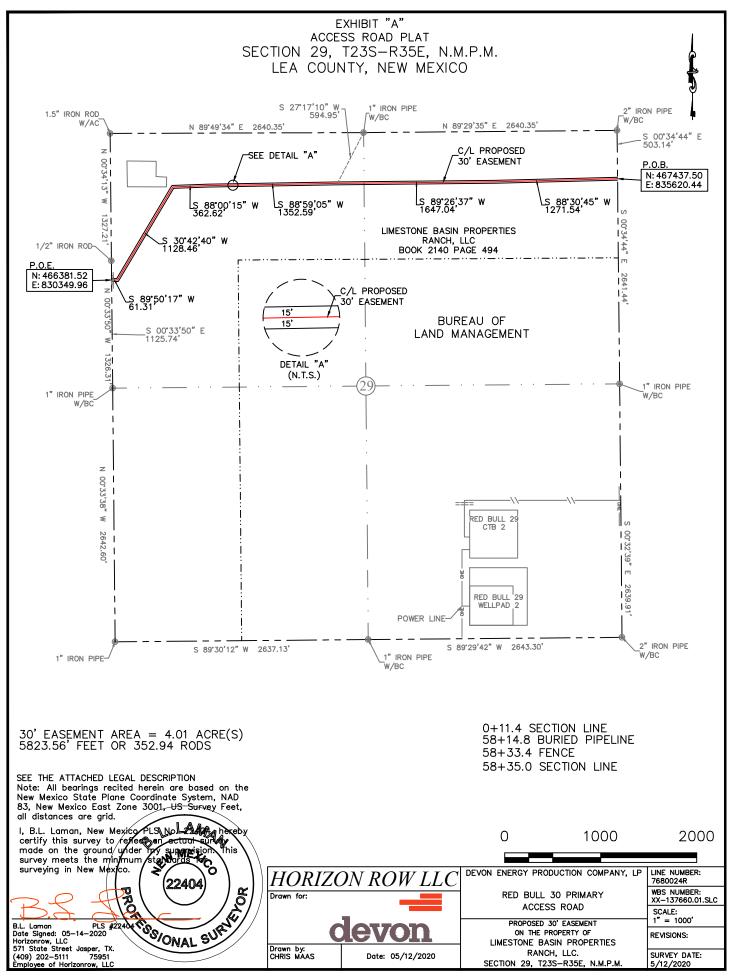
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 29, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) of Section 29, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northeast corner of Section 29;

Thence S 00°34'44" E a distance of 503.14' to the **Point of Beginning** of this easement in the east line of Section 29, having coordinates of Northing=467437.50, Easting=835620.44 feet and continuing the following courses;

Thence S 88°30'45" W a distance of 1271.54' to an angle point;

Thence S 89°26'37" W a distance of 1647.04' to an angle point;

Thence S 88°59'05" W a distance of 1352.59' to an angle point;

Thence S 88°00'15" W a distance of 362.62' to an angle point;

Thence S 30°42'40" W a distance of 1128.46' to an angle point;

Thence S 89°50'17" W a distance of 61.31' to the **Point of Ending** in the west line of Section 29, having coordinates of Northing=466381.52, Easting=830349.96 feet, from said point a 1" iron pipe w/BC for the west quarter corner of Section 29, T23S-R35E bears S 00°33'50" E a distance of 1125.74', covering **5823.56' or 352.94 rods** and having an area of **4.01 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

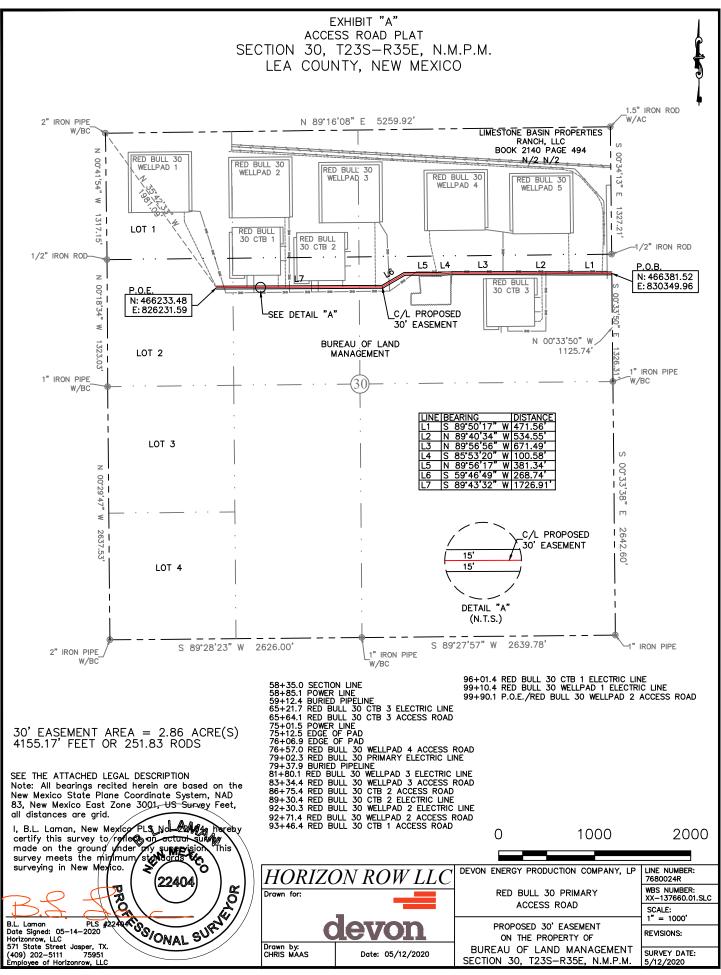
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### **BUREAU OF LAND MANAGEMENT**

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) and Lot 2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC for the east quarter corner of Section 30;

Thence N 00°33'50" W a distance of 1125.74' to the **Point of Beginning** of this easement in the east line of Section 30, having coordinates of Northing=466381.52, Easting=830349.96 feet and continuing the following courses;

Thence S 89°50'17" W a distance of 471.56' to an angle point;

Thence N 89°40'34" W a distance of 534.55' to an angle point;

Thence N 89°56'56" W a distance of 671.49' to an angle point;

Thence S 85°53'20" W a distance of 100.58' to an angle point;

Thence N 89°56'17" W a distance of 381.34' to an angle point;

Thence S 59°46'49" W a distance of 268.74' to an angle point;

Thence S 89°43'32" W a distance of 1726.91' to the **Point of Ending**, having coordinates of Northing=466233.48, Easting=826231.59 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 30, T23S-R35E bears N 35°42'33" W a distance of 1981.09', covering **4155.17' or 251.83 rods** and having an area of **2.86 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

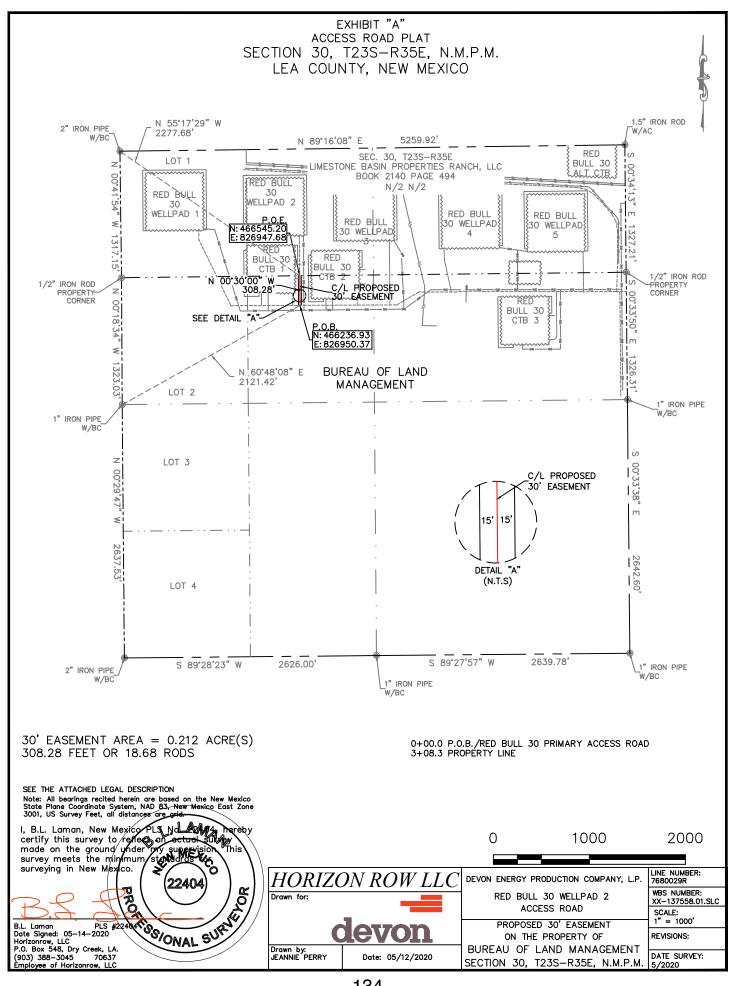
 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.
 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. BUREAU OF LAND MANAGEMENT

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of S/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC found for the west quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 60°48'08" E, a distance of 2121.42' to the **Point of Beginning** of this easement, having coordinates of Northing=466236.93 feet, Easting=826950.37 feet, and continuing the following courses;

Thence N 00°30'00" W, a distance of 308.28' to the **Point of Ending** of this easement, in the north line of the S/2 of the N/2 of Section 30, having coordinates of Northing=466545.20 feet, Easting=826947.68 feet, from said point a 2" iron pipe w/BC found for the northwest corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 55°17'29" W a distance of 2277.68', covering **308.28' or 18.68 rods** and having an area of **0.212 acres**.

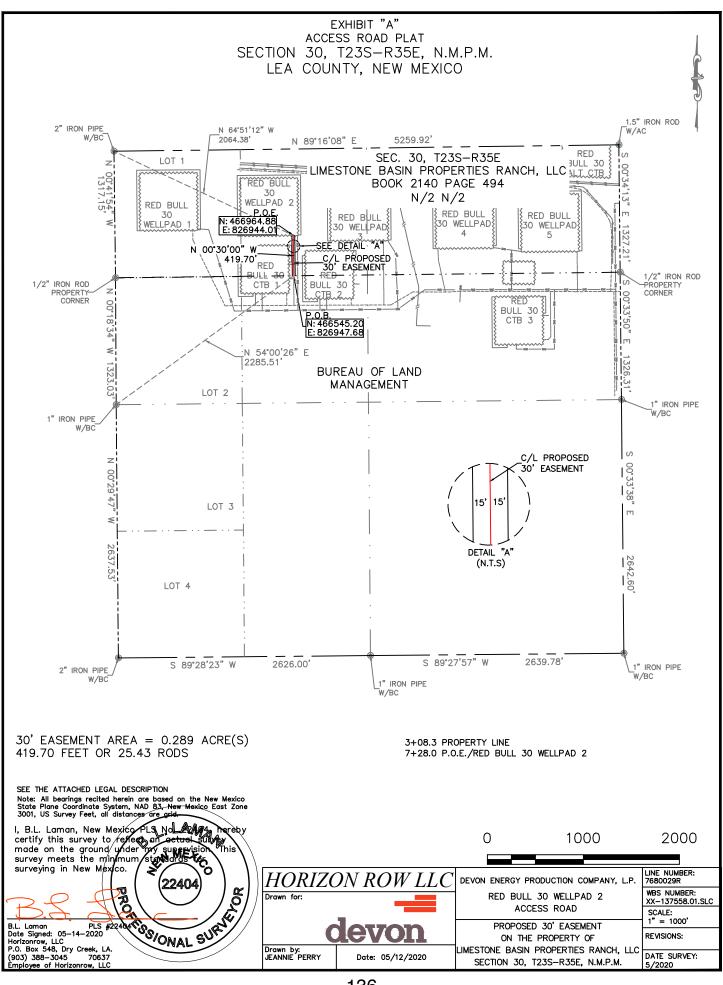
#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/14/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. LIMESTONE BASIN PROPERTIES RANCH, LLC

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the N/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Limestone Basin Properties Ranch, LLC, recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described in a deed as follows:

Commencing from a 1" iron pipe w/BC found for the west quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 54°00'26" E, a distance of 2285.51' to the **Point of Beginning** of this easement, having coordinates of Northing=466545.20 feet, Easting=826947.68 feet, in the south line of the N/2 of the N/2 of Section 30, and continuing the following courses;

Thence N 00°30'00" W, a distance of 419.70' to the **Point of Ending** of this easement, having coordinates of 466964.88 feet, Easting=826944.01 feet, from said point a 2" iron pipe w/BC found for the northwest corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 64°51'12" W a distance of 2064.38', covering **419.70' or 25.43 rods** and having an area of **0.289 acres**.

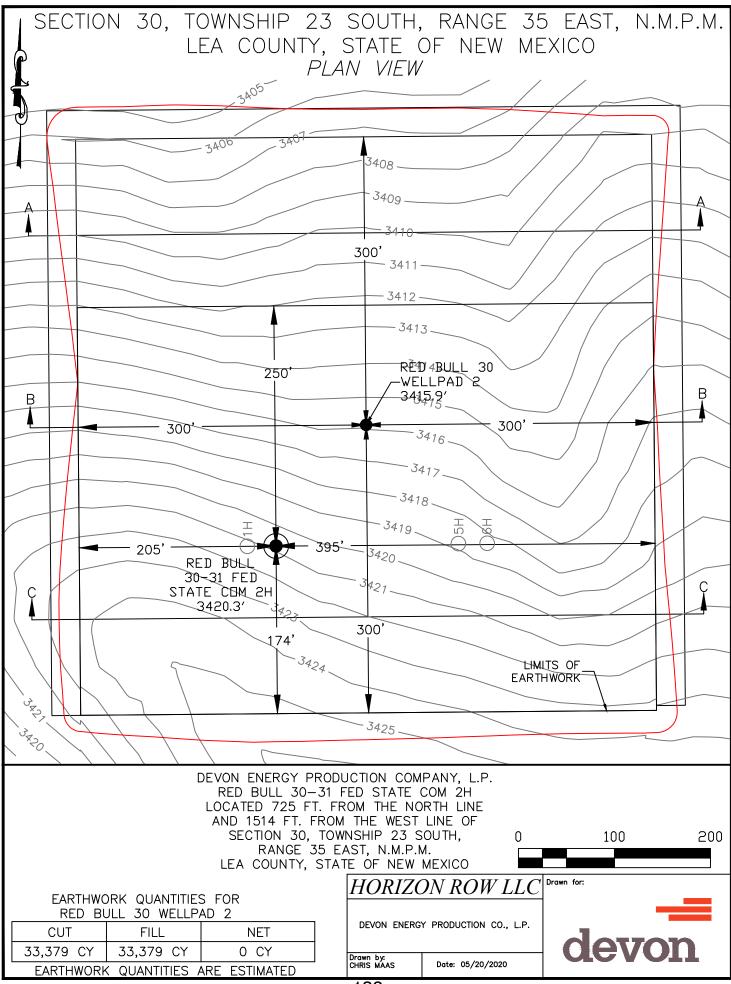
#### NOTES:

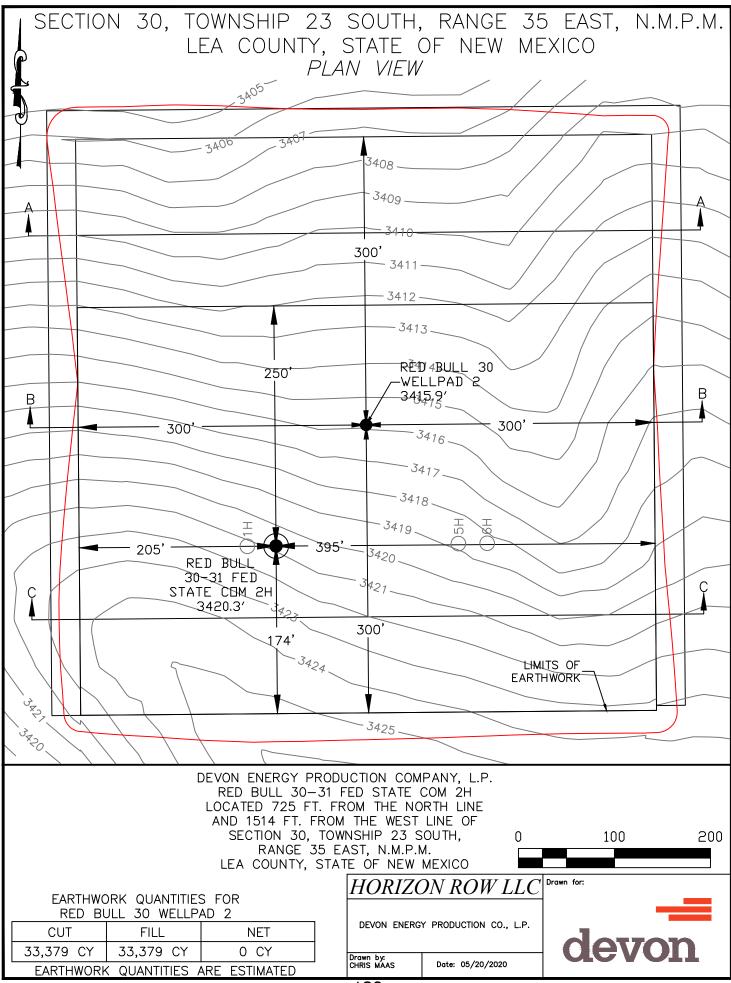
Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/14/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC

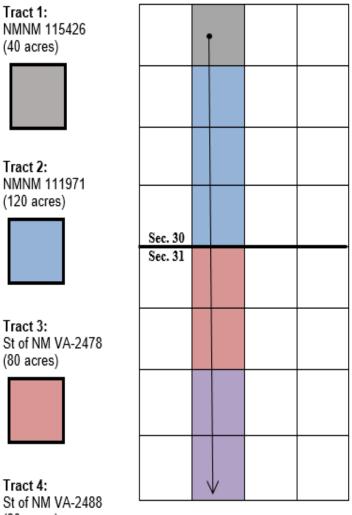






# PLAT

E/2 W/2 of Sections 30 & 31, T-23-S, R-35-E, Lea County, New Mexico, Bone Spring Formation



(80 acres)



Red Bull 30-31 Fed State Com 2H SHL: 725' FNL & 1,514' FWL BHL: 20' FSL & 1,870' FWL



### Exhibit "A-2"

### **OWNERSHIP BREAKDOWN – Bone Spring formation, Permian Basin**

# E/2W/2 of Sections 30 and 31, Township 23 South, Range 35 East, of Lea County, NM

# Red Bull 30-31 Fed State Com 2H (320-acre spacing unit)

### TRACT 1 OWNERSHIP (NENW of Section 30-T23S-R35E, being 40 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	40	0.125	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
TRACT 1 TOTAL	40	0.125	

### TRACT 2 OWNERSHIP (SENW & E2SW4 of Section 30-T23S-R35E, being 120 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	78	0.24375	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	42	0.13125	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
TRACT 2 TOTAL	120	0.375	

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	52	0.1625	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	27	0.084375	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
VPD New Mexico, LLC	1	0.003125	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			

# TRACT 3 OWNERSHIP (E2NW4 of Section 31-T23S-R35E, being 80 acres):

TRACT 3 TOTAL	80	0.25
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# TRACT 4 OWNERSHIP (E2SW4 of Section 31-T23S-R35E, being 80 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	52	0.1625	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	26	0.08125	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			

VPD New Mexico, LLC	2	0.00625	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			
TRACT 3 TOTAL	80	0.25	

# OVERALL UNIT OWNERSHIP (E2W2 of Sections 30 and 31 – 23S-35E; 320.00 acres)

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	222	0.69375	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	95	0.296875	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
VPD New Mexico, LLC	3	0.009375	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			
UNIT TOTAL	320	1.00	

# **Overriding Royalty Owners**

EOG Resources Inc.	P.O. Box 4362	Houston	ТΧ
Devon Energy Production Co, LP	333 W. Sheridan Ave.	Oklahoma City	OK
Stryker Energy, LLC	1011 Fannin, Suite 2020	Houston	ТΧ
Oxy Y-1 Company	5 Greenway Plaza, Suite 110	Houston	тх

Exhibit A-3



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

June 30, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

Ms. Hunter:

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

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

June 30, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

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

Devon is proposing to drill the Wells under the terms of the modified and superseding 2015 AAPL form of Operating Agreements ("JOA's"). The JOA's will be supplied to those parties interested in participating. The JOA's will have the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract Area #1: W/2 and W/2 E/2 of Sections 30 and 31 T23S-R35E, being approximately 956.44 acres
- Contract Area #2: E/2E/2 of Sections 30 and 31 T23S-R35E, being approximately 320.00 acres
- 100/400% Non-Consenting Penalty

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

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

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

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

Devon Energy Production Company, L.P.

Ouf Bae

Andy Bennett, CPL Senior Staff Landman

**Chevron USA Inc.:** 

To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H
Agreed to and Accepted this day of, 2020.

Chevron USA Inc.

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



 AFE # XX-137558.01
 AFE # XX-137558.01

 Well Name: RED BULL 30-31 FED STATE COM 1H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094494801
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 1H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	153,328.80	167,398.64	0.00	320,727.44
6060130	GASEOUS FUELS	25,135.90	0.00	0.00	25,135.90
6080100	DISPOSAL - SOLIDS	73,525.60	1,054.54	0.00	74,580.14
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	58,150.40	158,049.88	0.00	216,200.28
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170	COMM SVCS - WAN	4,724.70	0.00	0.00	4,724.70
6130360	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	13,804.10	0.00	0.00	13,804.10
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
6160100	MATERIALS & SUPPLIES	12,980.00	0.00	0.00	12,980.0
6170100	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
6190100	TRCKG&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110	TRUCKING&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.7
6200130	CONSLT & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.2
6230120	SAFETY SERVICES	33,748.00	0.00	0.00	33,748.0
6300270	SOLIDS CONTROL SRVCS	70,380.40	0.00	0.00	70,380.4
6310120	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
6310200	CASING & TUBULAR SVC	56,699.90	0.00	0.00	56,699.9
6310250	CEMENTING SERVICES	160,704.70	0.00	0.00	160,704.7
6310280	DAYWORK COSTS	691,236.20	0.00	0.00	691,236.2
6310300	DIRECTIONAL SERVICES	220,008.90	0.00	0.00	220,008.9
6310310	DRILL BITS	103,592.70	0.00	0.00	103,592.7
6310330	DRILL&COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.5
6310370	MOB & DEMOBILIZATION	22,745.90	0.00	0.00	22,745.9
6310380	OPEN HOLE EVALUATION	16,564.90	0.00	0.00	16,564.9
6310480	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
6310510	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
6320100	EQPMNT SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.8
6320110	EQUIP SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.6
6320160	WELDING SERVICES	1,030.20	0.00	0.00	1,030.20
6320190	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137558.01 Well Name: RED BULL 30-31 FED STATE COM 1H Cost Center Number: 1094494801 Legal Description: SEC 30-23S-35E Revision: □			State:		07/01/2020 NM LEA	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Ho Cost	2.12	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64		0.00	183,381.6
6520100	LEGAL FEES	5,000.00	0.00		0.00	5,000.0
000000	HICCO COSTS & SERVIS	0.00	7 792 00		0.00	7 797 0

an an	Total Intangibles	2,364,503.90	3,501,482.39	0.00	5,865,986.29
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

### TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

-----

Signature:

Print Name:

Title:

Date:

Email:

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



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:

AFE Date: 07/01/2020 State: NM County/Parish: LEA

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

DRILL AND COMPLETE THE RED BUL 30-31 FED STATE COM 2H

Intangible Code Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100 DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
6060130 GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100 DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110 DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115 DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.46
6090120 RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100 PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110 RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130 ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170 DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100   & C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170 COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
6130360 RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370 RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
6140160 ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100 CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
6160100 MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.06
6170100 PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110 SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
6190100 TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.26
6190110 TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.16
6200130 CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.64
6230120 SAFETY SERVICES	39,717.77	0.00	0.00	39,717.77
6300270 SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.23
6310120 STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190 PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200 CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.88
6310250 CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.55
6310280 DAYWORK COSTS	721,847.81	0.00	0.00	721,847.81
6310300 DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.00
6310310 DRILL BITS	108,180.35	0.00	0.00	108,180.35
6310330 DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.29
6310370 MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.79
6310380 OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.53
6310480 TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510 VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600 MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100 EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.16
6320110 EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.37
6320160 WELDING SERVICES	215.16	0.00	0.00	215.16
6320190 WATER TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:			AFE Date: 07/01/2020 State: NM County/Parish: LEA		
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.0	0 183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.0	0 5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.0	0 7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.0	0 31,757.00

0.00

9,165.64

23,000.00

32,366.39

0.00

0.00

0.00

0.00

23,000.00

41,532.03

146,352.30

1,557,223.34

6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2,846,484.11	3,501,482.39	0.00	6,347,966.50
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

684,551.89

0.00

WORKING INTEREST OWNER APPROVAL

**Total Tangibles** 

6330100 PIPE, FIT, FLANG, CPLNG

6550120 OTHER ROUSTABOUT SER

6630110 CAPITAL OVERHEAD

Company Name:

Signature:

Print Name:

146,352.30

872,671.45

Title:

Date:

Email:

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



 AFE # XX-137660.01
 AFE # XX-137660.01

 Well Name: RED BULL 30-31 FED STATE COM 3H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495001
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

#### Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 3H

Intangible Code Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100 DYED LIQUID FUELS	153,328.80	167,398.64	0.00	320,727.44
6060130 GASEOUS FUELS	25,135.90	0.00	0.00	25,135.90
6080100 DISPOSAL - SOLIDS	73,525.60	1,054.54	0.00	74,580.14
6080110 DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115 DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS - WATER	58,150.40	158,049.88	0.00	216,200.28
6090120 RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100 PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110 RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130 ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170 DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100 & C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170 COMM SVCS - WAN	4,724.70	0.00	0.00	4,724.70
6130360 RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370 RTOC - GEOSTEERING	13,804.10	0.00	0.00	13,804.10
6140160 ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100 CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
6160100 MATERIALS & SUPPLIES	12,980.00	0.00	0.00	12,980.00
6170100 PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110 SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
6190100 TRCKG&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110 TRUCKING&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.79
6200130 CONSLT & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.20
6230120 SAFETY SERVICES	33,748.00	0.00	0.00	33,748.00
6300270 SOLIDS CONTROL SRVCS	70,380.40	0.00	0.00	70,380.40
6310120 STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190 PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200 CASING & TUBULAR SVC	56,699.90	0.00	0.00	56,699.90
6310250 CEMENTING SERVICES	160,704.70	0.00	0.00	160,704.70
6310280 DAYWORK COSTS	691,236.20	0.00	0.00	691,236.20
6310300 DIRECTIONAL SERVICES	220,008.90	0.00	0.00	220,008.90
6310310 DRILL BITS	103,592.70	0.00	0.00	103,592.70
6310330 DRILL&COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.50
6310370 MOB & DEMOBILIZATION	22,745.90	0.00	0.00	22,745.90
6310380 OPEN HOLE EVALUATION	16,564.90	0.00	0.00	16,564.90
6310480 TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510 VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600 MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100 EQPMNT SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.83
6320110 EQUIP SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.62
6320160 WELDING SERVICES	1,030.20	0.00	0.00	1,030.20
6320190 WATER TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137660.01 Well Name: RED BULL 30-31 FED STATE COM 3H Cost Center Number: 1094495001 Legal Description: SEC 30-23S-35E Revision: □			AFE Dat State: County/		07/01/2 NM LEA	2020
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	8	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0	.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0	.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0	.00	7,782.00
6550110	MISCELLANEOUS SVC	30 410 30	0.00	0	00	30 410 30

Code	Description	Costs	Costs	Costs	Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
	Total Intangibles	2,364,503.90	3,501,482.39	0.00	5,865,986.29

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

\_\_\_\_\_

Date:

Email:

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



 AFE # XX-137661.01
 Well Name: RED BULL 30-31 FED STATE COM 4H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495101
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 4H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
	GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
	DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.4
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.0
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
and the second sec	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.5
6130170	COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
	RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.4
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
	MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.0
	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.0
	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
	TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.2
	TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.1
	CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.6
	SAFETY SERVICES	39,717.77	0.00	0.00	39,717.7
	SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.2
	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
	CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.8
	CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.5
	DAYWORK COSTS	721,847.81	0.00	0.00	721,847.8
6310300	DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.0
	DRILL BITS	108,180.35	0.00	0.00	108,180.3
6310330	DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.2
6310370	MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.7
6310380	OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.5
	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
and the desired and to be addressed	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
	EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.1
	EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.3
	WELDING SERVICES	215.16	0.00	0.00	215.16
	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137661.01 Well Name: RED BULL 30-31 FED STATE COM 4H Cost Center Number: 1094495101 Legal Description: SEC 30-23S-35E Revision:		AFE Date: State: County/Parish:		07/01/2020 NM LEA	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	CONSTRUCTION SVC	0.00	183,381.64	0.0	
6520100	LEGAL FEES	5,000.00	0.00	0.0	5,000.00
SEE0400	MISCS COSTS & SERVE	0.00	7 782 00	0.0	7 782 00

6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	9,165.64	32,366.39	0.00	41,532.03
6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2.846,484,11	3.501,482.39	0.00	6.347.966.50

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	684,551.89	872,671.45	0.00	1,557,223.34

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

WORKING INTEREST OWNER APPROVAL

Company Name:

Print Name:

Signature:

1 1114 144

Title:

Date:

Email:

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



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

October 6, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

### Ms. Hunter:

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposed, on June 30<sup>th</sup>, 2020, to drill and complete the following four (4) wells:

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

October 6, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

Devon wanted to let you know that we are planning a change to the BHL for the 2H, 3H, and 4H Wells, however they will remain in the same quarter-quarter section for pooling/spacing purposes. We are not planning any changes for the 1H Well. We are planning to move the BHL's as follows:

- 2H well will have an estimated BHL at 1,760' FWL
- 3H well will have an estimated BHL at 2,200' FEL
- 4H well will have an estimated BHL at 990' FEL

There are no changes to the TVD, target formation, AFE's, etc., which remain the same.

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

alBet B

Andy Bennett, CPL Senior Staff Landman

Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21396, 21397, 21398, 21399:

- 1. Well Proposal Letter from Devon Energy Production Company, L.P., to all the Working Interest Owners dated and mailed June 30, 2020, and July 1, 2020 (Exhibit A-3)
- 2. Initial email with exchange of agreements/drafts between Devon Energy Production Company, L.P. and the Working Interest Owners, on the following dates:
  - Chevron USA, Inc. July 1, 2020
  - VPD New Mexico, LLC July 7, 2020
- Follow up email(s) and exchange of drafts, along with discussions to work out existing matters, between Devon Energy Production Company, L.P., to the Working Interest Owners, from 7/27/2020 through 10/14/2020
  - Chevron USA, Inc. emails on 7/27/2020, 8/14/2020, 10/6/2020, and 10/14/2020
  - VPD New Mexico, LLC emails on 8/27/2020, 10/6/2020, and 10/7/2020

# **TAB 7**

- Exhibit B: Affidavit of Tom Peryam, Geologist Case No. 21397
- Exhibit B-1: Structure Map Case No. 21397
- Exhibit B-2: Type Log Case No. 21397
- Exhibit B-3: Gross Isochore Case No. 21397
- Exhibit B-4: Gross Isochore Case No. 21397
- Exhibit B-5: Gun Barrel View Case No. 21397
- Exhibit B-6: Structural Cross-section Case No. 21397

### 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, LEA COUNTY, NEW MEXICO

Case No. 21397

### **AFFIDAVIT OF TOM PERYAM**

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.

2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the geology involved.

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

4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.

a. I hold a Bachelor's degree in Geology obtained from the University of Oregon,

a Master's degree in Geology from New Mexico State University, and a Doctorate in Geology from the University of Oregon. I completed my education in 2012.

b. I have been employed as a petroleum geologist with Devon since August, 2012.

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5. Exhibit B-1 is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.

6. Exhibit B-2 is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.

7. Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.

8. Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.

9. Exhibit B-5 is a "gun barrel" view showing location of the 4 proposed wells relative to the Red Bull 31 State 1 Type Log

10. Exhibit B-6 is a structural cross section showing estimated position of the proposed wellbore.

11. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

12. The preferred well orientation in this area is north-south.

13. The Exhibits to this Affidavit were prepared by me or compiled from Devon's company business records under my direct supervision.

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

2

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

[Signature page follows]

# FURTHER AFFIANT SAYETH NAUGHT

Tom Peryam

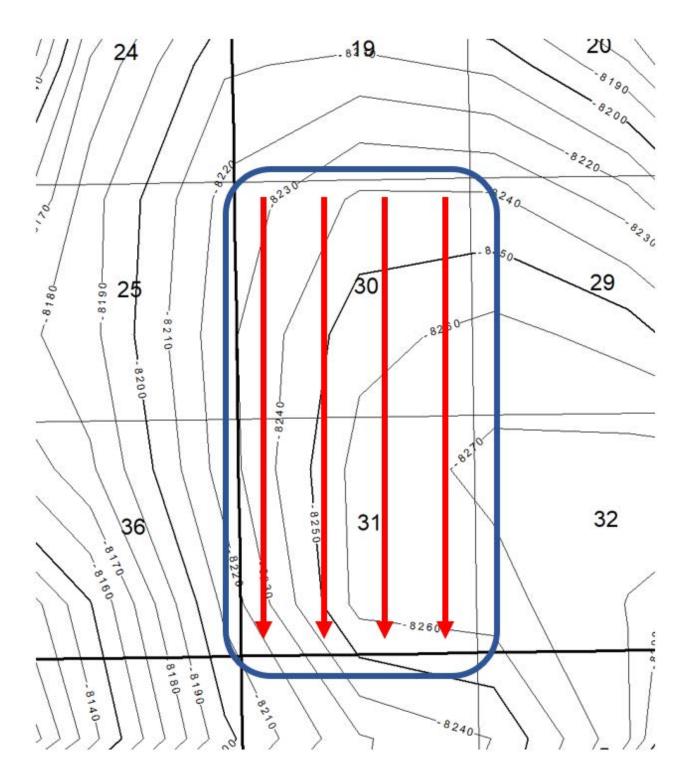
Subscribed to and sworn before me this  $15^{th}$  day of October, 2020.

KERI MCKIDDIE TA Notary Public SEAL State of Oklahoma Commission # 13007420 Expires 08/13/21

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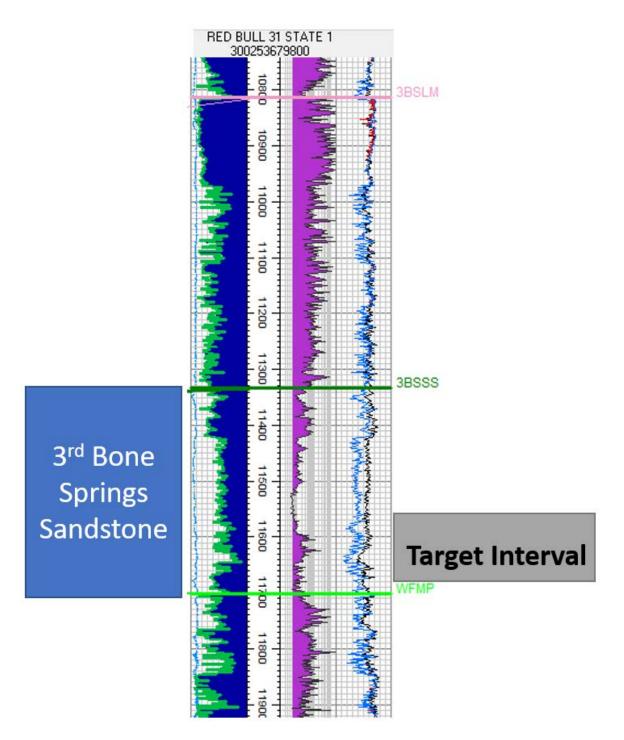
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**Exhibit B-1** is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.





**Exhibit B-2** is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.



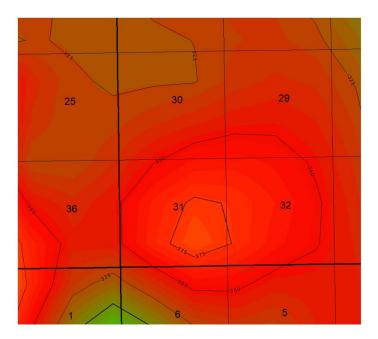


Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.



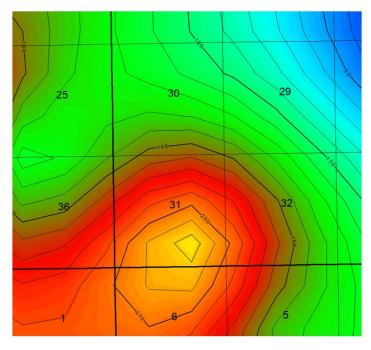
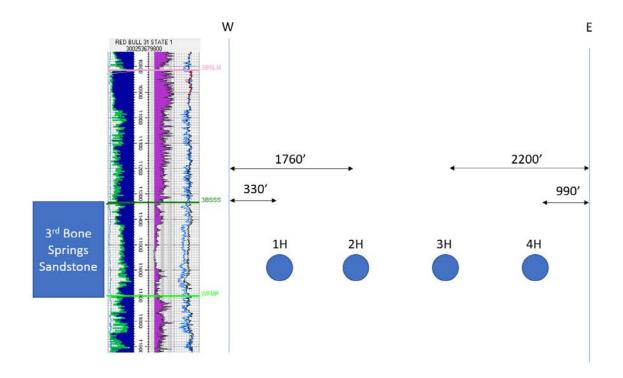


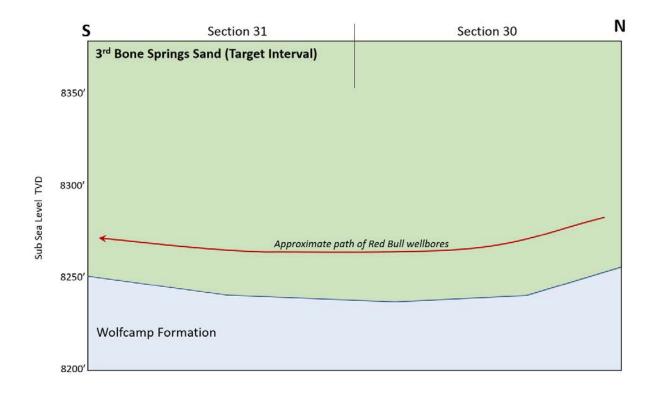
Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.



Devdn**66**ablic









# **TAB 8**

- Exhibit C: Affidavit of Notice, Darin C. Savage Case No. 21397
- Exhibit C-1: Notice Letters (WI & ORRI) Case No. 21397
- Exhibit C-2: Mailing List Case Nos. 21397
- Exhibit C-3: Affidavit of Publication Case No. 21397

### 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, LEA COUNTY, NEW MEXICO

Case No. 21397

### AFFIDAVIT OF NOTICE

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

Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P., the Applicant herein, being first duly sworn, upon oath, states that the above referenced Application was under a notice letter and that proof of receipt attached hereto.



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Darin C. Savage	

SUBSCRIBED AND SWORN to before me this 19th day of October, 2020, by Darin C. Savage.

Inviou

Notary Public

My Commission Expires:



## ABADIE I SCHILL PC



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

**EXHIBIT** 

August 19, 2020

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

# TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 2H Well

Case No. 21397

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 21397, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31-23S-35E, NMPM, Lea County, New Mexico, encompassing 320 acres, more or less.

A hearing has been requested before a Division Examiner on September 10, 2020, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: http://www.emnrd.state.nm.us/OCD/hearings.html, or call (505) 476-3441.

You are being notified as a working interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O : 970.385.4401 • F : 970.385.4901 171 Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

### ABADIE I SCHILL PC



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

August 19, 2020

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

# TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 2H Well

Case No. 21397

Dear ORRI Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 21397, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the E/2 W/2 of Sections 30 and 31-23S-35E, NMPM, Lea County, New Mexico, encompassing 320 acres, more or less.

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You are being notified as an owner of an overriding royalty interest ("ORRI") and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

### ABADIE I SCHILL PC



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

August 19, 2020

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O : 970.385.4401 • F : 970.385.4901 **175**  Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

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M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland, TX 79706	70200090000034242434	8/20/20	Delivered Certified Mail			9	YES
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ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242403	8/20/20	Delivered Certified Mail	Aail 8/24/20		50	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242496	8/20/20	Delivered Certified Mail	Aail 8/24/20		5	YES
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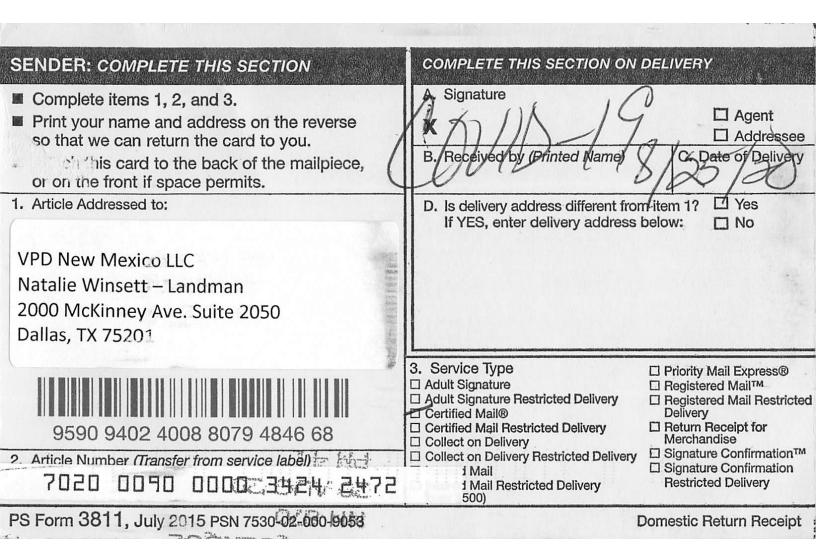
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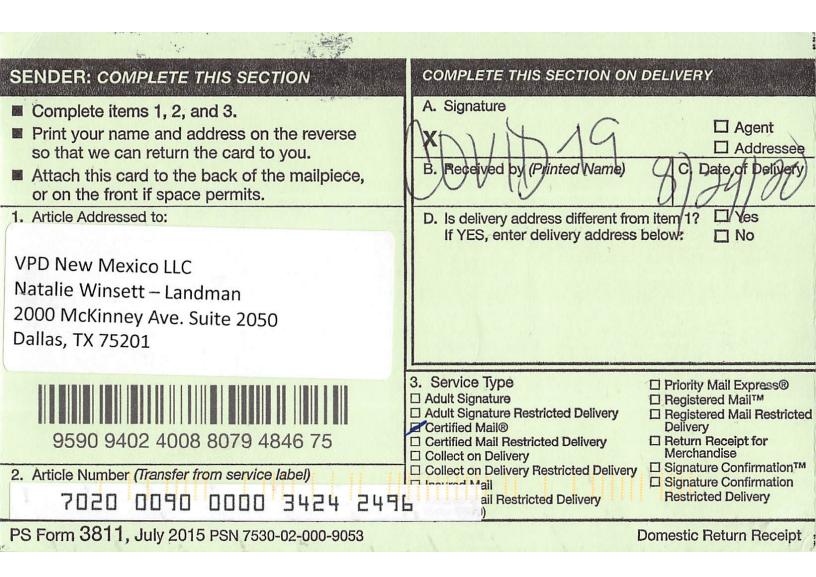
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Eric S. Buddenbohn – Land Manager	1250 NOT 7520
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Plano, TX 75024	
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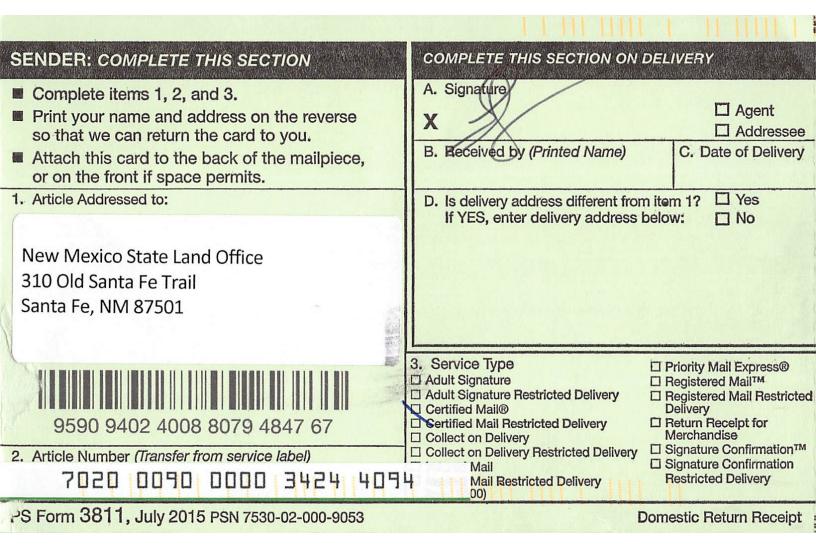
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Midland, TX 79706	
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### Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated August 26, 2020 and ending with the issue dated August 26, 2020.

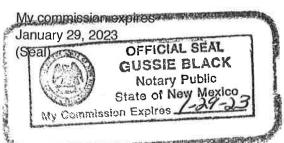
huse

Publisher

Sworn and subscribed to before me this 26th day of August 2020.

Black

**Business Manager** 



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said LEGAL LEGAL LEGAL NOTICE August 26, 2020

CASE No. 21397: Notice to all affected parties and persons having any right, title, interest or claim to this case, including overriding royalty interest owners, as well as the known and unknown heirs, devisees, assigns and successors of VPD NEW MEXICO LLC, STRYKER ENERGY LLC, EOG RESOURCES INC., AND CHEVRON USA INC., of Devon Energy Production Company, L.P.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its OI Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on September 10, 2020, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you visit the Division's website at: http://www.emmrd.state.nm.us/OCD/hearings.html. or call (506) 476-3441. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Sections 30 and 31. Township 23 CASE No. 21397: Notice to all affected parties City, OK 73102, seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the E/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE: BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the **Red Bull 30-31 Fed State Com 2H Well**, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the point for the wells; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line. #35771

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00245743

EXHIBIT

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

# **TAB 9**

Reference for Case No. 21398 Application Case No. 21398 - Red Bull 30-31 Fed State Com 3H Well NMOCD Checklist Case No. 21398

### 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, LEA COUNTY, NEW MEXICO

Case No. 21398

#### **APPLICATION**

Devon Energy Production Company, L.P., ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit.

In support of its Application, Devon states the following:

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

2. Devon proposes for the HSU its **Red Bull 30-31 Fed State Com 3H Well**, an oil well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31.

3. The completed interval and first and last take point for the well proposed in the HSU meet the setback requirements set forth in the Division's statewide rules and regulations for horizontal oil wells for a standard location.

1 209 4. Devon has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed HSU.

5. The pooling of all interests in the Bone Spring formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

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

7. Since Devon will be drilling and completing this well as part of a simultaneous drilling program for additional wells and units within Sections 30 and 31, Devon requests that it be allowed to commence drilling the well at any time within one year after the date of the Order, with the option to complete the well any time within one year after the commencement of drilling.

WHEREFORE, Devon requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 320-acre, more or less, spacing and proration unit comprising the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the proposed HSU.

C. Approving the **Red Bull 30-31 Fed State Com 3H Well**, as the well for the HSU.

2 210 D. Designating Devon as operator of this HSU and the horizontal well to be drilled thereon;

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

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

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

H. Allowing the commencement of drilling the well any time within one year after the date of the Order and completing the well any time within one year after commencement of drilling.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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

Attorneys for Devon Energy Production Company, L.P.

Case No. 21398: Application of Devon Energy Production Company L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the Red Bull 30-31 Fed State Com 3H Well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line.

## **COMPULSORY POOLING APPLICATION CHECKLIST**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21398	APPLICANT'S RESPONSE
Date	October 20, 2020
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of Devon Energy Production Company, L.P., for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Red Bull
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Exhibit
Pool Name and Pool Code:	ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]
Well Location Setback Rules:	NMAC statewide rules apply
Spacing Unit Size:	40-acre tracts, 320 ac unit
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40-acre tracts
Orientation:	north - south
Description: TRS/County	W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Landman Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Red Bull 30-31 Fed State Com 3H Well (API-pending), SHL: Unit B, 883' FNL, 1741' FEL, Section 30, T23S-R35E, NMPM; BHL: Unit O, 20' FSL, 1870' FEL, Section 31, T23S-R35E, NMPM, standup, standard
2	213

Horizontal Well First and Last Take Points	Red Bull 30-31 Fed State Com 3H Well: FTP 100' FNL, 1870' FEL, Sec. 30; LTP 100' FSL, 1870' FEL, Sec. 31.
Completion Target (Formation, TVD and MD)	Red Bull 30-31 Fed State Com 3H Well: TVD approx 11,670', TMD approx 21,670'; Bone Spring See Exhibts B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$ Justification for Supervision Costs	\$800, Exhibit A Exhibit A
· · · · · · · · · · · · · · · · · · ·	
Requested Risk Charge Notice of Hearing	200%, Exhibit A
Proposed Notice of Hearing	Exhibit C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, N/A
Ownership Depth Severance (including percentage above & below)	Exhibit A-2, N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B - Geologist's Affidavit
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5, B-6
Well Orientation (with rationale)	Exhibit B - Geologist's Affidavit, B-1
Target Formation	Exhibit B - Geologist's Affidavit, B-2
HSU Cross Section	Exhibit B-5, B-6
Depth Severance Discussion	Exhibit B - Geologist's Affidavit
Forms, Figures and Tables 214	

C-102	Exhibit A-1
Tracts	Exhibit A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-6
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	
Date:	20-Oct-20

# **TAB 10**

- Exhibit A: Affidavit of Andy D. Bennett, Landman Case No. 21398
- Exhibit A-1: C-102 Forms Case No. 21398
- Exhibit A-2: Tracts, Ownership and Sectional Map Case No. 21398
- Exhibit A-3: Well Proposal Letter and AFE Case No. 21398
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners Case No. 21398

### 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, LEA COUNTY, NEW MEXICO

Case No. 21398

### AFFIDAVIT OF ANDY D. BENNETT

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

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

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

3. I graduated from the University of Oklahoma with a Bachelor's degree in Business (Energy Management) in 2008. I have worked at Devon for approximately 11 years, and I have been working in New Mexico for 2 1/2 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

4. This affidavit is submitted in connection with the filing by Devon of the abovereferenced spacing and compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC. 5. The purpose of this application is to force pool uncommitted working interest owners and overriding royalty interest owners into the horizontal spacing unit described below, and in the well proposed to be drilled in the unit by Devon.

6. Devon seeks an order creating a standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit in the Permian Basin.

7. The proposed spacing unit will be dedicated to the **Red Bull 30-31 Fed State Com 3H Well**, an oil well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31. This well is the defining well for the unit.

8. A plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which shows the location of the proposed well within the unit. The location of all the well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners and overriding royalty interest owners.

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

11. The locations and proposed depths of the well to be drilled on the pooled units is as follows:

Well Name	SHL	BHL	TVD	TMD
Red Bull 30-31	883' FNL and	20' FSL and	11,670'	21,670'
Fed State Com	1,741' FWL of	1,870' FEL of		
3H Well	Section 30	Section 31		

12. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners and ORRI owners shown on Exhibit A-2. In compiling these addresses, I conducted a diligent search of the public records in Lea County, New Mexico, where the well is located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. Because not all parties were locatable, notice of this hearing was published in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to cover any unlocatable parties. There were 0 unlocatable parties.

13. Devon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well. **Exhibit A-4** provides a chronology and history of negotiations and communications with the owners.

14. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

15. Proposed C-102 for the well is attached as **Exhibit A-1**. The well will develop the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]).

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

17. Devon requests overhead and administrative rates of \$8,000/month for drilling the well and \$800/month for producing the well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. Devon requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

19. Devon requests that it be designated operator of the unit and well.

20. The Exhibits to this Affidavit were prepared by me, or compiled from Devon's company business records under my direct supervision.

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

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

### [Signature page follows]

# FURTHER AFFIANT SAYETH NAUGHT

J.P. But

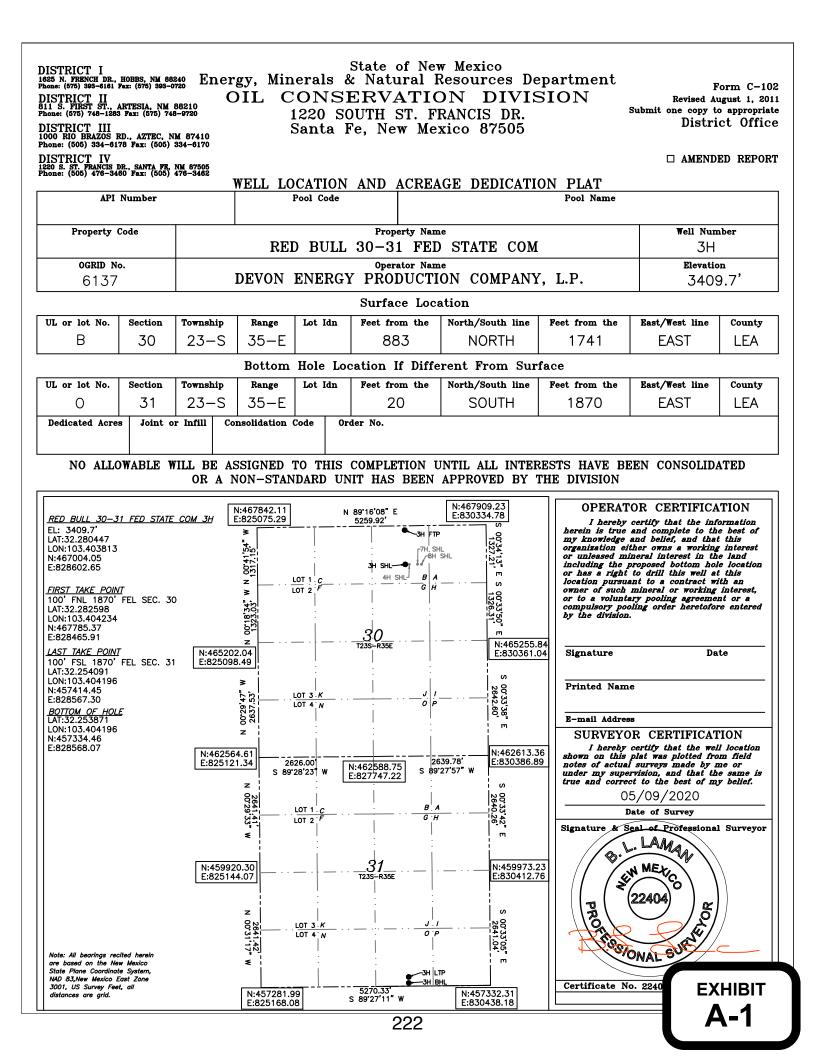
Andy D. Bennett

Subscribed to and sworn before me this  $15^{th}$  day of October, 2020.

KERI MCKIDDIE TAN Notary Public SEAL State of Oklahoma 3007420 Expires 08/13/21 Commission

pro McKeddie

Notary Public



Intent		As Drilled	
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API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	RED BULL 30-31 FED STATE COM	3H
		1

### Kick Off Point (KOP)

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

### First Take Point (FTP)

UL B	Section <b>30</b>	Township 23-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet <b>1870</b>	From E/W	County LEA
	Latitude 32.282598			Longitude <b>103.40</b>	Longitude 103.404234			NAD 83	

## Last Take Point (LTP)

UL O	Section <b>31</b>	Township 23-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet 1870	From E/W	County LEA
Latitude 32.254091				Longitude 103.404196				NAD 83	
32.234091			103.	103.404190			03		

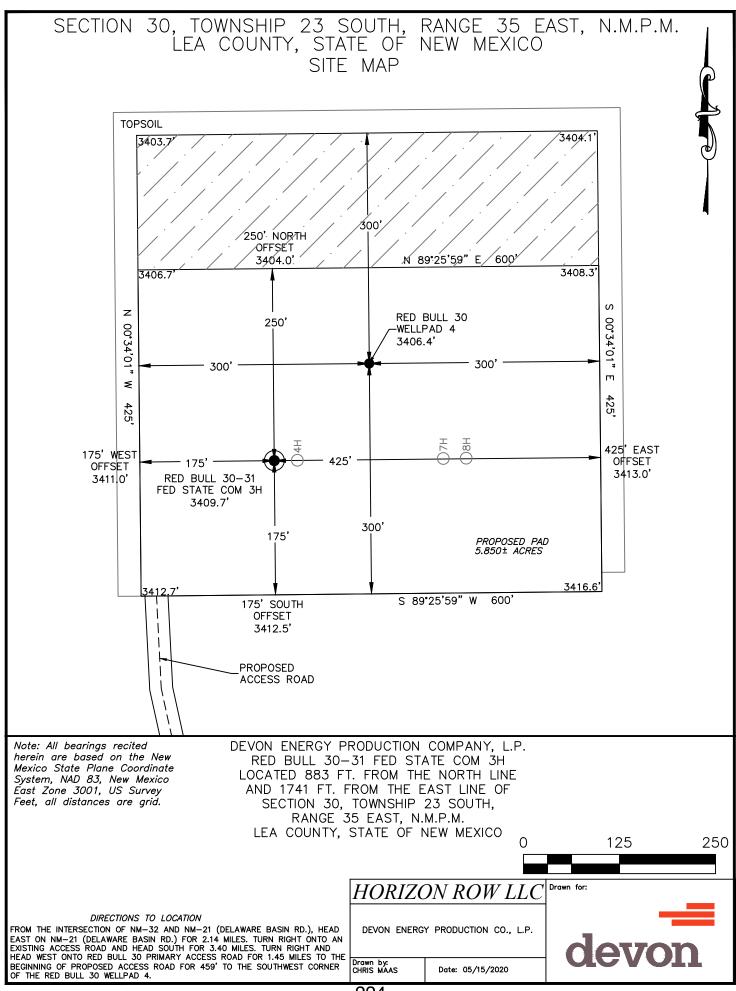
Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

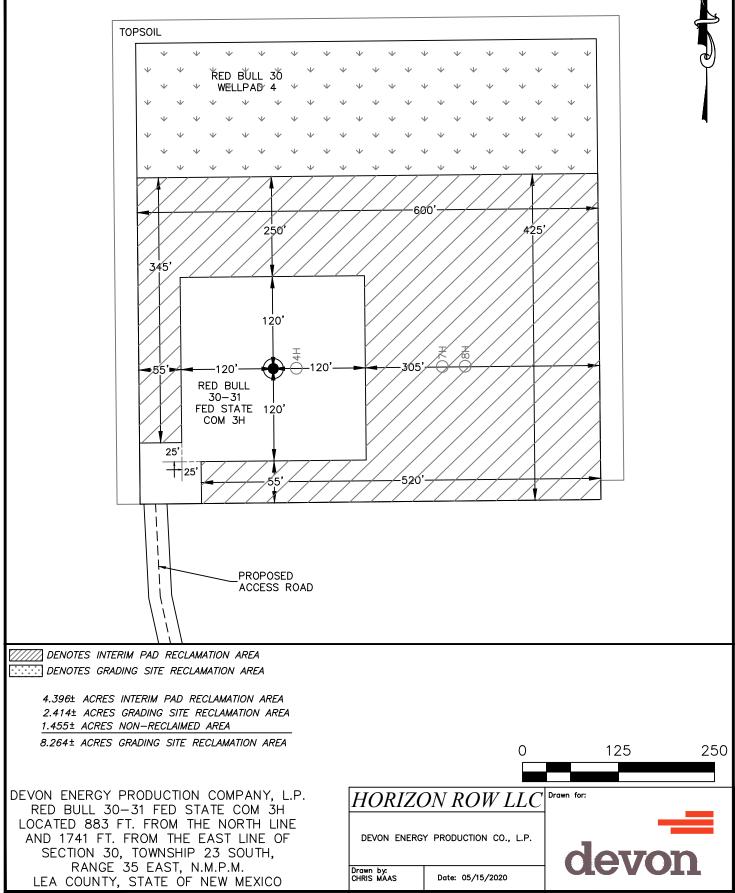
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

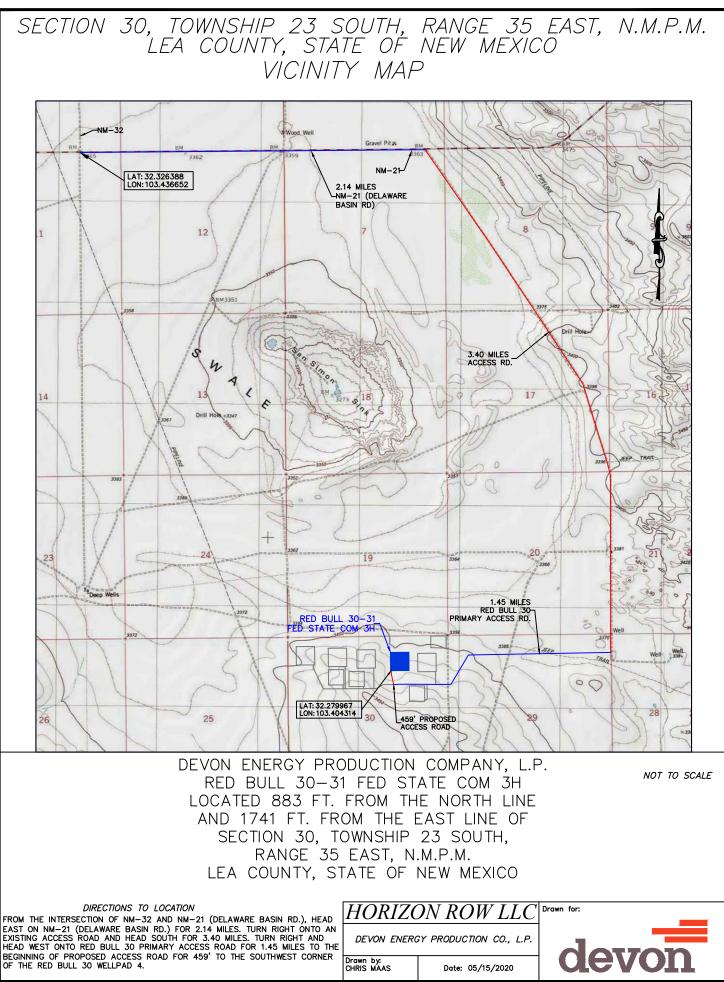
Operator Name: Property Name: Well Nu	API #		
	Operator Name:	Property Name:	Well Number

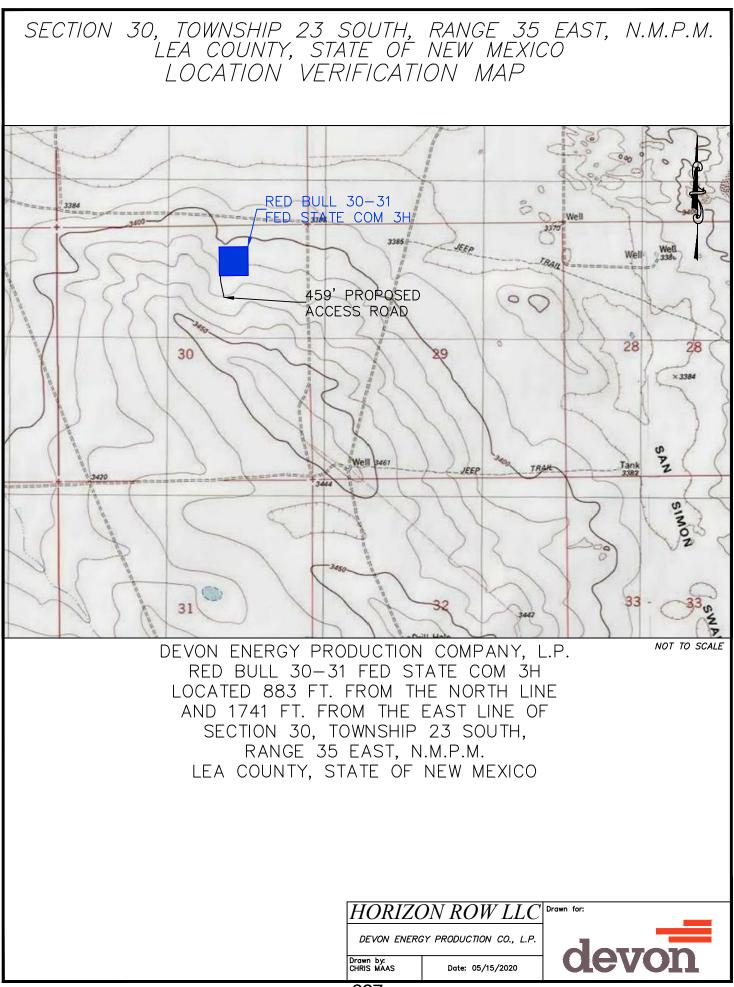
KZ 06/29/2018

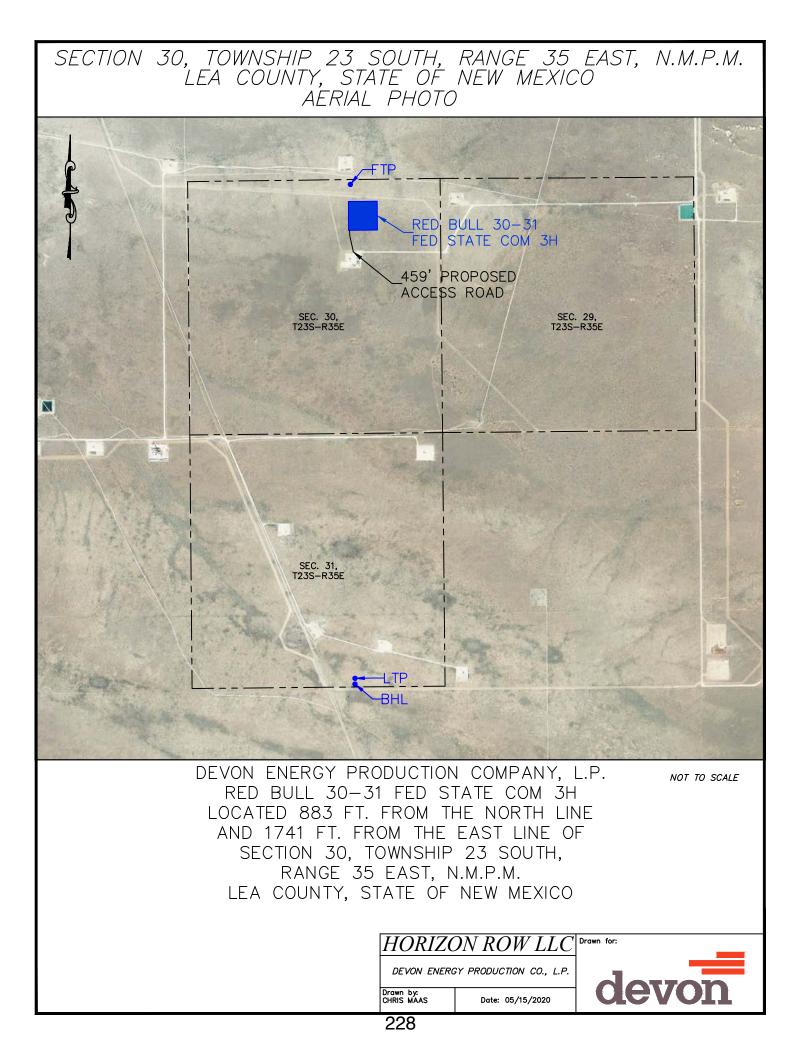


# SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO INTERIM SITE BUILD PLAN

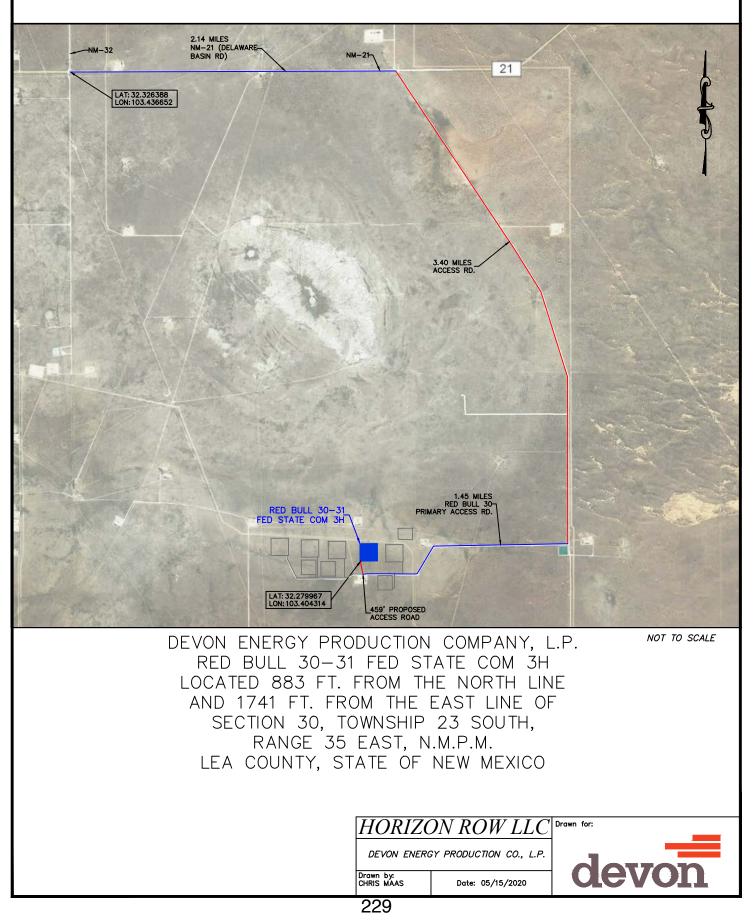


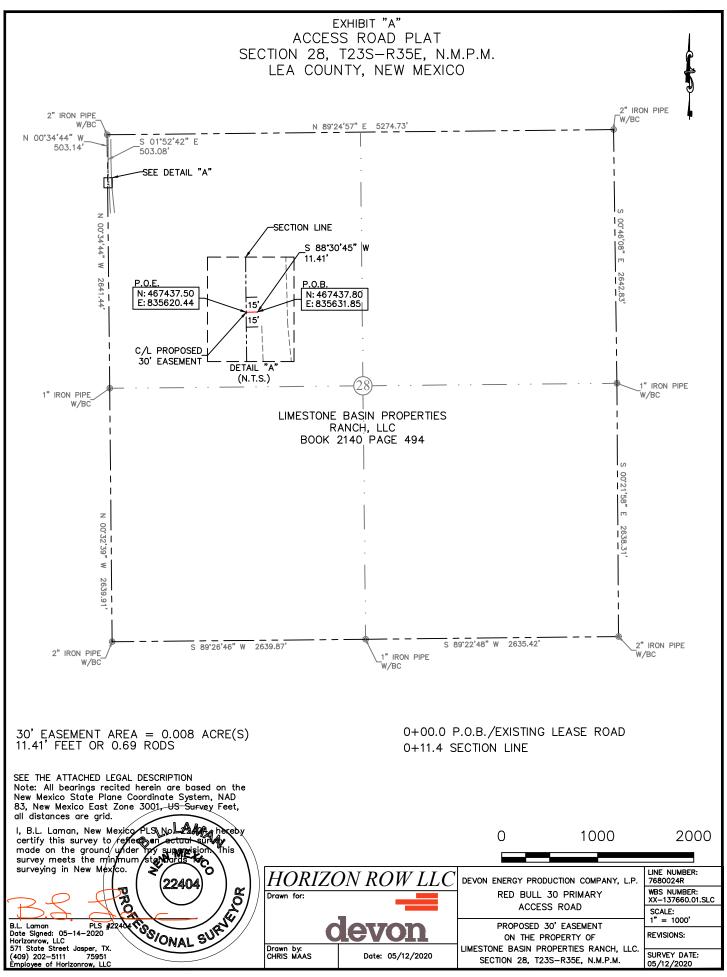






# SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP





### SECTION 28, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

### LEGAL DESCRIPTION

#### FOR

#### DEVON ENERGY PRODUCTION COMPANY, L.P.

### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northwest quarter (NW ¼) of Section 28, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northwest quarter corner of Section 28;

Thence S 01°52'42" E a distance of 503.08' to the **Point of Beginning** of this easement, having coordinates of Northing=467437.80, Easting=835631.85 feet and continuing the following course;

Thence S 88°30'45" W a distance of 11.41' to the **Point of Ending**, being in the west line of said Section 28 and having coordinates of Northing= 467437.50, Easting= 835620.44 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 28, T23S-R35E bears N 00°34'44" W a distance of 503.14', covering **11.41' or 0.69 rods** and having an area of **0.008 acres**.

### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

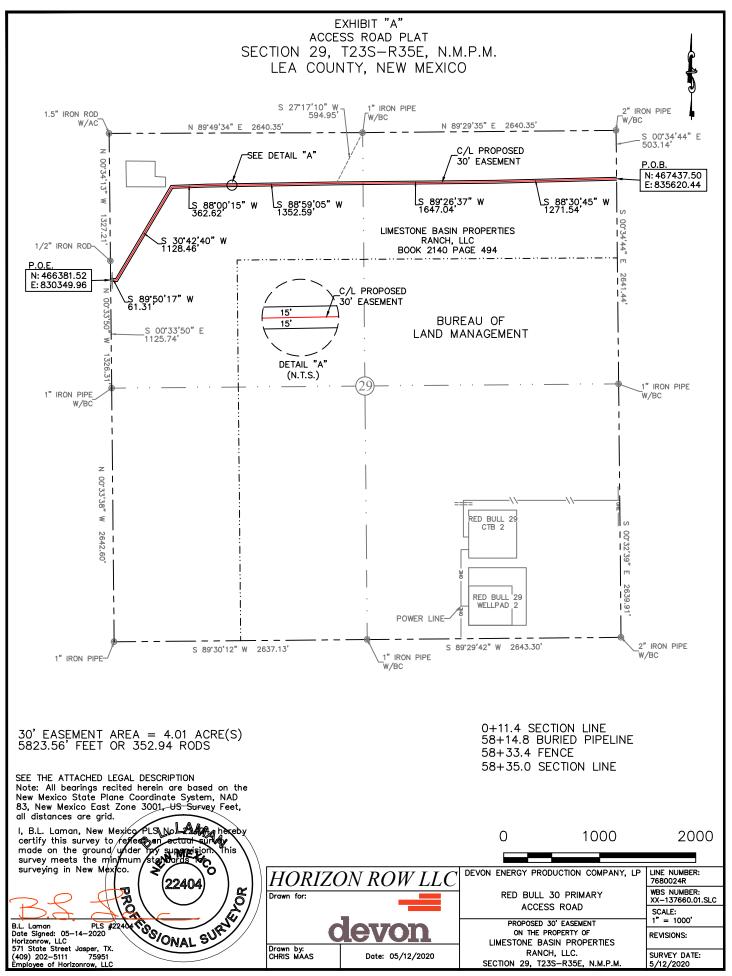
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 29, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) of Section 29, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northeast corner of Section 29;

Thence S 00°34'44" E a distance of 503.14' to the **Point of Beginning** of this easement in the east line of Section 29, having coordinates of Northing=467437.50, Easting=835620.44 feet and continuing the following courses;

Thence S 88°30'45" W a distance of 1271.54' to an angle point;

Thence S 89°26'37" W a distance of 1647.04' to an angle point;

Thence S 88°59'05" W a distance of 1352.59' to an angle point;

Thence S 88°00'15" W a distance of 362.62' to an angle point;

Thence S 30°42'40" W a distance of 1128.46' to an angle point;

Thence S 89°50'17" W a distance of 61.31' to the **Point of Ending** in the west line of Section 29, having coordinates of Northing=466381.52, Easting=830349.96 feet, from said point a 1" iron pipe w/BC for the west quarter corner of Section 29, T23S-R35E bears S 00°33'50" E a distance of 1125.74', covering **5823.56' or 352.94 rods** and having an area of **4.01 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

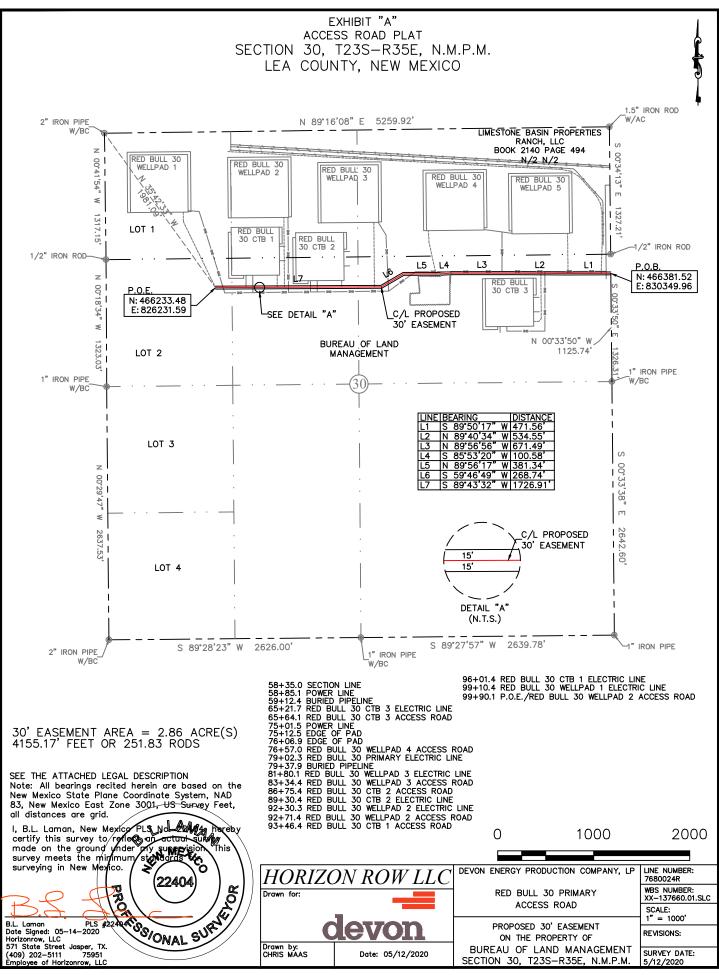
 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.
 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### **BUREAU OF LAND MANAGEMENT**

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) and Lot 2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC for the east quarter corner of Section 30;

Thence N 00°33'50" W a distance of 1125.74' to the **Point of Beginning** of this easement in the east line of Section 30, having coordinates of Northing=466381.52, Easting=830349.96 feet and continuing the following courses;

Thence S 89°50'17" W a distance of 471.56' to an angle point;

Thence N 89°40'34" W a distance of 534.55' to an angle point;

Thence N 89°56'56" W a distance of 671.49' to an angle point;

Thence S 85°53'20" W a distance of 100.58' to an angle point;

Thence N 89°56'17" W a distance of 381.34' to an angle point;

Thence S 59°46'49" W a distance of 268.74' to an angle point;

Thence S 89°43'32" W a distance of 1726.91' to the **Point of Ending**, having coordinates of Northing=466233.48, Easting=826231.59 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 30, T23S-R35E bears N 35°42'33" W a distance of 1981.09', covering **4155.17' or 251.83 rods** and having an area of **2.86 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

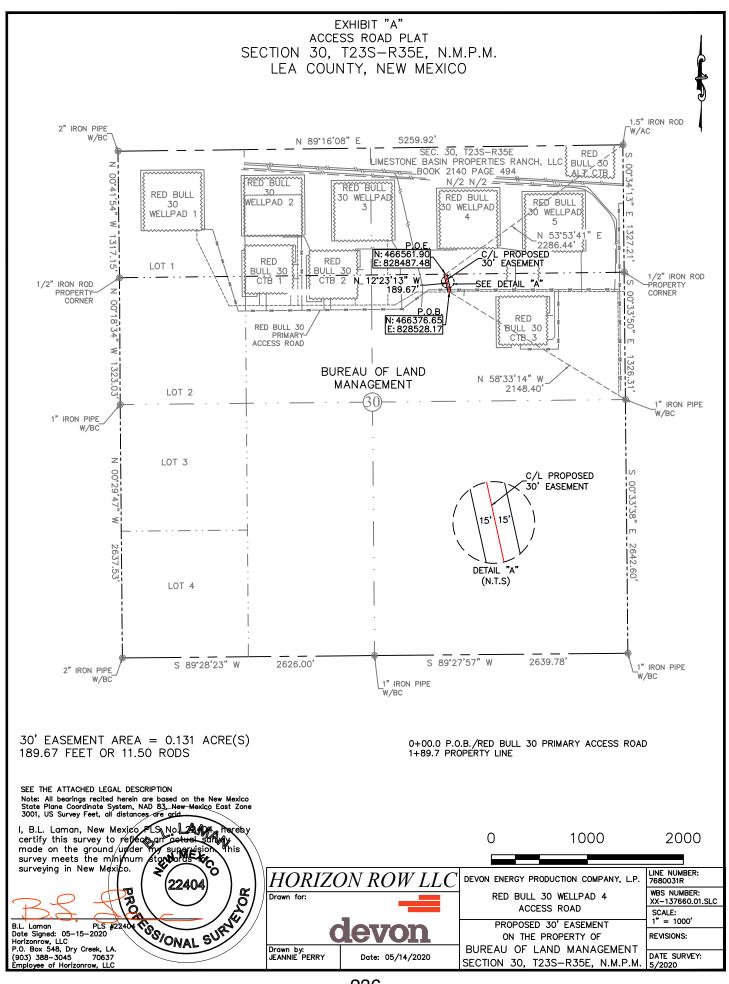
 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.
 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. BUREAU OF LAND MANAGEMENT

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the S/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC found for the east quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 58°33'14" W, a distance of 2148.40' to the **Point of Beginning** of this easement, having coordinates of Northing=466376.65 feet, Easting=828528.17 feet, and continuing the following courses;

Thence N 12°23'13" W, a distance of 189.67' to the **Point of Ending** of this easement, in the north line of the S/2 of the N/2 of Section 30, having coordinates of Northing=466561.90 feet, Easting=828487.48 feet, from said point a 1.5" iron rod w/AC found for the northeast corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 53°53'41" E a distance of 2286.44', covering **189.67' or 11.50 rods** and having an area of **0.131 acres**.

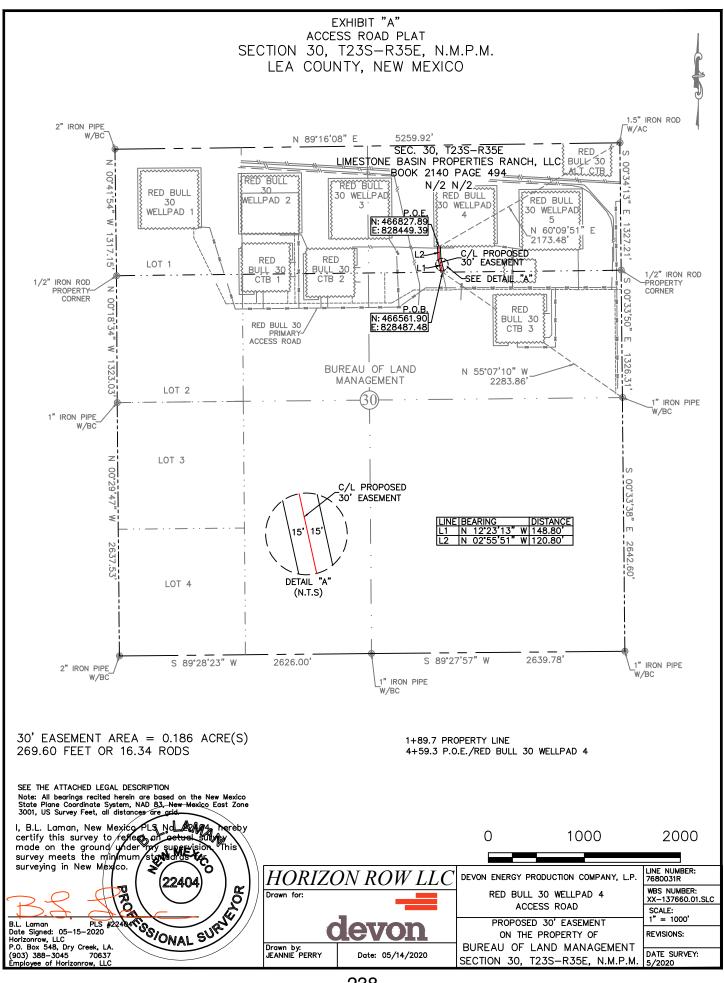
#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/15/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. LIMESTONE BASIN PROPERTIES RANCH, LLC

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the N/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Limestone Basin Properties Ranch, LLC, recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described in a deed as follows:

Commencing from a 1" iron pipe w/BC found for the east quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 55°07'10" W, a distance of 2283.86' to the **Point of Beginning** of this easement, having coordinates of Northing=466561.90 feet, Easting=828487.48 feet, in the south line of the N/2 of the N/2 of Section 30, and continuing the following courses;

Thence N 12°23'13" W, a distance of 148.80' to an angle point;

Thence N 02°55'51" W, a distance of 120.80' to the **Point of Ending** of this easement, having coordinates of 466827.89 feet, Easting=828449.39 feet, from said point a 1.5" iron rod w/AC found for the northeast corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 60°09'51" E a distance of 2173.48', covering **269.60' or 16.34 rods** and having an area of **0.186 acres**.

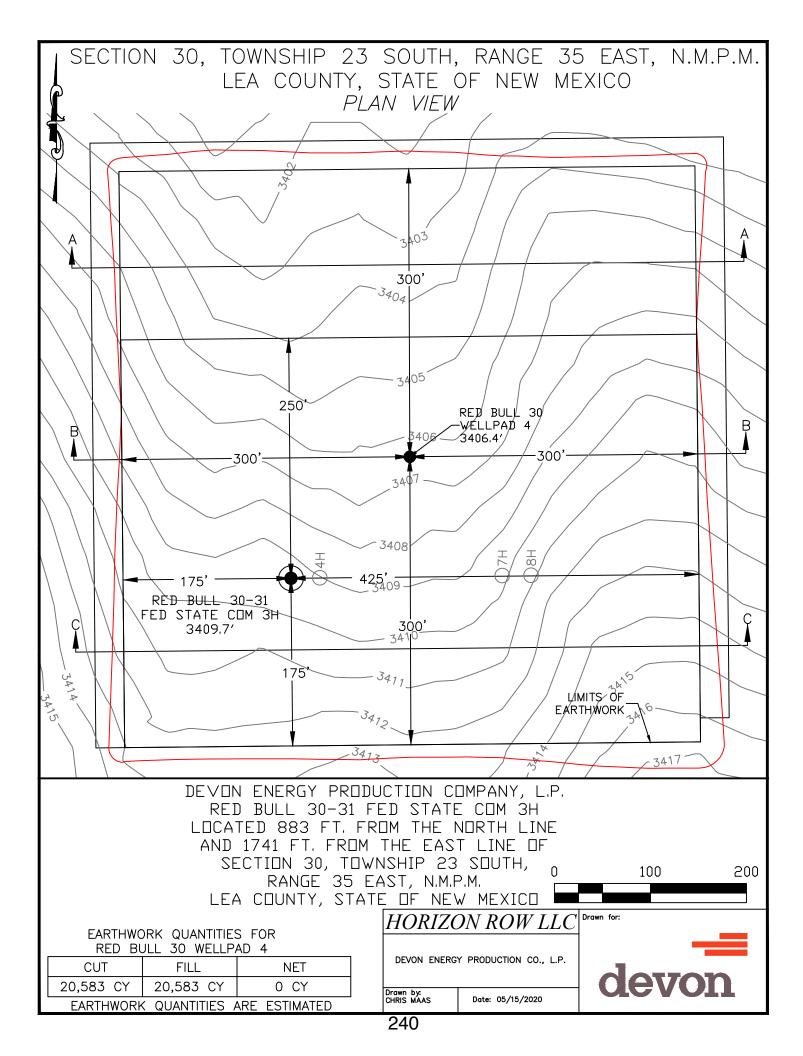
#### NOTES:

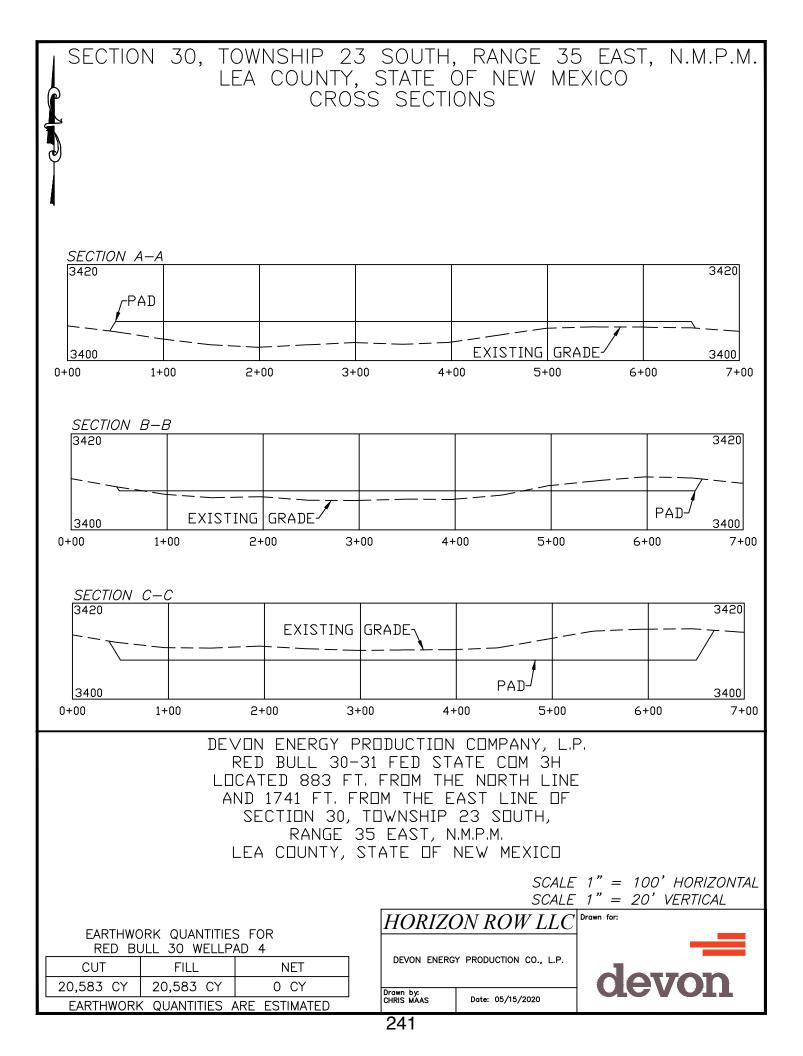
Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/15/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC

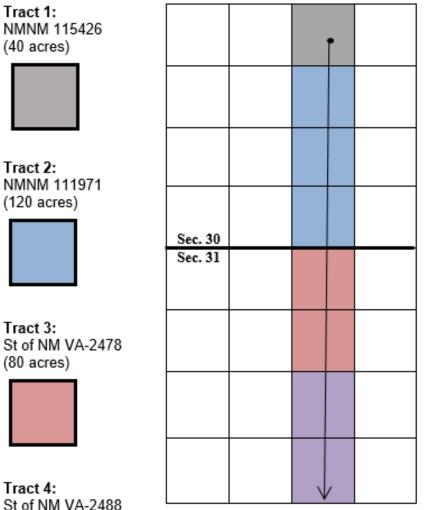






# PLAT

 $W\!/2$  E/2 of Sections 30 & 31, T-23-S, R-35-E, Lea County, New Mexico, Bone Spring Formation



St of NM VA-2488 (80 acres)



#### Red Bull 30-31 Fed State Com 3H SHL: 883' FNL & 1,741' FEL

BHL: 20' FSL & 1,870' FEL

ехнівіт **А-2** 

EXHIBIT A-2

### Exhibit "A-2"

### **OWNERSHIP BREAKDOWN – Bone Spring formation, Permian Basin**

### W/2E/2 of Sections 30 and 31, Township 23 South, Range 35 East, of Lea County, NM

### Red Bull 30-31 Fed State Com 3H (320-acre spacing unit)

### TRACT 1 OWNERSHIP (NENE of Section 30-T23S-R35E, being 40 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	40	0.125	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
TRACT 1 TOTAL	40	0.125	

### TRACT 2 OWNERSHIP (SWNE & W2SE4 of Section 30-T23S-R35E, being 120 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	78	0.24375	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	42	0.13125	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
TRACT 2 TOTAL	120	0.375	

### EXHIBIT A-2

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	52	0.1625	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	28	0.0875	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
TRACT 3 TOTAL	80	0.25	

# TRACT 3 OWNERSHIP (W2NE4 of Section 31-T23S-R35E, being 80 acres):

# TRACT 4 OWNERSHIP (W2SE4 of Section 31-T23S-R35E, being 80 acres):

Owner	Net Acres	Unit WI	Status	
Devon Energy Production Company, L.P.	52	0.1625	Committed	
333 W. Sheridan Avenue				
Oklahoma City, OK 73102				
Chevron U.S.A. Inc.	26	0.08125	Uncommitted	
6301 Deauville Blvd.				
Midland, TX 79706				
VPD New Mexico, LLC	2	0.00625	Uncommitted	
2100 McKinney Avenue, Suite 1770				
Dallas, TX 75201				
TRACT 3 TOTAL	80	0.25		
	EXHIBIT A-2			

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	222	0.69375	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	96	0.30	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
VPD New Mexico, LLC	2	0.00625	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			
UNIT TOTAL	320	1.00	

# OVERALL UNIT OWNERSHIP (W2E2 of Sections 30 and 31 – 23S-35E; 320.00 acres)

### **Overriding Royalty Owners**

EOG Resources Inc.	P.O. Box 4362	Houston	ТΧ
Devon Energy Production Co, LP	333 W. Sheridan Ave.	Oklahoma City	OK
Stryker Energy, LLC	1011 Fannin, Suite 2020	Houston	ТΧ
Oxy Y-1 Company	5 Greenway Plaza, Suite 110	Houston	ТΧ

### EXHIBIT A-2

Exhibit A-3



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

June 30, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

Ms. Hunter:

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

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

June 30, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

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

Devon is proposing to drill the Wells under the terms of the modified and superseding 2015 AAPL form of Operating Agreements ("JOA's"). The JOA's will be supplied to those parties interested in participating. The JOA's will have the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract Area #1: W/2 and W/2 E/2 of Sections 30 and 31 T23S-R35E, being approximately 956.44 acres
- Contract Area #2: E/2E/2 of Sections 30 and 31 T23S-R35E, being approximately 320.00 acres
- 100/400% Non-Consenting Penalty

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

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

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

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

Ouf Bae

Andy Bennett, CPL Senior Staff Landman

**Chevron USA Inc.:** 

To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H
Agreed to and Accepted this day of, 2020.

Chevron USA Inc.

D				
By:				
-	 	 	 	 _

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



 AFE # XX-137558.01

 Well Name: RED BULL 30-31 FED STATE COM 1H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094494801
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

 Revision: □

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 1H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	153,328.80	167,398.64	0.00	320,727.44
6060130	GASEOUS FUELS	25,135.90	0.00	0.00	25,135.90
6080100	DISPOSAL - SOLIDS	73,525.60	1,054.54	0.00	74,580.14
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	58,150.40	158,049.88	0.00	216,200.28
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170	COMM SVCS - WAN	4,724.70	0.00	0.00	4,724.70
6130360	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	13,804.10	0.00	0.00	13,804.10
and the second s	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
	MATERIALS & SUPPLIES	12,980.00	0.00	0.00	12,980.00
6170100	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
6190100	TRCKG&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110	TRUCKING&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.79
6200130	CONSLT & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.2
6230120	SAFETY SERVICES	33,748.00	0.00	0.00	33,748.00
6300270	SOLIDS CONTROL SRVCS	70,380.40	0.00	0.00	70,380.40
6310120	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
6310200	CASING & TUBULAR SVC	56,699.90	0.00	0.00	56,699.90
6310250	CEMENTING SERVICES	160,704.70	0.00	0.00	160,704.7
6310280	DAYWORK COSTS	691,236.20	0.00	0.00	691,236.2
6310300	DIRECTIONAL SERVICES	220,008.90	0.00	0.00	220,008.9
6310310	DRILL BITS	103,592.70	0.00	0.00	103,592.7
6310330	DRILL&COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.5
6310370	MOB & DEMOBILIZATION	22,745.90	0.00	0.00	22,745.9
6310380	OPEN HOLE EVALUATION	16,564.90	0.00	0.00	16,564.9
6310480	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
6310510	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
6320100	EQPMNT SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.8
6320110	EQUIP SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.62
6320160	WELDING SERVICES	1,030.20	0.00	0.00	1,030.20
6320190	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137558.01 Well Name: RED BULL 30-31 FED STATE COM 1H Cost Center Number: 1094494801 Legal Description: SEC 30-23S-35E Revision: □			AFE Date: State: County/Parish:		07/01/2020 NM LEA	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hol Costs		Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	(	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	(	0.00	5,000.00
			7 700 00		00	

6740340 T	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
	JAPITAL OVLIGILAD	.,			
6630110	CAPITAL OVERHEAD	7,788.00	32.366.39	0.00	40,154,39
6550120 C	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6550110 N	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550100 N	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

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Signature:

Print Name:

Title:

Date:

Email:

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



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:

AFE Date: 07/01/2020 State: NM County/Parish: LEA

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

DRILL AND COMPLETE THE RED BUL 30-31 FED STATE COM 2H

Intangible Code Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100 DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
6060130 GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100 DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110 DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115 DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.46
6090120 RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100 PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110 RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130 ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170 DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100   & C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170 COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
6130360 RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370 RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
6140160 ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100 CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
6160100 MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.06
6170100 PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110 SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
6190100 TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.26
6190110 TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.16
6200130 CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.64
6230120 SAFETY SERVICES	39,717.77	0.00	0.00	39,717.77
6300270 SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.23
6310120 STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190 PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200 CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.88
6310250 CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.55
6310280 DAYWORK COSTS	721,847.81	0.00	0.00	721,847.81
6310300 DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.00
6310310 DRILL BITS	108,180.35	0.00	0.00	108,180.35
6310330 DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.29
6310370 MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.79
6310380 OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.53
6310480 TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510 VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600 MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100 EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.16
6320110 EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.37
6320160 WELDING SERVICES	215.16	0.00	0.00	215.16
6320190 WATER TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision: []			AFE Dat State: County/	7/01/2020 M EA	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.0	0 183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.0	0 5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.0	0 7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.0	0 31,757.00

0.00

9,165.64

23,000.00

32,366.39

0.00

0.00

0.00

0.00

23,000.00

41,532.03

146,352.30

1,557,223.34

6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2,846,484.11	3,501,482.39	0.00	6,347,966.50
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

0.00

684,551.89

WORKING INTEREST OWNER APPROVAL

**Total Tangibles** 

6330100 PIPE, FIT, FLANG, CPLNG

6550120 OTHER ROUSTABOUT SER

6630110 CAPITAL OVERHEAD

Company Name:

Signature:

Print Name:

146,352.30

872,671.45

Title:

Date:

Email:

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



 AFE # XX-137660.01
 AFE # XX-137660.01

 Well Name: RED BULL 30-31 FED STATE COM 3H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495001
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

#### Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 3H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMIC		0.00	167,124.67	0.00	167,124.67
6060100 DYED LI		153,328.80	167,398.64	0.00	320,727.44
6060130 GASEOL		25,135.90	0.00	0.00	25,135.90
6080100 DISPOS		73,525.60	1,054.54	0.00	74,580.14
6080110 DISP-SA	LTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115 DISP VI	PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS	- WATER	58,150.40	158,049.88	0.00	216,200.28
6090120 RECYC	TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100 PERMIT	SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110 RIGHT C	OF WAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&		0.00	20,412.50	0.00	20,412.50
6110130 ROAD&		45,000.00	36,616.98	0.00	81,616.98
and the second sec	E & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100 & C SE		0.00	111,292.50	0.00	111,292.50
6130170 COMM S		4,724.70	0.00	0.00	4,724.70
6130360 RTOC -		0.00	10,545.40	0.00	10,545.40
6130370 RTOC -		13,804.10	0.00	0.00	13,804.10
6140160 ENV-SE		1,000.00	0.00	0.00	1,000.00
and the second day is a second day of the second	PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
6160100 MATER	ALS & SUPPLIES	12,980.00	0.00	0.00	12,980.00
6170100 PULLIN	G&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110 SNUBB	G&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
	&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110 TRUCK	NG&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.79
	T & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.20
6230120 SAFETY	SERVICES	33,748.00	0.00	0.00	33,748.00
	CONTROL SRVCS	70,380.40	0.00	0.00	70,380.40
6310120 STIMUL	ATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190 PROPP	ANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200 CASING	& TUBULAR SVC	56,699.90	0.00	0.00	56,699.90
6310250 CEMEN	TING SERVICES	160,704.70	0.00	0.00	160,704.70
6310280 DAYWO	RK COSTS	691,236.20	0.00	0.00	691,236.20
6310300 DIRECT	IONAL SERVICES	220,008.90	0.00	0.00	220,008.90
6310310 DRILL		103,592.70	0.00	0.00	103,592.70
6310330 DRILL8	COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.50
6310370 MOB &	DEMOBILIZATION	22,745.90	0.00	0.00	22,745.90
6310380 OPEN H	IOLE EVALUATION	16,564.90	0.00	0.00	16,564.90
	WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510 VACUU		0.00	2,500.00	0.00	2,500.00
	UMPING SERVICE	0.00	45,731.33	0.00	45,731.33
	T SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.83
	SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.62
6320160 WELDI		1,030.20	0.00	0.00	1,030.20
6320190 WATER	TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137660.01 Well Name: RED BULL 30-31 FED STATE COM 3H Cost Center Number: 1094495001 Legal Description: SEC 30-23S-35E Revision:		AFE Dat State: County/		07/01/2020 NM LEA		
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	8	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0	.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0	.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0	.00	7,782.00
6550110	MISCELLANEOUS SVC	30 410 30	0.00	0	00	30 410 30

Code	Description	Costs	Costs	Costs	Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
	Total Intangibles	2,364,503.90	3,501,482.39	0.00	5,865,986.29

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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



 AFE # XX-137661.01
 Well Name: RED BULL 30-31 FED STATE COM 4H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495101
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 4H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
6060130	GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100	DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.40
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.5
6130170	COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
6130360	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
	MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.00
	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
6190100	TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.20
6190110	TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.10
6200130	CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.6
6230120	SAFETY SERVICES	39,717.77	0.00	0.00	39,717.7
	SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.2
	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
6310200	CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.8
	CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.5
6310280	DAYWORK COSTS	721,847.81	0.00	0.00	721,847.8
6310300	DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.0
6310310	DRILL BITS	108,180.35	0.00	0.00	108,180.3
6310330	DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.2
6310370	MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.7
6310380	OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.5
6310480	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
and the desired and to be addressed	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
	EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.1
	EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.3
	WELDING SERVICES	215.16	0.00	0.00	215.16
	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137661.01 Well Name: RED BULL 30-31 FED STATE COM 4H Cost Center Number: 1094495101 Legal Description: SEC 30-23S-35E Revision:		TATE COM 4H	AFE Dat State: County/	N	7/01/2020 M EA
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	CONSTRUCTION SVC	0.00	183,381.64	0.0	
6520100	LEGAL FEES	5,000.00	0.00	0.0	5,000.00
SEE0400	MISCS COSTS & SERVE	0.00	7 782 00	0.0	0 7 782 00

6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	9,165.64	32,366.39	0.00	41,532.03
6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2.846.484.11	3.501,482.39	0.00	6.347.966.50

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	684,551.89	872,671.45	0.00	1,557,223.34

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

WORKING INTEREST OWNER APPROVAL

Company Name:

Print Name:

Signature:

. . . . . . . .

Title:

Date:

Email:

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



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

October 6, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

#### Ms. Hunter:

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposed, on June 30<sup>th</sup>, 2020, to drill and complete the following four (4) wells:

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

October 6, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

Devon wanted to let you know that we are planning a change to the BHL for the 2H, 3H, and 4H Wells, however they will remain in the same quarter-quarter section for pooling/spacing purposes. We are not planning any changes for the 1H Well. We are planning to move the BHL's as follows:

- 2H well will have an estimated BHL at 1,760' FWL
- 3H well will have an estimated BHL at 2,200' FEL
- 4H well will have an estimated BHL at 990' FEL

There are no changes to the TVD, target formation, AFE's, etc., which remain the same.

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

alBet B

Andy Bennett, CPL Senior Staff Landman

Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21396, 21397, 21398, 21399:

- 1. Well Proposal Letter from Devon Energy Production Company, L.P., to all the Working Interest Owners dated and mailed June 30, 2020, and July 1, 2020 (Exhibit A-3)
- 2. Initial email with exchange of agreements/drafts between Devon Energy Production Company, L.P. and the Working Interest Owners, on the following dates:
  - Chevron USA, Inc. July 1, 2020
  - VPD New Mexico, LLC July 7, 2020
- Follow up email(s) and exchange of drafts, along with discussions to work out existing matters, between Devon Energy Production Company, L.P., to the Working Interest Owners, from 7/27/2020 through 10/14/2020
  - Chevron USA, Inc. emails on 7/27/2020, 8/14/2020, 10/6/2020, and 10/14/2020
  - VPD New Mexico, LLC emails on 8/27/2020, 10/6/2020, and 10/7/2020

# **TAB 11**

- Exhibit B: Affidavit of Tom Peryam, Geologist Case No. 21398
- Exhibit B-1: Structure Map Case No. 21398
- Exhibit B-2: Type Log Case No. 21398
- Exhibit B-3: Gross Isochore Case No. 21398
- Exhibit B-4: Gross Isochore Case No. 21398
- Exhibit B-5: Gun Barrel View Case No. 21398
- Exhibit B-6: Structural Cross-section Case No. 21398

#### 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, LEA COUNTY, NEW MEXICO

Case No. 21398

#### **AFFIDAVIT OF TOM PERYAM**

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.

2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the geology involved.

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

4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.

a. I hold a Bachelor's degree in Geology obtained from the University of Oregon,

a Master's degree in Geology from New Mexico State University, and a Doctorate in Geology from the University of Oregon. I completed my education in 2012.

b. I have been employed as a petroleum geologist with Devon since August, 2012.

Dev261

5. Exhibit B-1 is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.

6. Exhibit B-2 is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.

7. Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.

8. Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.

9. Exhibit B-5 is a "gun barrel" view showing location of the 4 proposed wells relative to the Red Bull 31 State 1 Type Log

10. Exhibit B-6 is a structural cross section showing estimated position of the proposed wellbore.

11. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

12. The preferred well orientation in this area is north-south.

13. The Exhibits to this Affidavit were prepared by me or compiled from Devon's company business records under my direct supervision.

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

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

[Signature page follows]



## FURTHER AFFIANT SAYETH NAUGHT

Tom Peryam

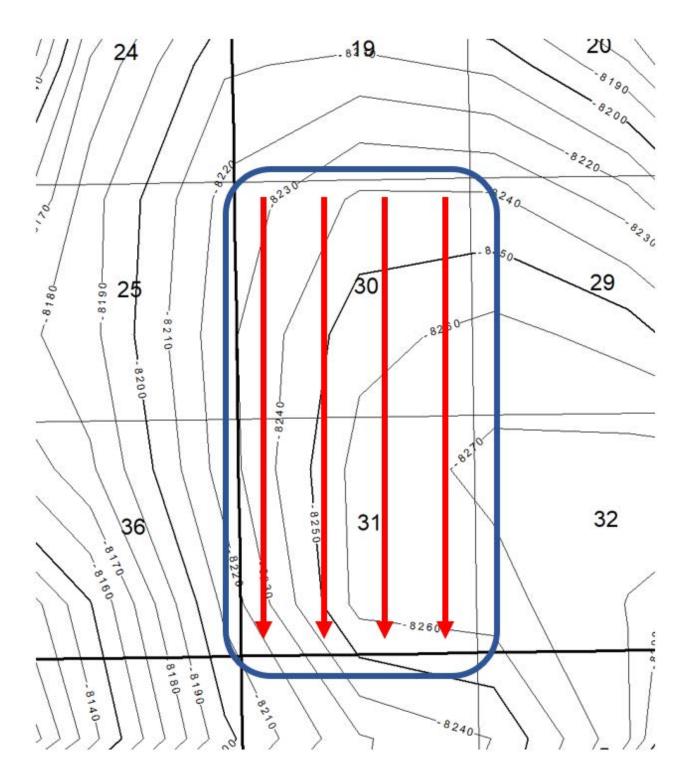
Subscribed to and sworn before me this  $15^{\text{th}}$  day of October, 2020.



Ididde

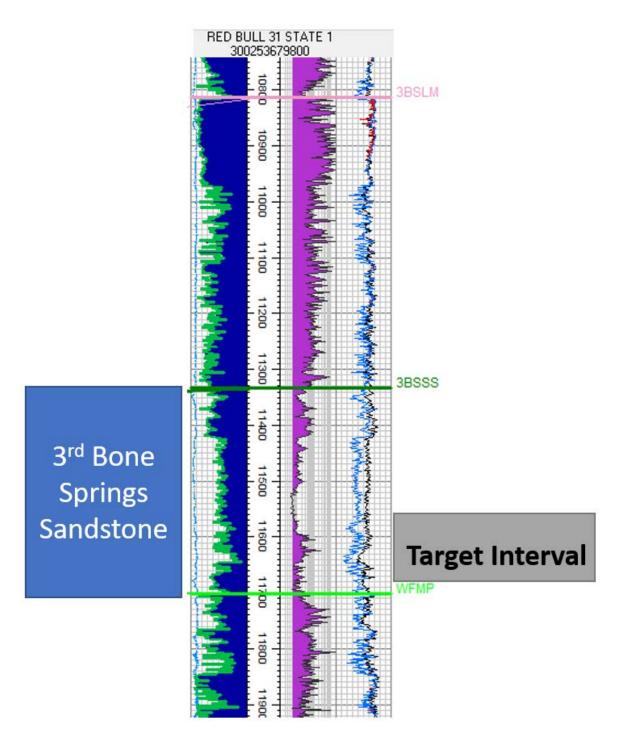
Notary Public





**Exhibit B-1** is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.





**Exhibit B-2** is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.



Dev2766 ublic

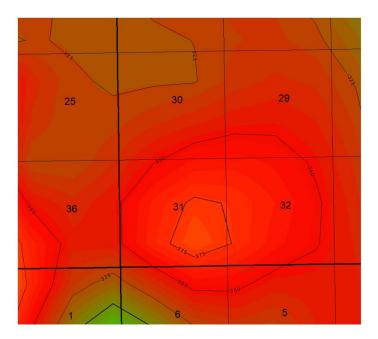


Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.



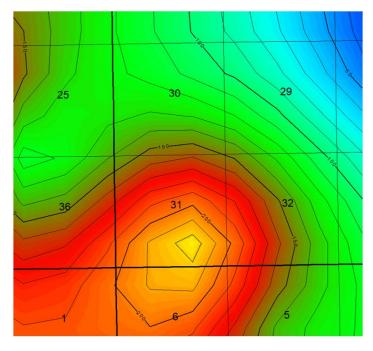
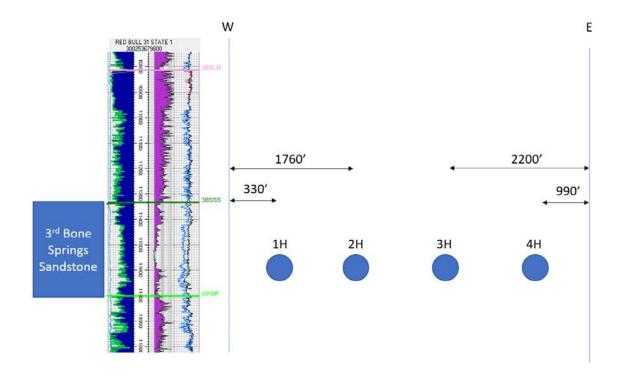
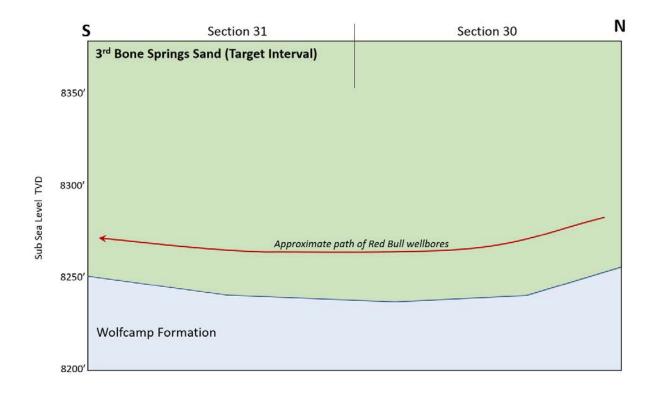


Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.











# **TAB 12**

- Exhibit C: Affidavit of Notice, Darin C. Savage Case No. 21398
- Exhibit C-1: Notice Letters (WI & ORRI) Case No. 21398
- Exhibit C-2: Mailing List Case Nos. 21398
- Exhibit C-3: Affidavit of Publication Case No. 21398

#### **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, LEA COUNTY, NEW MEXICO

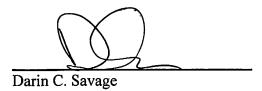
Case No. 21398

#### **AFFIDAVIT OF NOTICE**

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

Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P., the Applicant herein, being first duly sworn, upon oath, states that the above referenced Application was under a notice letter and that proof of receipt attached hereto.





SUBSCRIBED AND SWORN to before me this 19th day of October, 2020, by Darin C. Savage.

Notary Public

My Commission Expires:

0-4-202

#### ABADIE | SCHILL PC



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

**EXHIBIT** 

August 19, 2020

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 3H Well

Case No. 21398

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 21398, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the W/2 E/2 of Sections 30 and 31-23S-35E, NMPM, Lea County, New Mexico, encompassing 320 acres, more or less.

A hearing has been requested before a Division Examiner on September 10, 2020, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: http://www.emnrd.state.nm.us/OCD/hearings.html, or call (505) 476-3441.

You are being notified as a working interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O : 970.385.4401 • F : 970.385.4901 272 Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

#### ABADIE I SCHILL PC



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

August 19, 2020

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

## TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico <u>Red Bull 30-31 Fed State Com 3H Well</u>

Case No. 21398

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You are being notified as an owner of an overriding royalty interest ("ORRI") and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.



Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

#### ABADIE I SCHILL PC



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

August 19, 2020

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a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O : 970.385.4401 • F : 970.385.4901 **276**  Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

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ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242427	8/20/20	Delivered Certi	Certified Mail	8/24/20	9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242403	8/20/20	Delivered Certi	Certified Mail	8/24/20	9	YES
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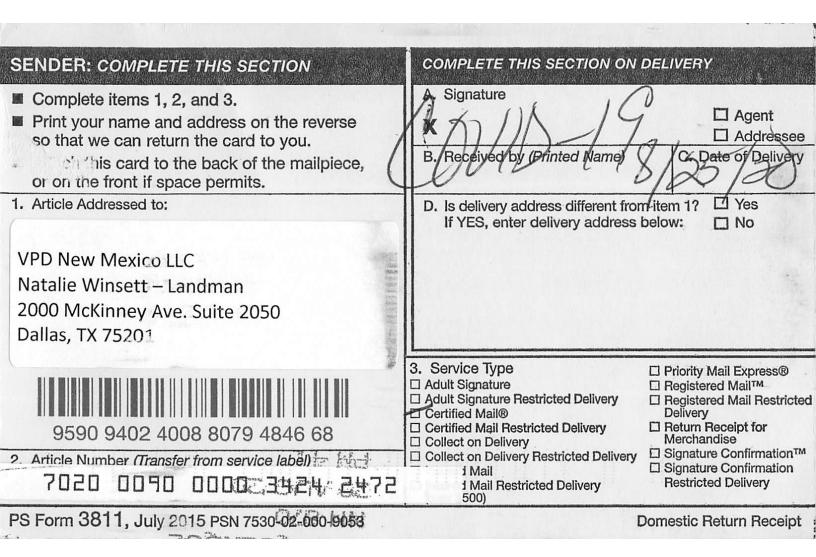
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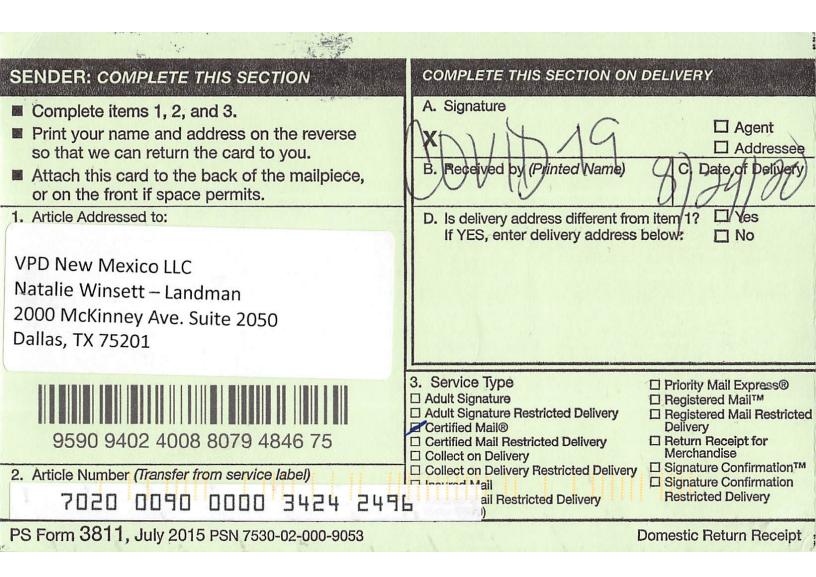
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Natalie Winsett – Landman	
2000 McKinney Ave. Suite 2050	
Dallas, TX 75201	
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Murchison Oil and Gas LLC	7750 752
Eric S. Buddenbohn – Land Manager	1250 NO7 7520
7520 Dallas Parkway, Suite 1400	
Plano, TX 75024	
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Houston, TX 77002	
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Katie McBryde – Landman	
5509 Champions Dr.	
Midland, TX 79706	
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	500) Domestic Return Receipt

## Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

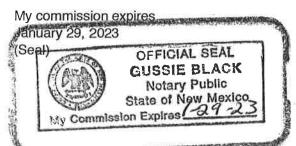
> Beginning with the issue dated August 26, 2020 and ending with the issue dated August 26, 2020.

Publisher

Sworn and subscribed to before me this 26th day of August 2020.

Black

**Business Manager** 



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said LEGAL NOTICE August 26, 2020

CASE No. 21398: Notice to all affected parties and persons having any right, title, Interest or claim to this case, including overriding royalty claim to this case, including overriding royalty interest owners, as well as the known and unknown heirs, devisees, assigns and successors of VPD NEW MEXICO LLC, STRYKER ENERGY LLC, EOG RESOURCES INC., AND CHEVRON USA INC., of Devon Energy Production Company, L.P.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on September 10, 2020, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you visit the Division's website at: http://www.emnrd.state.nm.us/OCD/hearings.html. http://www.emnrd.state.nm.us/OCD/hearings.html. or call (505) 476-3441. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) creating a standard 320-acre, more or less, (1) creating a standard 320-acre, more or less, horizontal spacing and proration unit comprised of the W/2 E/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the Red Bull 30-31 Fed State Com 3H Well, to be horizontally drilled from a surface location in NW/4 NE/4 (Unit B) of Section 30 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the Division's for the well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; also to be considered will be the cost of drilling and completing the well and the allocation of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line. **#35773** 

67115820

KAIYA TOOP

**ABADIE SCHILL** 

**DURANGO, CO 81301** 

555 RIVERGATE LANE 84-180

00245744

EXHIBIT

# **TAB 13**

Reference for Case No. 21399 Application Case No. 21399 - Red Bull 30-31 Fed State Com 1H Well NMOCD Checklist Case No. 21399

#### 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, LEA COUNTY, NEW MEXICO

Case No. 21399

#### **APPLICATION**

Devon Energy Production Company, L.P., ("Devon"), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) creating a standard 316.44acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit.

In support of its Application, Devon states the following:

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

2. Devon proposes for the HSU its **Red Bull 30-31 Fed State Com 1H Well**, an oil well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 31.

3. The completed interval and first and last take point for the well proposed in the HSU meet the setback requirements set forth in the Division's statewide rules and regulations for horizontal oil wells for a standard location.

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

5. The pooling of all interests in the Bone Spring formation within the proposed HSU, and creation of the spacing unit, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

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

7. Since Devon will be drilling and completing this well as part of a simultaneous drilling program for additional wells and units within Sections 30 and 31, Devon requests that it be allowed to commence drilling the well at any time within one year after the date of the Order, with the option to complete the well any time within one year after the commencement of drilling.

WHEREFORE, Devon requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and after notice and hearing as required by law, the Division enter an order:

A. Approving the creation of a standard 316.44-acre, more or less, spacing and proration unit comprising the W/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the proposed HSU.

C. Approving the **Red Bull 30-31 Fed State Com 1H Well**, as the well for the HSU.

2 311 D. Designating Devon as operator of this HSU and the horizontal well to be drilled thereon;

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

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

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

H. Allowing the commencement of drilling the well any time within one year after the date of the Order and completing the well any time within one year after commencement of drilling.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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

Attorneys for Devon Energy Production Company, L.P.

Case No. 21399: Application of Devon Energy Production Company L.P. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 316.44-acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the Red Bull 30-31 Fed State Com 1H Well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles north of the New Mexico state line.

## **COMPULSORY POOLING APPLICATION CHECKLIST**

### ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21399	APPLICANT'S RESPONSE
Date	October 20, 2020
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Darin C. Savage - Abadie & Schill, PC
Case Title:	Application of Devon Energy Production Company, L.P., for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Red Bull
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Exhibit
Pool Name and Pool Code:	ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]
Well Location Setback Rules:	NMAC statewide rules apply
Spacing Unit Size:	40-acre tracts, 320 ac unit (316.44 with correction lots)
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres (316.44 with correction lots)
Building Blocks:	40-acre tracts
Orientation:	north - south
Description: TRS/County	W/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Landman Exhibit A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Red Bull 30-31 Fed State Com 1H Well (API-pending), SHL: Unit C, 725' FNL, 1484' FWL, Section 30, T23S-R35E, NMPM; BHL: Unit O, 20' FSL, 330' FWL, Section 31, T23S-R35E, NMPM, standup, standard
3	314

Horizontal Well First and Last Take Points	Red Bull 30-31 Fed State Com 1H Well:
	FTP 100' FNL, 330' FWL, Sec. 30;
	LTP 100' FSL, 330' FWL, Sec. 31.
Completion Target (Formation, TVD and MD)	Red Bull 30-31 Fed State Com 1H Well:
	TVD approx 11,680', TMD approx 21,680'; Bone Spring
	See Exhibts B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, N/A
Ownership Depth Severance (including percentage above & below)	
	Exhibit A-2, N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B - Geologist's Affidavit
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5, B-6
Well Orientation (with rationale)	Exhibit B - Geologist's Affidavit, B-1
Target Formation	Exhibit B - Geologist's Affidavit, B-2
HSU Cross Section	Exhibit B-5, B-6
Depth Severance Discussion	Exhibit B - Geologist's Affidavit
Forms, Figures and Tables 315	

C-102	Exhibit A-1
Tracts	Exhibit A-1, A-2, B-1
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-6
Cross Section Location Map (including wells)	Exhibit B-5
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
CERTIFICATION: I hereby certify that the information provi	ded in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	
Date:	20-Oct-20

## **TAB 14**

- Exhibit A: Affidavit of Andy D. Bennett, Landman Case No. 21399
- Exhibit A-1: C-102 Forms Case No. 21399
- Exhibit A-2: Tracts, Ownership and Sectional Map Case No. 21399
- Exhibit A-3: Well Proposal Letter and AFE Case No. 21399
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners Case No. 21399

#### 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, LEA COUNTY, NEW MEXICO

Case No. 21399

#### AFFIDAVIT OF ANDY D. BENNETT

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

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

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

3. I graduated from the University of Oklahoma with a Bachelor's degree in Business (Energy Management) in 2008. I have worked at Devon for approximately 11 years, and I have been working in New Mexico for 2 1/2 years. My credentials as a petroleum landman have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

4. This affidavit is submitted in connection with the filing by Devon of the abovereferenced spacing and compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC. 5. The purpose of this application is to force pool uncommitted working interest owners and overriding royalty interest owners into the horizontal spacing unit described below, and in the well proposed to be drilled in the unit by Devon.

6. Devon seeks an order creating a standard 316.44-acre, more or less, spacing and proration unit comprised of the W/2 W/2 (Correction Lots 1-4 for each Section) of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying said unit in the Permian Basin.

7. The proposed spacing unit will be dedicated to the **Red Bull 30-31 Fed State Com 1H Well**, an oil well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 31. This well is the defining well for the unit.

8. A plat outlining the unit being pooled is attached hereto as **Exhibit A-2**, which shows the location of the proposed well within the unit. The location of all the well is orthodox, and it meets the Division's offset requirements.

9. The parties being pooled, the nature of their interests, and their last known addresses are listed on **Exhibit A-2** attached hereto. **Exhibit A-2** includes information regarding working interest owners and overriding royalty interest owners.

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

11. The locations and proposed depths of the well to be drilled on the pooled units is as follows:

Well Name	SHL	BHL	TVD	TMD
Red Bull 30-31	725' FNL and	20' FSL and 330'	11,680'	21,680'
Fed State Com	1,484' FWL of	FWL of Section		
1H Well	Section 30	31		

12. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners and ORRI owners shown on Exhibit A-2. In compiling these addresses, I conducted a diligent search of the public records in Lea County, New Mexico, where the well is located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. Because not all parties were locatable, notice of this hearing was published in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to cover any unlocatable parties. There were 0 unlocatable parties.

13. Devon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well. **Exhibit A-4** provides a chronology and history of negotiations and communications with the owners.

14. The interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Devon and another interest owner or owners, Devon requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

15. Proposed C-102 for the well is attached as **Exhibit A-1**. The well will develop the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]).

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

17. Devon requests overhead and administrative rates of \$8,000/month for drilling the well and \$800/month for producing the well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Devon requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

18. Devon requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

19. Devon requests that it be designated operator of the unit and well.

20. The Exhibits to this Affidavit were prepared by me or compiled from Devon's company business records under my direct supervision.

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

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

#### [Signature page follows]

### FURTHER AFFIANT SAYETH NAUGHT

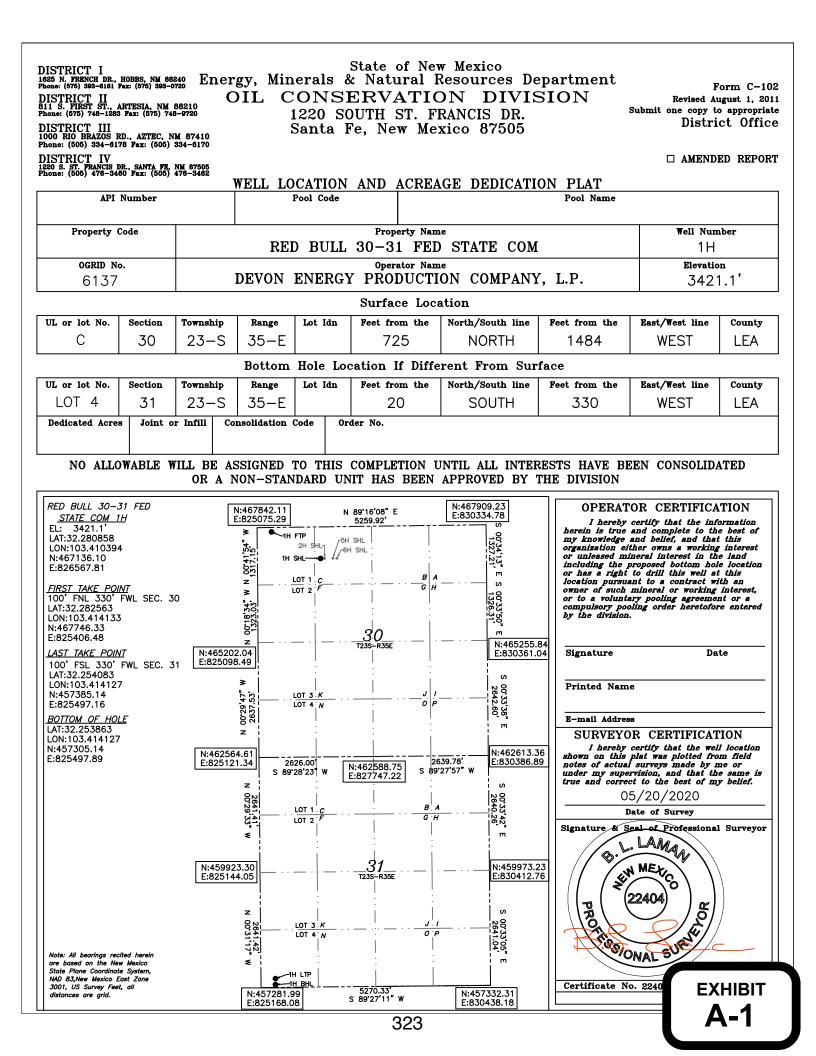
PD.B.alt

Andy D. Bennett

Subscribed to and sworn before me this  $15^{\text{m}}$  day of October, 2020.



McKiddie Notary Public



Intent		As Drilled	
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API #

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	RED BULL 30-31 FED STATE COM	1H
,		

#### Kick Off Point (KOP)

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

#### First Take Point (FTP)

UL LOT 1	Section <b>30</b>	Township 23-S	Range 35-E	Lot	Feet 100	From N/S	Feet <b>330</b>	From E/W	County LEA
Latitu <b>32.</b>	de 2808	61			Longitude <b>103.40</b>	9682	NAD 83		

### Last Take Point (LTP)

UL LOT 4	Section <b>31</b>	Township 23-S	Range 35-E	Lot	Feet <b>100</b>	From N/S	Feet <b>330</b>	From E/W	County LEA
Latitu <b>32</b> .	<sup>de</sup> 2540	83			Longitude 103.414127				NAD 83

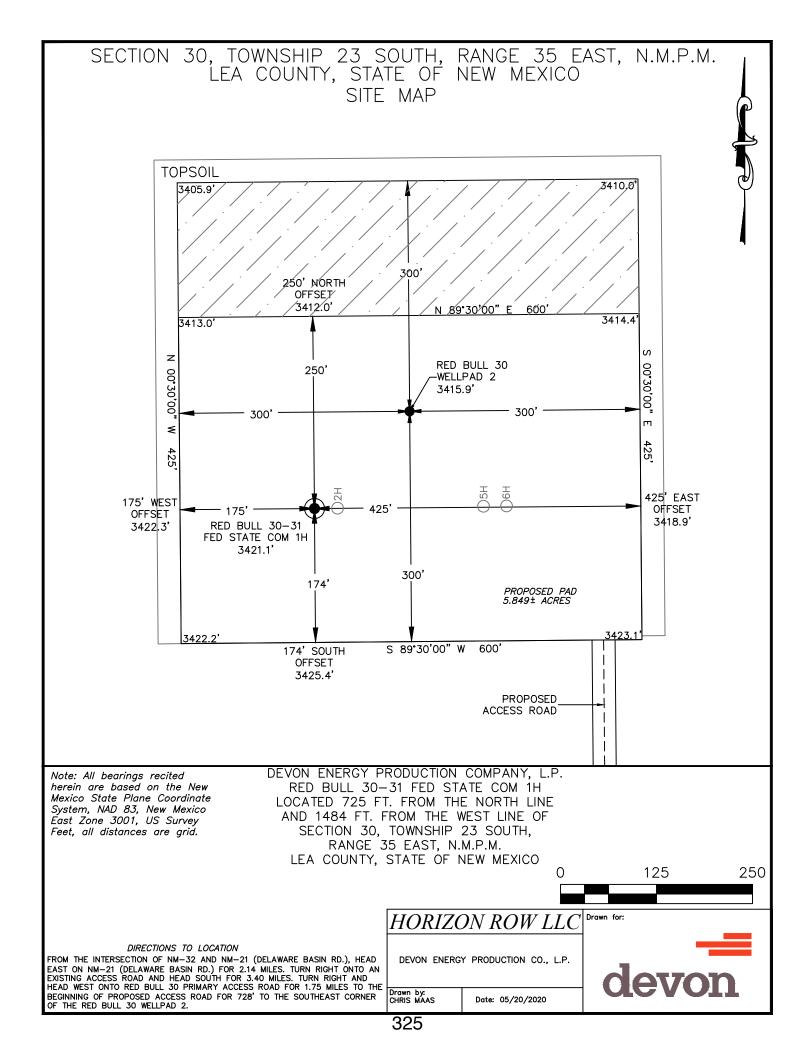
Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

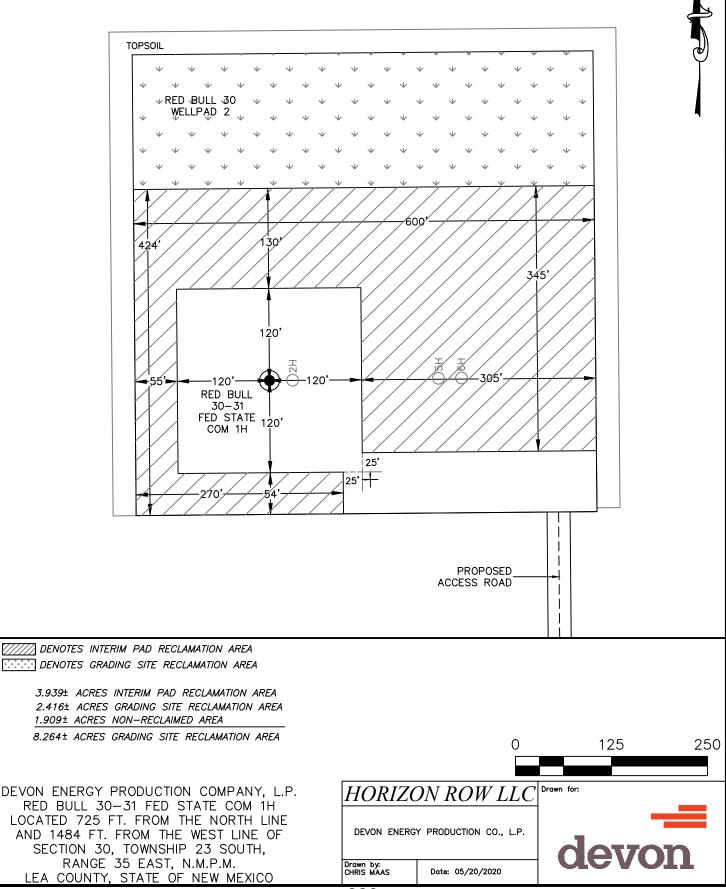
If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

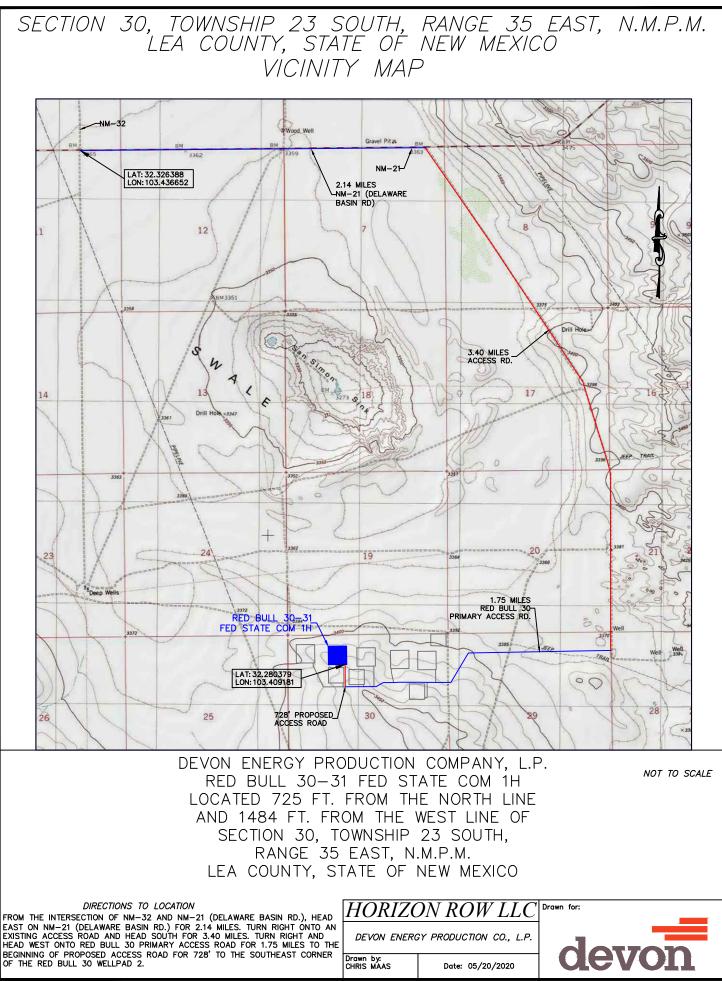
Operator Name: Property Name: Well Num	API #		
	Operator Name:	Property Name:	Well Number

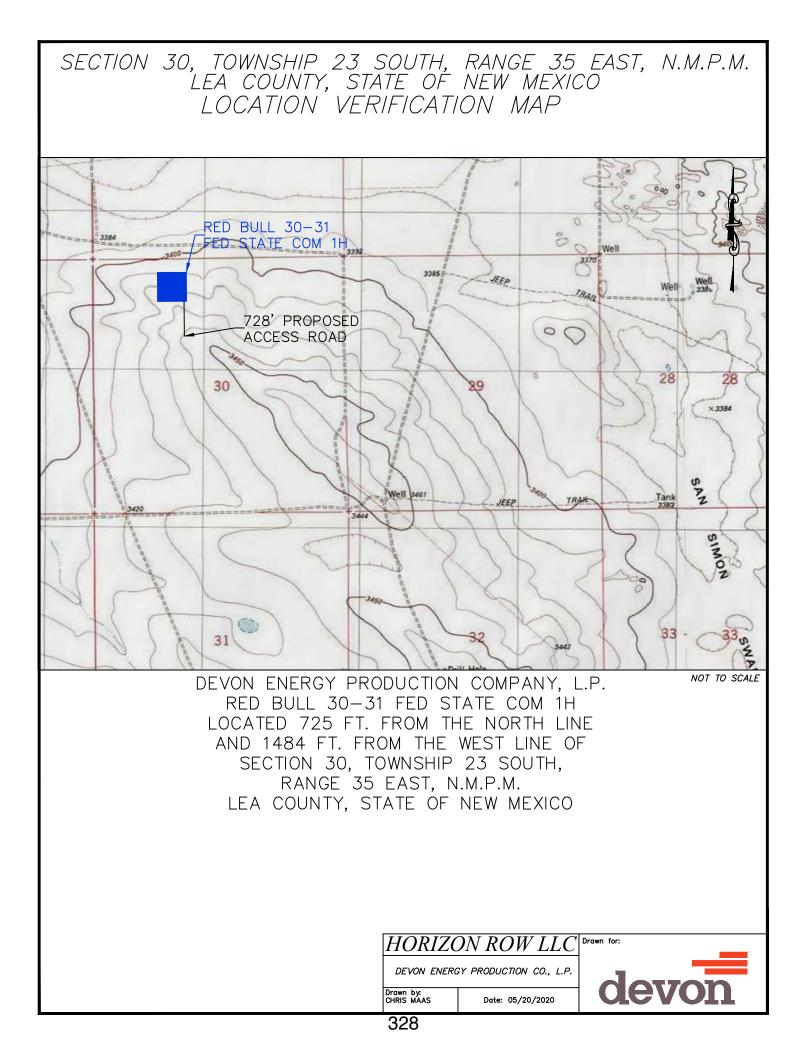
KZ 06/29/2018

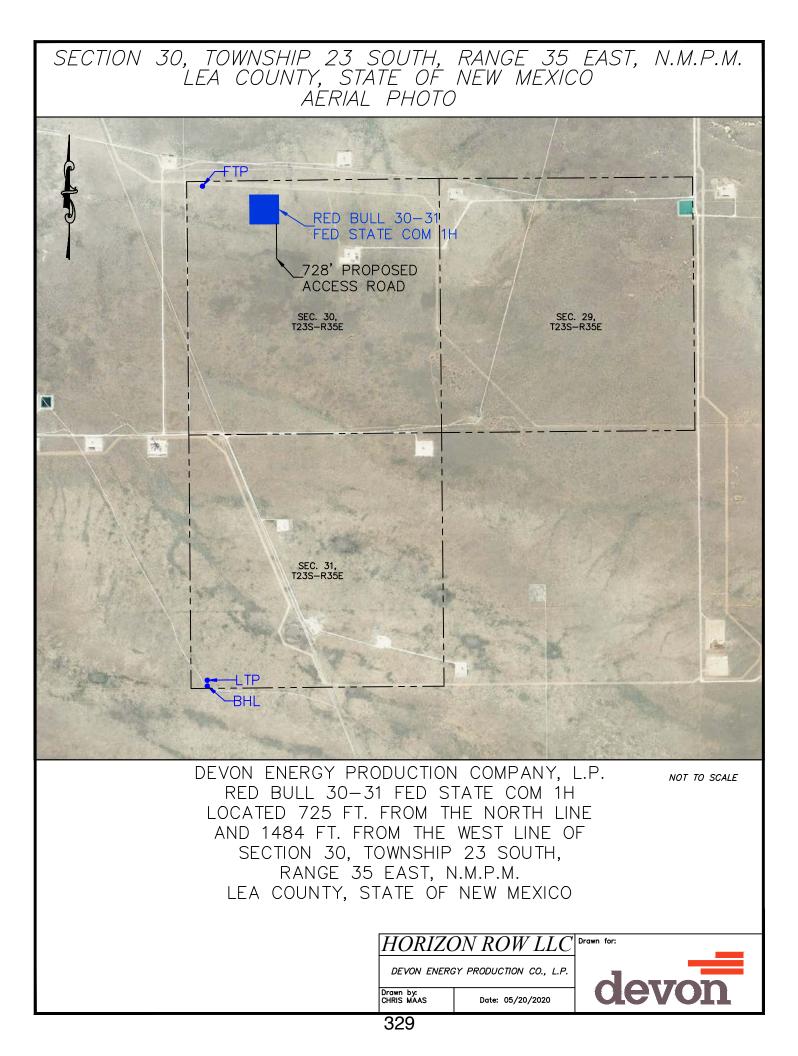


SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO INTERIM SITE BUILD PLAN

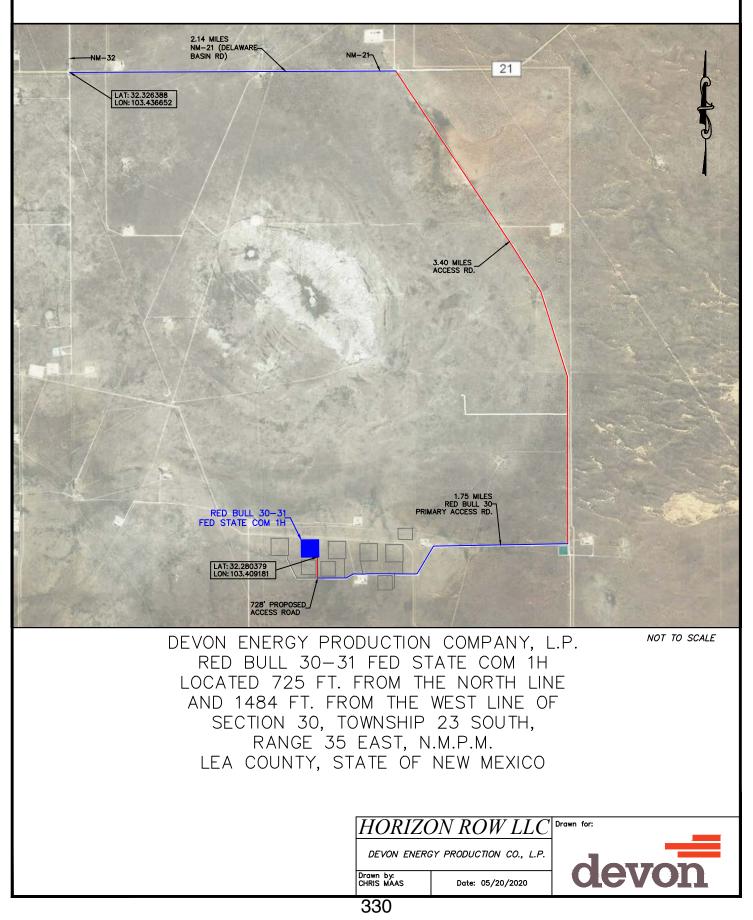


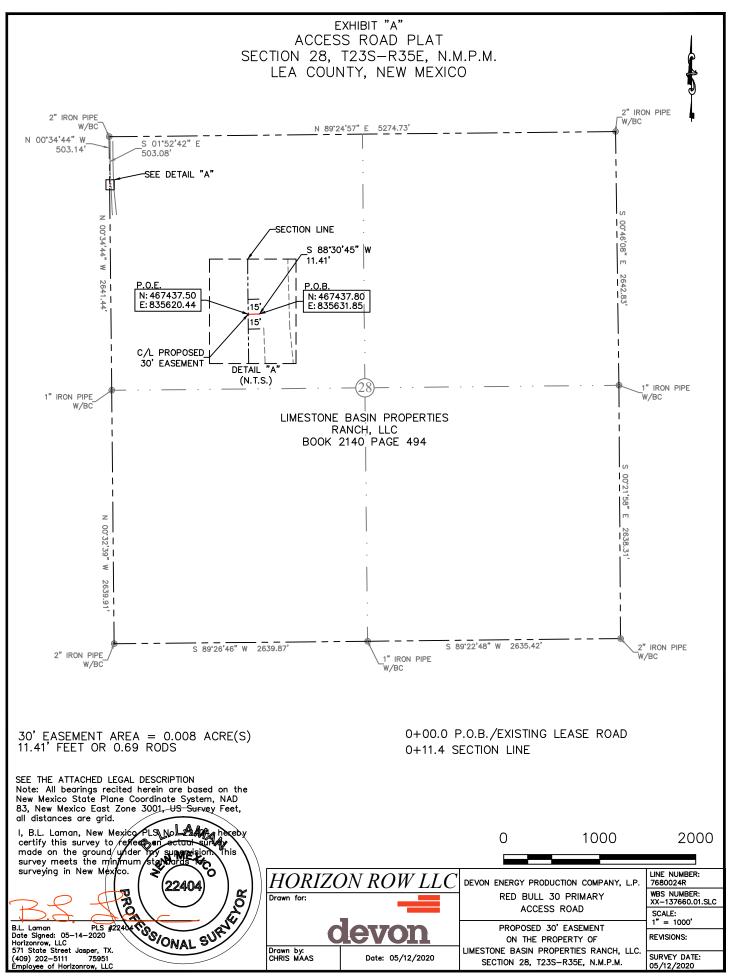






# SECTION 30, TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP





## SECTION 28, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

## LEGAL DESCRIPTION

### FOR

### DEVON ENERGY PRODUCTION COMPANY, L.P.

## LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northwest quarter (NW ¼) of Section 28, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northwest quarter corner of Section 28;

Thence S 01°52'42" E a distance of 503.08' to the **Point of Beginning** of this easement, having coordinates of Northing=467437.80, Easting=835631.85 feet and continuing the following course;

Thence S 88°30'45" W a distance of 11.41' to the **Point of Ending**, being in the west line of said Section 28 and having coordinates of Northing= 467437.50, Easting= 835620.44 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 28, T23S-R35E bears N 00°34'44" W a distance of 503.14', covering **11.41' or 0.69 rods** and having an area of **0.008 acres**.

## NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

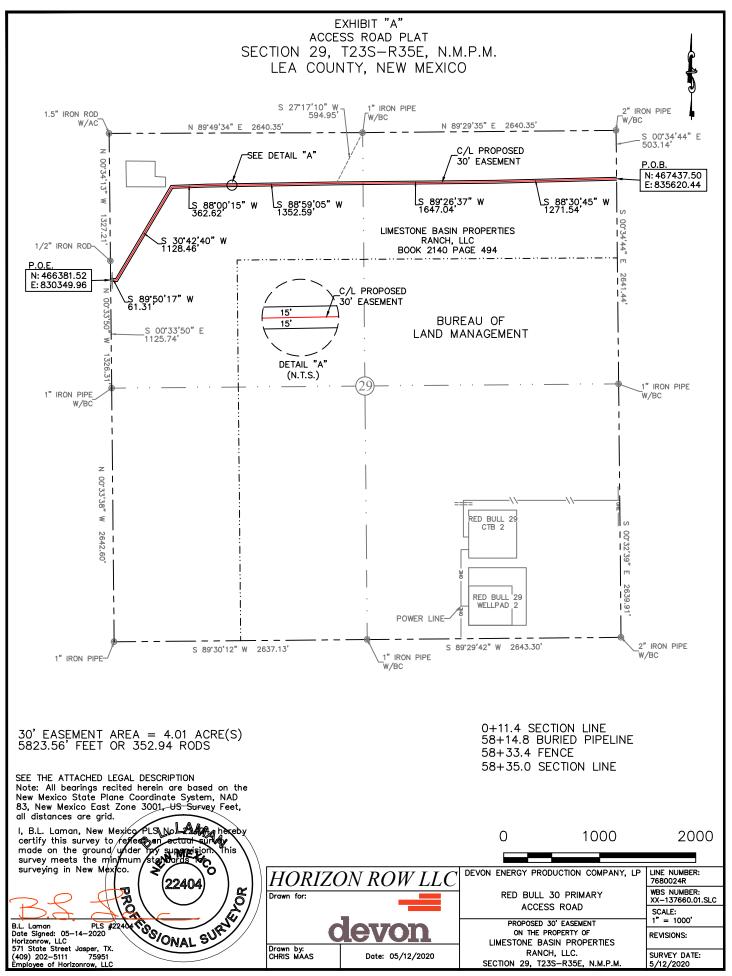
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 29, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### LIMESTONE BASIN PROPERTIES RANCH, LLC.

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) of Section 29, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by Limestone Basin Properties Ranch, LLC., recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the northeast corner of Section 29;

Thence S 00°34'44" E a distance of 503.14' to the **Point of Beginning** of this easement in the east line of Section 29, having coordinates of Northing=467437.50, Easting=835620.44 feet and continuing the following courses;

Thence S 88°30'45" W a distance of 1271.54' to an angle point;

Thence S 89°26'37" W a distance of 1647.04' to an angle point;

Thence S 88°59'05" W a distance of 1352.59' to an angle point;

Thence S 88°00'15" W a distance of 362.62' to an angle point;

Thence S 30°42'40" W a distance of 1128.46' to an angle point;

Thence S 89°50'17" W a distance of 61.31' to the **Point of Ending** in the west line of Section 29, having coordinates of Northing=466381.52, Easting=830349.96 feet, from said point a 1" iron pipe w/BC for the west quarter corner of Section 29, T23S-R35E bears S 00°33'50" E a distance of 1125.74', covering **5823.56' or 352.94 rods** and having an area of **4.01 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020

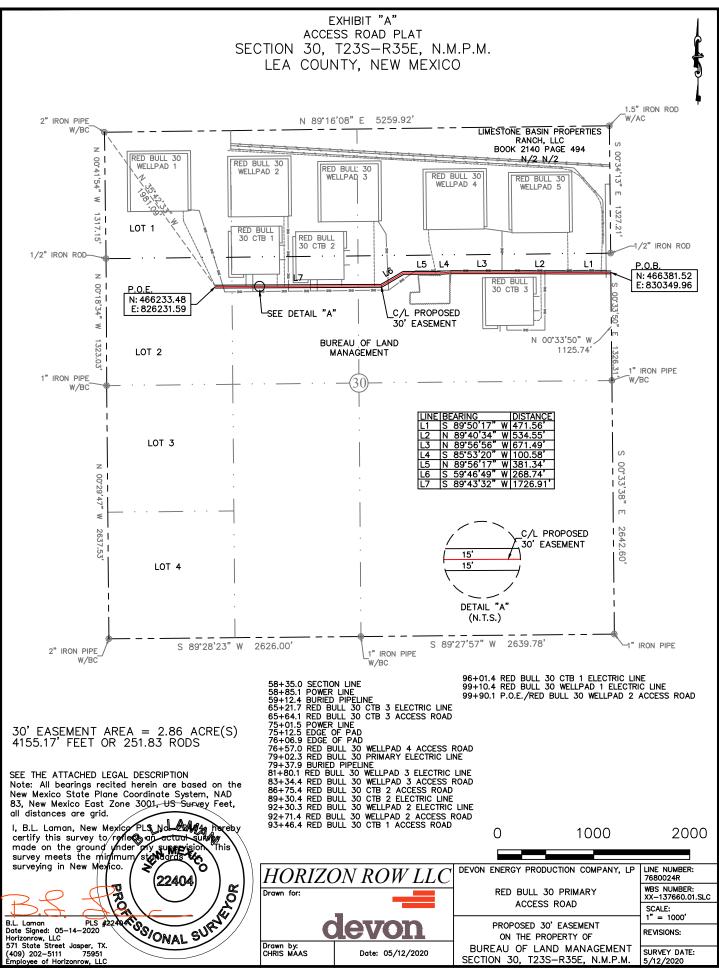
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.

 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION

#### FOR

#### **DEVON ENERGY PRODUCTION COMPANY, LP.**

#### **BUREAU OF LAND MANAGEMENT**

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the northeast quarter (NE ¼) and the northwest quarter (NW ¼) and Lot 2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC for the east quarter corner of Section 30;

Thence N 00°33'50" W a distance of 1125.74' to the **Point of Beginning** of this easement in the east line of Section 30, having coordinates of Northing=466381.52, Easting=830349.96 feet and continuing the following courses;

Thence S 89°50'17" W a distance of 471.56' to an angle point;

Thence N 89°40'34" W a distance of 534.55' to an angle point;

Thence N 89°56'56" W a distance of 671.49' to an angle point;

Thence S 85°53'20" W a distance of 100.58' to an angle point;

Thence N 89°56'17" W a distance of 381.34' to an angle point;

Thence S 59°46'49" W a distance of 268.74' to an angle point;

Thence S 89°43'32" W a distance of 1726.91' to the **Point of Ending**, having coordinates of Northing=466233.48, Easting=826231.59 feet, from said point a 2" iron pipe w/BC for the northwest corner of Section 30, T23S-R35E bears N 35°42'33" W a distance of 1981.09', covering **4155.17' or 251.83 rods** and having an area of **2.86 acres**.

#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

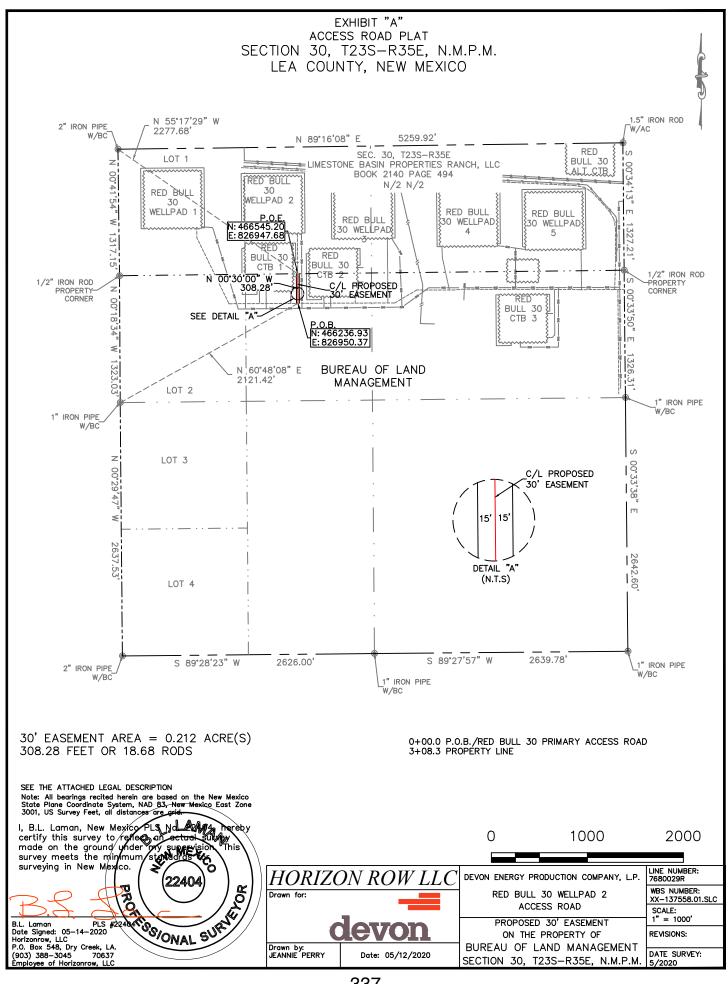
 B.L. Laman
 PLS 22404

 Date Signed: 05/14/2020
 Horizon Row, LLC

 P.O. Box 548, Dry Creek, La.
 (903) 388-3045
 70637

 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. BUREAU OF LAND MANAGEMENT

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of S/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC found for the west quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 60°48'08" E, a distance of 2121.42' to the **Point of Beginning** of this easement, having coordinates of Northing=466236.93 feet, Easting=826950.37 feet, and continuing the following courses;

Thence N 00°30'00" W, a distance of 308.28' to the **Point of Ending** of this easement, in the north line of the S/2 of the N/2 of Section 30, having coordinates of Northing=466545.20 feet, Easting=826947.68 feet, from said point a 2" iron pipe w/BC found for the northwest corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 55°17'29" W a distance of 2277.68', covering **308.28' or 18.68 rods** and having an area of **0.212 acres**.

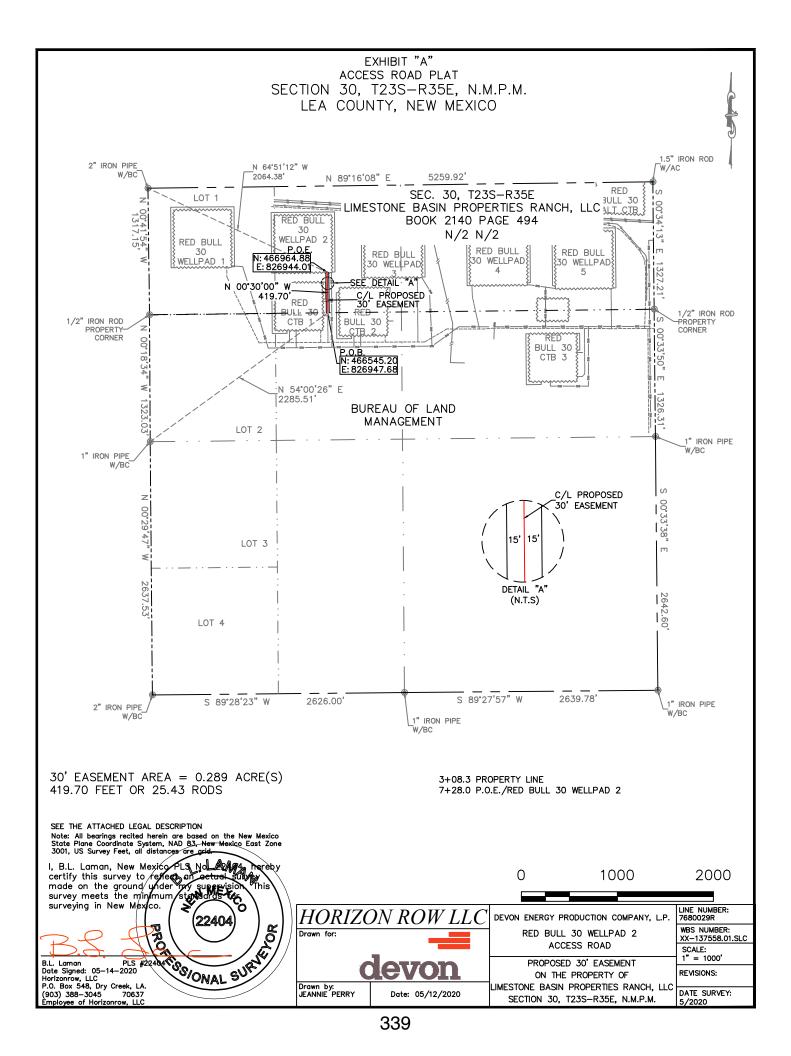
#### NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/14/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC





#### SECTION 30, T23S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

#### LEGAL DESCRIPTION FOR DEVON ENERGY PRODUCTION COMPANY, L.P. LIMESTONE BASIN PROPERTIES RANCH, LLC

#### **30' EASEMENT DESCRIPTION:**

**BEING** an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the N/2 of the N/2 of Section 30, Township 23 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Limestone Basin Properties Ranch, LLC, recorded in Book 2140, Page 494, Deed Records of Lea County. Said centerline of easement being more particularly described in a deed as follows:

Commencing from a 1" iron pipe w/BC found for the west quarter corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 54°00'26" E, a distance of 2285.51' to the **Point of Beginning** of this easement, having coordinates of Northing=466545.20 feet, Easting=826947.68 feet, in the south line of the N/2 of the N/2 of Section 30, and continuing the following courses;

Thence N 00°30'00" W, a distance of 419.70' to the **Point of Ending** of this easement, having coordinates of 466964.88 feet, Easting=826944.01 feet, from said point a 2" iron pipe w/BC found for the northwest corner of Section 30, T23S-R35E, N.M.P.M., Lea County, New Mexico bears N 64°51'12" W a distance of 2064.38', covering **419.70' or 25.43 rods** and having an area of **0.289 acres**.

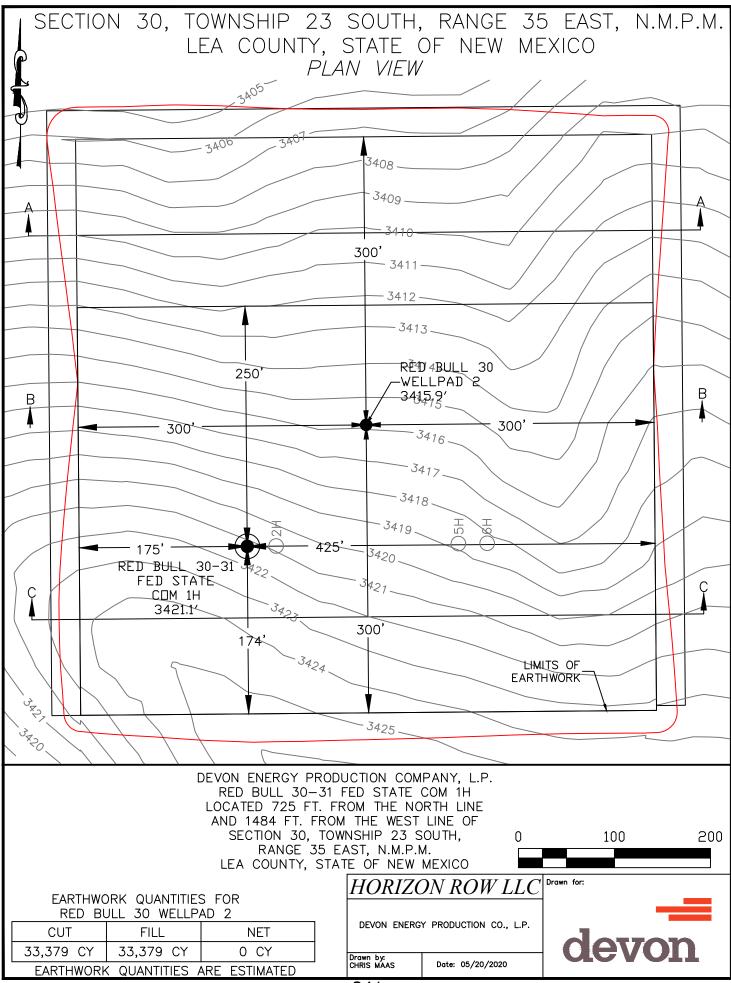
#### NOTES:

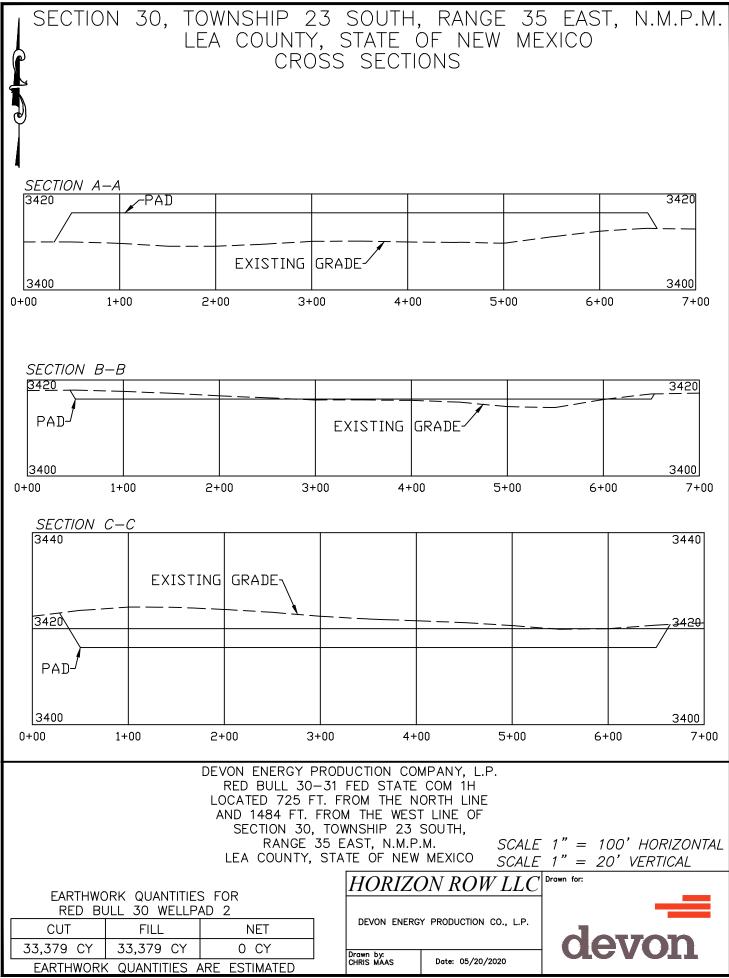
Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 05/14/2020 Horizon Row, LLC P.O. Box 548, Dry Creek, LA (903) 388-3045 70637 Employee of Horizon Row, LLC







## PLAT

Lots 1-4 (aka the W/2 W/2) of Sections 30 & 31, T-23-S, R-35-E, Lea County, New Mexico, Bone Spring Formation

Tract 1: NMNM 115426 (39.45 acres)			•	
Tract 2: NMNM 111971				
(118.51 acres)		c. 30		
	Se	c. 31		
Tract 3: St of NM VA-2478 (79.16 acres)				
Tract 4: St of NM VA-2488	$\vee$	/		

t of NM VA-2488 (79.32 acres)



Red Bull 30-31 Fed State Com 1H SHL: 725' FNL & 1,484' FWL BHL: 20' FSL & 330' FWL

ехнівіт **А-2** 

**EXHIBIT A-2** 

.

## Exhibit "A-2"

## **OWNERSHIP BREAKDOWN – Bone Spring formation, Permian Basin**

## Lots 1-4 (aka W/2W/2) of Sections 30 and 31, Township 23 South, Range 35 East, of Lea County, NM

## Red Bull 30-31 Fed State Com 1H (316.44-acre spacing unit)

TRACT 1 OWNERSHIP (Lot 1 (aka NWNW) of Section 30-T23S-R35E, being 39.45 acres):

Owner		Net Acres	Unit WI	Status
Devon Energy Production	Company, L.P.	39.45	0.124668	Committed
333 W. Sheridan Avenue				
Oklahoma City, OK 73102				
TRACT 1 TOTAL		39.45	0.124668	

## TRACT 2 OWNERSHIP (Lots 2, 3, & 4 (aka SWNW; W2SW4) Section 30-T23S-R35E, being 118.51 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	77.0315	0.243431	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	41.4785	0.131079	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
TRACT 2 TOTAL	118.51	0.374510	

## EXHIBIT A-2

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	51.454	0.162603	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	27.706	0.087555	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
TRACT 3 TOTAL	79.16	0.250158	

## TRACT 3 OWNERSHIP (Lots 1 and 2 (aka W2NW4) of Section 31-T23S-R35E, being 79.16 acres):

## TRACT 4 OWNERSHIP (Lots 3 and 4 (aka W2SW4) of Section 31-T23S-R35E, being 79.32 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	51.558	0.162931	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	25.779	0.081466	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
VPD New Mexico, LLC	1.983	0.006267	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			
TRACT 3 TOTAL	79.32	0.250664	
	EXHIBIT A-2		

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	219.4935	0.69363386	Committed
333 W. Sheridan Avenue			
Oklahoma City, OK 73102			
Chevron U.S.A. Inc.	94.9635	0.30009954	Uncommitted
6301 Deauville Blvd.			
Midland, TX 79706			
VPD New Mexico, LLC	1.983	0.00626659	Uncommitted
2100 McKinney Avenue, Suite 1770			
Dallas, TX 75201			
UNIT TOTAL	316.44	1.00	
Overriding Royalty Owners			

## OVERALL UNIT OWNERSHIP (W2W2 of Sections 30 and 31 – 23S-35E; 316.44 acres)

EOG Resources Inc.	P.O. Box 4362	Houston	ТΧ
Devon Energy Production Co, LP	333 W. Sheridan Ave.	Oklahoma City	OK
Stryker Energy, LLC	1011 Fannin, Suite 2020	Houston	ТΧ
Oxy Y-1 Company	5 Greenway Plaza, Suite 110	Houston	ТΧ

## EXHIBIT A-2

Exhibit A-3



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

June 30, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

Ms. Hunter:

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

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

June 30, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

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

Devon is proposing to drill the Wells under the terms of the modified and superseding 2015 AAPL form of Operating Agreements ("JOA's"). The JOA's will be supplied to those parties interested in participating. The JOA's will have the following general provisions:

- Devon Energy Production Company, L.P. named as Operator
- Contract Area #1: W/2 and W/2 E/2 of Sections 30 and 31 T23S-R35E, being approximately 956.44 acres
- Contract Area #2: E/2E/2 of Sections 30 and 31 T23S-R35E, being approximately 320.00 acres
- 100/400% Non-Consenting Penalty

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

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

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

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

Ouf Bae

Andy Bennett, CPL Senior Staff Landman

**Chevron USA Inc.:** 

To Participate in the proposal of the Red Bull 30-31 Fed State Com 1H	
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com	1H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 2H	
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com	2H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 3H	
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com	3H
To Participate in the proposal of the Red Bull 30-31 Fed State Com 4H	
Not To Participate in the proposal of the Red Bull 30-31 Fed State Com	4H
Agreed to and Accepted this day of, 2020.	

Chevron USA Inc.

D				
By:				
-	 	 	 	 _

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



 AFE # XX-137558.01
 AFE # XX-137558.01

 Well Name: RED BULL 30-31 FED STATE COM 1H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094494801
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

 Revision: □

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 1H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	153,328.80	167,398.64	0.00	320,727.44
6060130	GASEOUS FUELS	25,135.90	0.00	0.00	25,135.90
6080100	DISPOSAL - SOLIDS	73,525.60	1,054.54	0.00	74,580.14
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	58,150.40	158,049.88	0.00	216,200.28
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170	COMM SVCS - WAN	4,724.70	0.00	0.00	4,724.70
	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
	RTOC - GEOSTEERING	13,804.10	0.00	0.00	13,804.10
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
	MATERIALS & SUPPLIES	12,980.00	0.00	0.00	12,980.00
	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
	TRCKG&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110	TRUCKING&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.79
	CONSLT & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.20
	SAFETY SERVICES	33,748.00	0.00	0.00	33,748.00
6300270	SOLIDS CONTROL SRVCS	70,380.40	0.00	0.00	70,380.40
6310120	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200	CASING & TUBULAR SVC	56,699.90	0.00	0.00	56,699.90
6310250	CEMENTING SERVICES	160,704.70	0.00	0.00	160,704.70
6310280	DAYWORK COSTS	691,236.20	0.00	0.00	691,236.20
6310300	DIRECTIONAL SERVICES	220,008.90	0.00	0.00	220,008.90
	DRILL BITS	103,592.70	0.00	0.00	103,592.70
6310330	DRILL&COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.50
6310370	MOB & DEMOBILIZATION	22,745.90	0.00	0.00	22,745.90
6310380	OPEN HOLE EVALUATION	16,564.90	0.00	0.00	16,564.90
	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100	EQPMNT SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.83
6320110	EQUIP SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.62
6320160	WELDING SERVICES	1,030.20	0.00	0.00	1,030.20
6320190	WATER TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137558.01 Well Name: RED BULL 30-31 FED STATE COM 1H Cost Center Number: 1094494801 Legal Description: SEC 30-23S-35E Revision:			State:		07/01/2020 NM LEA	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Ho Costs		Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64		0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00		0.00	5,000.00
						-

6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
The state of the s	Total Intangibles	2.364.503.90	3.501.482.39	0.00	5.865.986.29

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

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\_\_\_\_

Signature:

Print Name:

Title:

Date:

Email:

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



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:

AFE Date: 07/01/2020 State: NM County/Parish: LEA

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

DRILL AND COMPLETE THE RED BUL 30-31 FED STATE COM 2H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
	GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100	DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.46
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.50
6130170	COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
	MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.06
6170100	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
	TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.26
6190110	TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.16
6200130	CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.64
6230120	SAFETY SERVICES	39,717.77	0.00	0.00	39,717.77
6300270	SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.23
6310120	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200	CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.88
6310250	CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.55
6310280	DAYWORK COSTS	721,847.81	0.00	0.00	721,847.81
6310300	DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.00
6310310	DRILL BITS	108,180.35	0.00	0.00	108,180.35
6310330	DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.29
6310370	MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.79
6310380	OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.53
6310480	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100	EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.16
6320110	EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.37
6320160	WELDING SERVICES	215.16	0.00	0.00	215.16
6320190	WATER TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137559.01 Well Name: RED BULL 30-31 FED STATE COM 2H Cost Center Number: 1094494901 Legal Description: SEC 30-23S-35E Revision:			AFE Dat State: County/	N	
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.6
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	9,165.64	32,366.39	0.00	41,532.03
6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2,846,484.11	3,501,482.39	0.00	6,347,966.50

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	AC EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	684,551.89	872,671.45	0.00	1,557,223.34

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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



 AFE # XX-137660.01
 AFE # XX-137660.01

 Well Name: RED BULL 30-31 FED STATE COM 3H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495001
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

#### Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 3H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110 CHEMIC	ALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100 DYED L	QUID FUELS	153,328.80	167,398.64	0.00	320,727.44
6060130 GASEO	JS FUELS	25,135.90	0.00	0.00	25,135.90
6080100 DISPOS	AL - SOLIDS	73,525.60	1,054.54	0.00	74,580.14
6080110 DISP-SA	LTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115 DISP VI		0.00	72,000.00	0.00	72,000.00
6090100 FLUIDS		58,150.40	158,049.88	0.00	216,200.28
	TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100 PERMIT	SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110 RIGHT (	OF WAY	15,000.00	0.00	0.00	15,000.00
6110120 ROAD&	SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130 ROAD&	SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
	E & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100 & C SE	RVICES	0.00	111,292.50	0.00	111,292.50
6130170 COMM 5	and the second se	4,724.70	0.00	0.00	4,724.70
6130360 RTOC -	ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370 RTOC -	GEOSTEERING	13,804.10	0.00	0.00	13,804.10
6140160 ENV-SE	RVICES	1,000.00	0.00	0.00	1,000.00
6150100 CH LOG	PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.21
6160100 MATER	ALS & SUPPLIES	12,980.00	0.00	0.00	12,980.00
6170100 PULLIN	G&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110 SNUBB	G&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.25
6190100 TRCKG	&HL-SOLID&FLUID	51,920.00	0.00	0.00	51,920.00
6190110 TRUCK	NG&HAUL OF EQP	27,196.20	35,490.59	0.00	62,686.79
6200130 CONSL	T & PROJECT SVC	155,817.90	93,278.30	0.00	249,096.20
6230120 SAFETY	SERVICES	33,748.00	0.00	0.00	33,748.00
6300270 SOLIDS	CONTROL SRVCS	70,380.40	0.00	0.00	70,380.40
6310120 STIMUL	ATION SERVICES	0.00	802,300.14	0.00	802,300.14
6310190 PROPP	ANT PURCHASE	0.00	462,984.03	0.00	462,984.03
6310200 CASING	& TUBULAR SVC	56,699.90	0.00	0.00	56,699.90
6310250 CEMEN	TING SERVICES	160,704.70	0.00	0.00	160,704.70
6310280 DAYWO	ORK COSTS	691,236.20	0.00	0.00	691,236.20
6310300 DIRECT	IONAL SERVICES	220,008.90	0.00	0.00	220,008.90
6310310 DRILL I	BITS	103,592.70	0.00	0.00	103,592.70
6310330 DRILL8	COMP FLUID&SVC	86,187.20	23,112.30	0.00	109,299.50
6310370 MOB &	DEMOBILIZATION	22,745.90	0.00	0.00	22,745.90
6310380 OPEN I	IOLE EVALUATION	16,564.90	0.00	0.00	16,564.90
6310480 TSTNG	WELL, PL & OTH	0.00	140,582.49	0.00	140,582.49
6310510 VACUU	M TRUCK SVC	0.00	2,500.00	0.00	2,500.00
6310600 MISC P	UMPING SERVICE	0.00	45,731.33	0.00	45,731.33
6320100 EQPMN	IT SVC-SRF RNTL	129,247.00	131,302.83	0.00	260,549.83
6320110 EQUIP	SVC - DOWNHOLE	56,131.30	27,589.32	0.00	83,720.62
6320160 WELDI	NG SERVICES	1,030.20	0.00	0.00	1,030.20
6320190 WATER	TRANSFER	0.00	110,473.52	0.00	110,473.52



AFE # XX-137660.01 Well Name: RED BULL 30-31 FED STATE COM 3H Cost Center Number: 1094495001 Legal Description: SEC 30-23S-35E Revision:			AFE Dat State: County/		07/01/2 NM LEA	2020
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	8	Total Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0	.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0	.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0	.00	7,782.00
6550110	MISCELLANEOUS SVC	30 410 30	0.00	0	00	30 410 30

Code	Description	Costs	Costs	Costs	Costs
6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	30,410.30	0.00	0.00	30,410.30
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	7,788.00	32,366.39	0.00	40,154.39
6740340	TAXES OTHER	444.70	10,353.00	0.00	10,797.70
	Total Intangibles	2,364,503.90	3,501,482.39	0.00	5,865,986.29

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,529.90	0.00	0.00	5,529.90
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	45,327.00	90,963.82	0.00	136,290.82
6310530	SURFACE CASING	40,765.40	0.00	0.00	40,765.40
6310540	INTERMEDIATE CASING	207,383.20	0.00	0.00	207,383.20
6310550	PRODUCTION CASING	289,505.80	0.00	0.00	289,505.80
6310580	CASING COMPONENTS	110,020.90	0.00	0.00	110,020.90
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	716,532.20	872,671.45	0.00	1,589,203.65

TOTAL ESTIMATED COST 3,081,036.10 4,374,153.84 0.00 7,455,189.94

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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



 AFE # XX-137661.01
 Well Name: RED BULL 30-31 FED STATE COM 4H
 AFE Date:
 07/01/2020

 Cost Center Number: 1094495101
 State:
 NM

 Legal Description: SEC 30-23S-35E
 County/Parish:
 LEA

Explanation and Justification:

DRILL AND COMPLETE THE RED BULL 30-31 FED STATE COM 4H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	167,124.67	0.00	167,124.67
6060100	DYED LIQUID FUELS	160,118.97	167,398.64	0.00	327,517.61
6060130	GASEOUS FUELS	26,249.01	0.00	0.00	26,249.01
6080100	DISPOSAL - SOLIDS	74,606.96	1,054.54	0.00	75,661.50
6080110	DISP-SALTWATER & OTH	0.00	9,490.86	0.00	9,490.86
6080115	DISP VIA PIPELINE SW	0.00	72,000.00	0.00	72,000.00
6090100	FLUIDS - WATER	60,725.58	158,049.88	0.00	218,775.40
6090120	RECYC TREAT&PROC-H20	0.00	210,506.08	0.00	210,506.08
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	15,000.00	0.00	0.00	15,000.00
6110120	ROAD&SITE PREP M&S	0.00	20,412.50	0.00	20,412.50
6110130	ROAD&SITE PREP SVC	45,000.00	36,616.98	0.00	81,616.98
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	& C SERVICES	0.00	111,292.50	0.00	111,292.5
6130170	COMM SVCS - WAN	5,560.49	0.00	0.00	5,560.49
6130360	RTOC - ENGINEERING	0.00	10,545.40	0.00	10,545.40
6130370	RTOC - GEOSTEERING	14,415.44	0.00	0.00	14,415.44
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	258,877.21	0.00	258,877.2
	MATERIALS & SUPPLIES	15,276.06	0.00	0.00	15,276.00
	PULLING&SWABBING SVC	0.00	16,500.00	0.00	16,500.00
6170110	SNUBBG&COIL TUBG SVC	0.00	129,385.25	0.00	129,385.2
6190100	TRCKG&HL-SOLID&FLUID	61,104.26	0.00	0.00	61,104.20
6190110	TRUCKING&HAUL OF EQP	28,400.57	35,490.59	0.00	63,891.10
6200130	CONSLT & PROJECT SVC	182,452.34	93,278.30	0.00	275,730.6
6230120	SAFETY SERVICES	39,717.77	0.00	0.00	39,717.7
	SOLIDS CONTROL SRVCS	73,497.23	0.00	0.00	73,497.2
	STIMULATION SERVICES	0.00	802,300.14	0.00	802,300.1
6310190	PROPPANT PURCHASE	0.00	462,984.03	0.00	462,984.0
6310200	CASING & TUBULAR SVC	59,210.88	0.00	0.00	59,210.8
	CEMENTING SERVICES	167,821.55	0.00	0.00	167,821.5
6310280	DAYWORK COSTS	721,847.81	0.00	0.00	721,847.8
6310300	DIRECTIONAL SERVICES	229,752.00	0.00	0.00	229,752.0
6310310	DRILL BITS	108,180.35	0.00	0.00	108,180.3
6310330	DRILL&COMP FLUID&SVC	90,003.99	23,112.30	0.00	113,116.2
6310370	MOB & DEMOBILIZATION	361,461.79	0.00	0.00	361,461.7
6310380	OPEN HOLE EVALUATION	17,298.53	0.00	0.00	17,298.5
6310480	TSTNG-WELL, PL & OTH	0.00	140,582.49	0.00	140,582.4
	VACUUM TRUCK SVC	0.00	2,500.00	0.00	2,500.00
and the desired and to be addressed	MISC PUMPING SERVICE	0.00	45,731.33	0.00	45,731.3
	EQPMNT SVC-SRF RNTL	147,563.33	131,302.83	0.00	278,866.1
	EQUIP SVC - DOWNHOLE	58,617.05	27,589.32	0.00	86,206.3
	WELDING SERVICES	215.16	0.00	0.00	215.16
	WATER TRANSFER	0.00	110,473.52	0.00	110,473.5



AFE # XX-137661.01 Well Name: RED BULL 30-31 FED STATE COM 4H Cost Center Number: 1094495101 Legal Description: SEC 30-23S-35E Revision:			AFE Dat State: County/	N	7/01/2020 M EA
Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	CONSTRUCTION SVC	0.00	183,381.64	0.0	
6520100	LEGAL FEES	5,000.00	0.00	0.0	5,000.00
SEE0400	MISCS COSTS & SERVE	0.00	7 782 00	0.0	0 7 782 00

6350100	CONSTRUCTION SVC	0.00	183,381.64	0.00	183,381.64
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550100	MISCS COSTS & SERVS	0.00	7,782.00	0.00	7,782.00
6550110	MISCELLANEOUS SVC	31,757.00	0.00	0.00	31,757.00
6550120	OTHER ROUSTABOUT SER	0.00	23,000.00	0.00	23,000.00
6630110	CAPITAL OVERHEAD	9,165.64	32,366.39	0.00	41,532.03
6740340	TAXES OTHER	464.35	10,353.00	0.00	10,817.35
	Total Intangibles	2.846.484.11	3.501,482.39	0.00	6.347.966.50

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	&C EQUIPMENT	0.00	68,267.48	0.00	68,267.48
6120120	MEASUREMENT EQUIP	0.00	29,997.50	0.00	29,997.50
6230130	SAFETY EQUIPMENT	5,774.78	0.00	0.00	5,774.78
6300210	TREATER FWKO EQUIP	0.00	382,153.60	0.00	382,153.60
6300220	STORAGE VESSEL&TANKS	0.00	56,214.25	0.00	56,214.25
6300230	PUMPS - SURFACE	0.00	10,472.50	0.00	10,472.50
6310130	ARTIFICIAL LIFT EQP	0.00	25,000.00	0.00	25,000.00
6310150	CASG-COND&DRIVE PIPE	18,000.00	0.00	0.00	18,000.00
6310420	TUBING & COMPONENTS	0.00	63,250.00	0.00	63,250.00
6310460	WELLHEAD EQUIPMENT	47,334.28	90,963.82	0.00	138,298.10
6310530	SURFACE CASING	42,570.73	0.00	0.00	42,570.73
6310540	INTERMEDIATE CASING	129,940.35	0.00	0.00	129,940.35
6310550	PRODUCTION CASING	326,038.54	0.00	0.00	326,038.54
6310580	CASING COMPONENTS	114,893.21	0.00	0.00	114,893.21
6330100	PIPE,FIT,FLANG,CPLNG	0.00	146,352.30	0.00	146,352.30
	Total Tangibles	684,551.89	872,671.45	0.00	1,557,223.34

TOTAL ESTIMATED COST 3,531,036.00 4,374,153.84 0.00 7,905,189.84

WORKING INTEREST OWNER APPROVAL

Company Name:

Print Name:

Signature:

T THE ING

Title:

Date:

Email:

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



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

October 6, 2020

Chevron USA Inc. Attn: Kristen Hunter 6301 Deauville Blvd. Midland, TX 79706

RE: Well Proposals- Red Bull 30-31 Fed State Com 1H Red Bull 30-31 Fed State Com 2H Red Bull 30-31 Fed State Com 3H Red Bull 30-31 Fed State Com 4H Lea County, New Mexico

#### Ms. Hunter:

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposed, on June 30<sup>th</sup>, 2020, to drill and complete the following four (4) wells:

- Red Bull 30-31 Fed State Com 1H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,484' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 2H as a horizontal well to an approximate TVD of 11,680' and approximate TMD of 21,680' into the Bone Spring formation at an approximate SHL of 725' FNL and 1,514' FWL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FWL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.
- Red Bull 30-31 Fed State Com 3H as a horizontal well to an approximate TVD of 11,670' and approximate TMD of 21,670' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,741' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 1,870' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells, the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,081,036.10 and total completed well costs of \$7,455,189.94.
- Red Bull 30-31 Fed State Com 4H as a horizontal well to an approximate TVD of 11,660' and approximate TMD of 21,660' into the Bone Spring formation at an approximate SHL of 883' FNL and 1,711' FEL of Section 30-T23S-R35E and an approximate BHL of 20' FSL and 330' FEL of Section 31-23S-35E, Lea County, New Mexico (collectively with all four proposed wells,

October 6, 2020 Page 2

the "Wells"). Enclosed for your review is Devon's AFE, indicating drilling costs of \$3,531,036.00 and total completed well costs of \$7,905,189.84.

Devon wanted to let you know that we are planning a change to the BHL for the 2H, 3H, and 4H Wells, however they will remain in the same quarter-quarter section for pooling/spacing purposes. We are not planning any changes for the 1H Well. We are planning to move the BHL's as follows:

- 2H well will have an estimated BHL at 1,760' FWL
- 3H well will have an estimated BHL at 2,200' FEL
- 4H well will have an estimated BHL at 990' FEL

There are no changes to the TVD, target formation, AFE's, etc., which remain the same.

Please do not hesitate to contact me at (405) 552-8002 or via email at <u>Andy.Bennett@dvn.com</u> if you have any questions concerning this proposal.

Very truly yours,

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

alBet B

Andy Bennett, CPL Senior Staff Landman

Chronology of Contacts between Devon Energy Production Company, L.P., and the Uncommitted Interest Owners in Case No. 21396, 21397, 21398, 21399:

- 1. Well Proposal Letter from Devon Energy Production Company, L.P., to all the Working Interest Owners dated and mailed June 30, 2020, and July 1, 2020 (Exhibit A-3)
- 2. Initial email with exchange of agreements/drafts between Devon Energy Production Company, L.P. and the Working Interest Owners, on the following dates:
  - Chevron USA, Inc. July 1, 2020
  - VPD New Mexico, LLC July 7, 2020
- Follow up email(s) and exchange of drafts, along with discussions to work out existing matters, between Devon Energy Production Company, L.P., to the Working Interest Owners, from 7/27/2020 through 10/14/2020
  - Chevron USA, Inc. emails on 7/27/2020, 8/14/2020, 10/6/2020, and 10/14/2020
  - VPD New Mexico, LLC emails on 8/27/2020, 10/6/2020, and 10/7/2020

# **TAB 15**

- Exhibit B: Affidavit of Tom Peryam, Geologist Case No. 21399
- Exhibit B-1: Structure Map Case No. 21399
- Exhibit B-2: Type Log Case No. 21399
- Exhibit B-3: Gross Isochore Case No. 21399
- Exhibit B-4: Gross Isochore Case No. 21399
- Exhibit B-5: Gun Barrel View Case No. 21399
- Exhibit B-6: Structural Cross-section Case No. 21399

#### 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, LEA COUNTY, NEW MEXICO

Case No. 21399

#### **AFFIDAVIT OF TOM PERYAM**

STATE OF OKLAHOMA ) ) ss. COUNTY OF OKLAHOMA )

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

1. I am over the age of 18, and I have personal knowledge of the matters stated herein.

2. I am employed as a petroleum geologist for Devon Energy Production Company, L.P. ("Devon"), and I am familiar with the subject application and the geology involved.

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

4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.

a. I hold a Bachelor's degree in Geology obtained from the University of Oregon,

a Master's degree in Geology from New Mexico State University, and a Doctorate in Geology from the University of Oregon. I completed my education in 2012.

b. I have been employed as a petroleum geologist with Devon since August, 2012.



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5. Exhibit B-1 is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.

6. Exhibit B-2 is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.

7. Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.

8. Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.

9. Exhibit B-5 is a "gun barrel" view showing location of the 4 proposed wells relative to the Red Bull 31 State 1 Type Log

10. Exhibit B-6 is a structural cross section showing estimated position of the proposed wellbore.

11. I conclude from the attached exhibits that:

- a. The horizontal spacing and proration unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter-quarter section in the unit will contribute more or less equally to production.

12. The preferred well orientation in this area is north-south.

13. The Exhibits to this Affidavit were prepared by me or compiled from Devon's company business records under my direct supervision.

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



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

[Signature page follows]



# FURTHER AFFIANT SAYETH NAUGHT

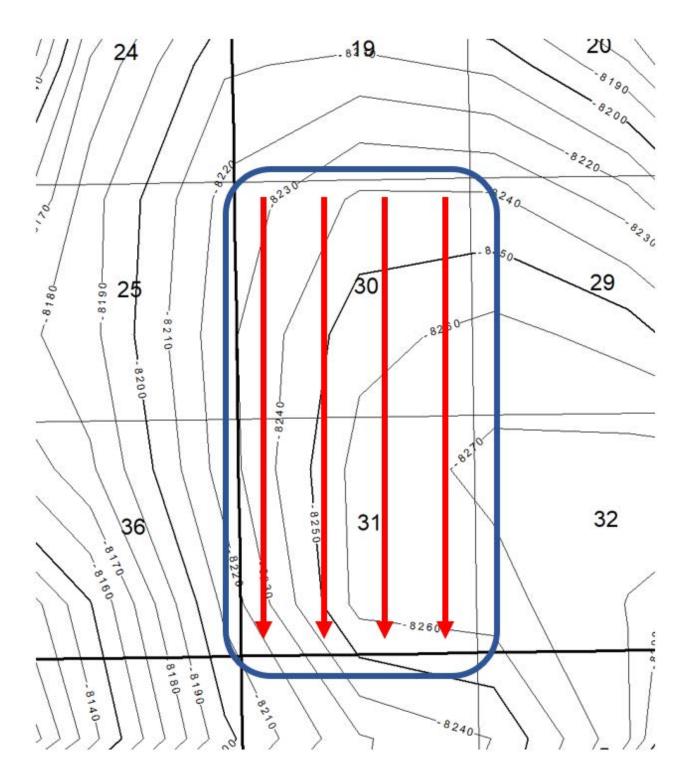
Tom Peryam

Subscribed to and sworn before me this  $15^{\circ}$  day of October, 2020.



Mikiddie

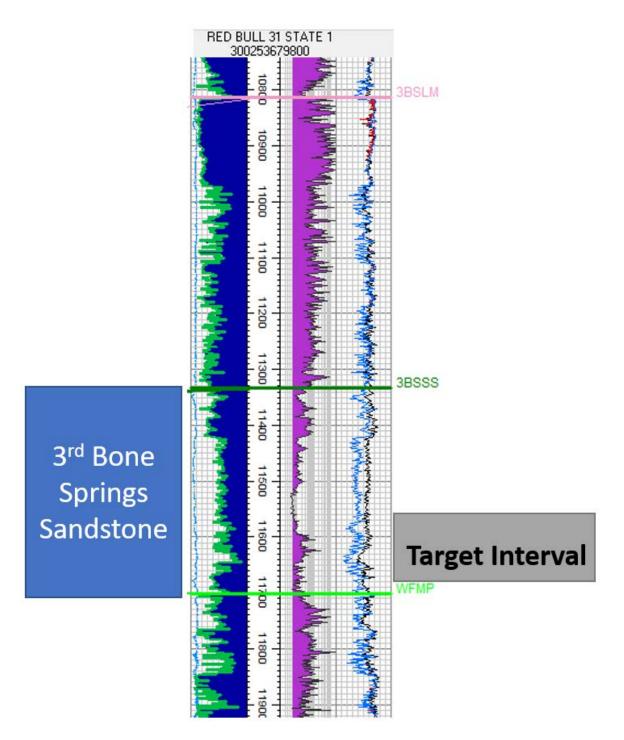
Notary Public



**Exhibit B-1** is a structure map showing the depth (subsea) to the top of the Wolfcamp horizon, a marker that defines the base of target interval for the proposed well.



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**Exhibit B-2** is a type log of the Red Bull 31 State 1, a well within the proposed drilling unit in Section 31 of 23S-35E, showing the target interval to be the lowest part of the Third Bone Springs Sandstone.





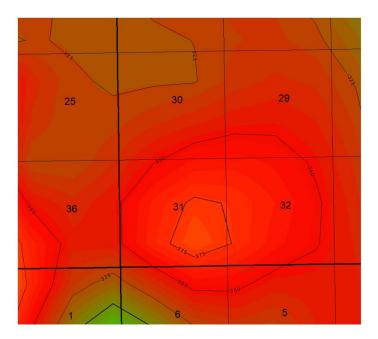


Exhibit B-3 is a gross isochore of the Third Bone Spring Sandstone target formation.



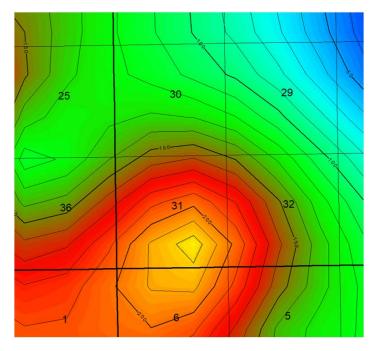
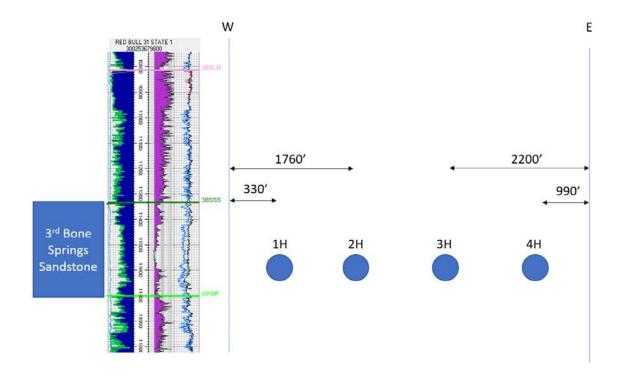


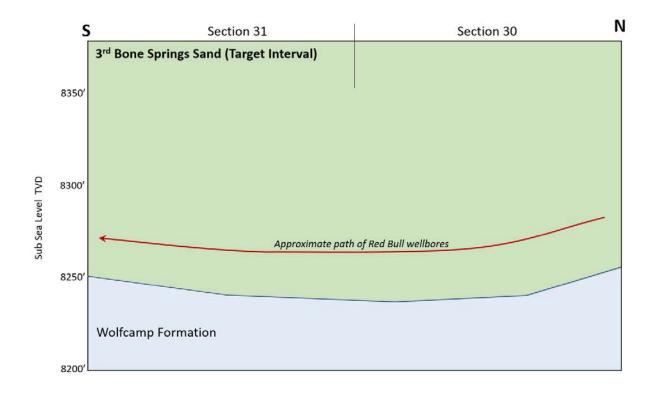
Exhibit B-4 is a gross isochore of the lowest Third Bone Spring Sandstone unit which is the specific target interval for this well.













# **TAB 16**

- Exhibit C: Affidavit of Notice, Darin C. Savage Case No. 21399
- Exhibit C-1: Notice Letters (WI & ORRI) Case No. 21399
- Exhibit C-2: Mailing List Case Nos. 21399
- Exhibit C-3: Affidavit of Publication Case No. 21399

### 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, LEA COUNTY, NEW MEXICO

Case No. 21399

#### AFFIDAVIT OF NOTICE

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

Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P., the Applicant herein, being first duly sworn, upon oath, states that the above referenced Application was under a notice letter and that proof of receipt attached hereto.



SUBSCRIBED AND SWORN to before me this 19th day of October, 2020, by Darin C. Savage.

Notary Public

My Commission Expires:



#### ABADIE | SCHILL PC



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

**EXHIBIT** 

August 19, 2020

# VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

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

Re: Application of Devon Energy Production Company, L.P., for horizontal spacing and compulsory pooling, Lea County, New Mexico Red Bull 30-31 Fed State Com 1H Well

Case No. 21399

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application, Case No. 21399, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation underlying the W/2 W/2 of Sections 30 and 31-23S-35E, NMPM, Lea County, New Mexico, encompassing 316.44 acres, more or less.

A hearing has been requested before a Division Examiner on September 10, 2020, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: http://www.emnrd.state.nm.us/OCD/hearings.html, or call (505) 476-3441.

You are being notified as a working interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Andy Bennett at (405) 552-8002 or at Andy.Bennett@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

#### ABADIE | SCHILL PC



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

August 19, 2020

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You are being notified as an owner of an overriding royalty interest ("ORRI") and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.



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a b a d i e s c h i l l . c o m 214 McKenzie Street, Santa Fe, New Mexico, 87501 O: 970.385.4401 • F: 970.385.4901 **377**  Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

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	Owner Name	Address	LISPS Article Number	Date Mailed	Status Service		Dages Printed	Delivery Date Pages Printed Card Returned?
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BLM	Bureau of Land Management	414 W. Tavlor St. Hobbs NM 88240	70200090000034244162	8/20/20	Delivered Certified Mail	il 8/24/20	9	YES
BLM	Bureau of Land Management	414 W. Tavlor St. Hobbs NM 88240	70200090000034244155	8/20/20			9	YES
BLM	Bureau of Land Management	414 W. Tavlor St. Hobbs NM 88240	70200090000034244179	8/20/20			9	YES
BLM	Bureau of Land Management	414 W. Tavlor St. Hobbs NM 88240	70200090000034244193	8/20/20			9	YES
BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244865	8/20/20			9	YES
BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244186	8/20/20	Delivered Certified Mail		9	YES
BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244131	8/20/20	Delivered Certified Mail		9	YES
BLM	Bureau of Land Management	301 Dinosaur Trail Santa Fe, NM 87508	70200090000034244148	8/20/20	Delivered Certified Mail		9	YES
M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland, TX 79706	70200090000034242434	8/20/20	Delivered Certified Mail		9	YES
M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland, TX 79706	70200090000034242458	8/20/20	Delivered Certified Mail		9	YES
M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland, TX 79706	70200090000034242441	8/20/20	Delivered Certified Mai	2	9	YES
M	Chevron USA Inc.	Kristen Hunter Landman 6301 Deauville Blvd. Midland, TX 79706	70200090000034242465	8/20/20	Delivered Certified Mai	il Not Stated	9	YES
ORRI	Devon Energy Production Company LP							
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ORRI	Devon Energy Production Company LP							
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M	Devon Energy Production Company LP							
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242373	8/20/20	Delivered Certified Mail	ii 8/25/20	9	YES
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242359	8/20/20	Delivered Certified Mail	il 8/25/20	9	YES
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242366	8/20/20	Delivered Certified Mail	il 8/25/20	9	YES
ORRI	EOG Resources Inc.	Katie McBryde Landman 5509 Champions Dr. Midland, TX 79706	70200090000034242380	8/20/20	Delivered Certified Mail	ii 8/25/20	9	YES
M	Murchison Oil and Gas LLC	Eric S. Buddenbohn Land Manager 7250 Dallas Parkway Suite 1400 Plano, TX 75024	70200090000034242342	8/20/20	Delivered Certified Mai	ii 8/25/20	9	YES
State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244100	8/20/20	Delivered Certified Mail	il Not Stated	9	YES
State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244094	8/20/20	Delivered Certified Mail	il Not Stated	9	YES
State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244117	8/20/20	Delivered Certified Mail	_	9	YES
State	New Mexico State Land Office	310 Old Santa Fe Trail Santa Fe, NM 87501	70200090000034244124	8/20/20	Delivered Certified Mail	2	9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242397	8/20/20	Delivered Certified Mail		9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242410	8/20/20	Delivered Certified Mail		9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242427	8/20/20	Delivered Certified Mail		9	YES
ORRI	Stryker Energy LLC	1011 Fannin Suite 2020 Houston, TX 77002	70200090000034242403	8/20/20	Delivered Certified Mail		9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242496	8/20/20	Delivered Certified Mail		9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242502	8/20/20	Delivered Certified Mail		9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242472	8/20/20	Delivered Certified Mail	ii 8/24/20	9	YES
M	VPD New Mexico LLC	Natalie Winsett Landman 2000 McKinney Ave. Suite 2050 Dallas, TX 75201	70200090000034242489	8/20/20	Delivered Certified Mai	il 8/24/20	9	YES
ORRI	OXY USA Inc.	Clay Carroll CPL 5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521	EJ364165218US	10/19/20	Overnight with Return Receint	ith it	9	
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ORKI		Clay Carroll CPL 5 Greenway Plaza, Suite 110, Houston, Texas / 7046-0521	same	same	same		סע	
UKKI	UXY USA Inc.	Clay Carroll CPL 5 Greenway Plaza, Suite 110, Houston, Lexas / /046-0521	same	same	same		٥	

EXHIBIT

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X Agent B. Received by (Printed Name) C. Date of Delivery B. Received by (Printed Name) C. Date of Delivery 8-24-70
1. Article Addressed to:	D. Is delivery address different from item 1? If YES, enter delivery address below: No
Bureau of Land Management 301 Dinosaur Trail Santa Fe, NM 87508	AUG 25 2020
9590 9402 4008 8079 4844 08	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Return Receipt for Mechandise         □ Collect on Delivery       □ Return Receipt for Mechandise
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X Agent
so that we can return the card to you.	Li Addressee
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or on the front if space permits.	J. Bowdom 8-24-20
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	If YES, enter delivery address below:
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Santa Fe, NM 87508	
	Charles and
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Santa Fe, NM 87508	
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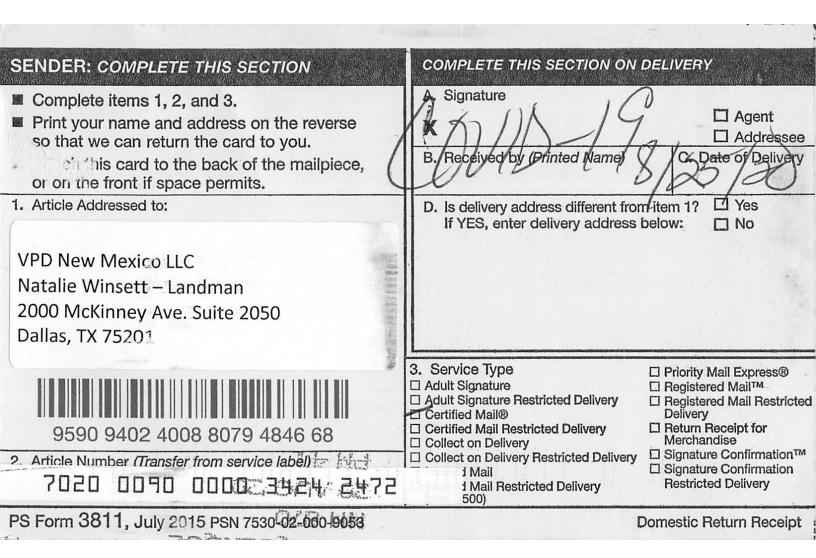
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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Bureau of Land Management		
414 W. Taylor St.		
Hobbs NM 88240		
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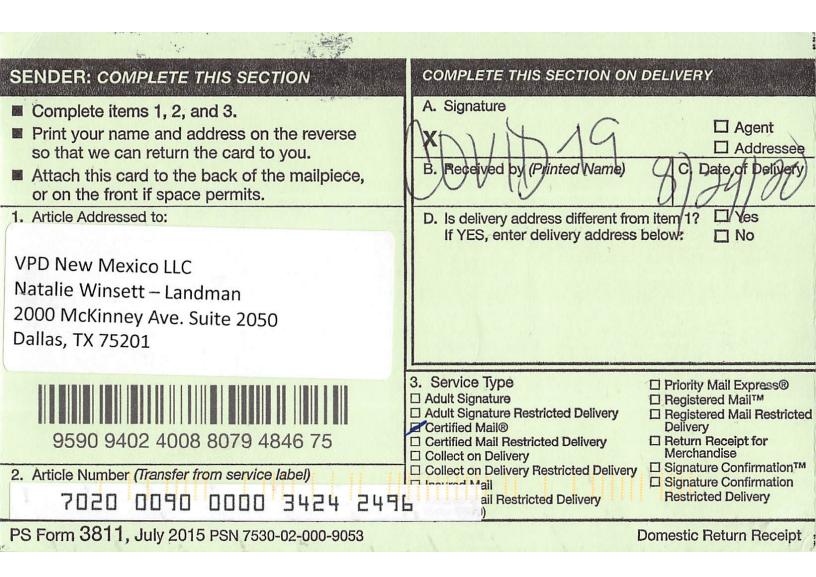
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
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414 W. Taylor St. Hobbs NM 88240		
9590 9402 4008 8079 4847 43 2. Article Number (Transfer from service label) 7020 0090 0000 3424 4148	<ul> <li>3. Service Type</li> <li>Adult Signature</li> <li>Adult Signature Restricted Delivery</li> <li>Certified Mail®</li> <li>Certified Mail Restricted Delivery</li> <li>Collect on Delivery</li> <li>Collect on Delivery Restricted Delivery</li> <li>Mail</li> <li>Mail Restricted Delivery</li> <li>i00)</li> </ul>	<ul> <li>Priority Mail Express®</li> <li>Registered Mail<sup>TM</sup></li> <li>Registered Mail Restricted Delivery</li> <li>Return Receipt for Merchandise</li> <li>Signature Confirmation<sup>TM</sup></li> <li>Signature Confirmation Restricted Delivery</li> </ul>
PS Form 3811, July 2015 PSN 7530-02-000-9053		Domestic Return Receipt

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414 W. Taylor St.		
Hobbs NM 88240		
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	3. Service Type □ Adult Signature	Priority Mail Express®     Registered Mail <sup>™</sup>
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul>	A. Signature          X       B. Received by (Printed Name)       C. Date of Delivery         B. Received by (Printed Name)       C. Date of Delivery         D. Is delivery address different from item 1?       Yes         If YES, enter delivery address below:       No
Bureau of Land Management 414 W. Taylor St.	
Hobbs NM 88249	
9590 9402 4008 8079 4847 12	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Belivery         □ Certified Mail Restricted Delivery       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Signature Confirmation IM
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
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Print your name and address on the reverse so that we can return the card to you.	X Agent
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1. Article Addressed to:	D. Is delivery address different from item 1? Yes O If YES, enter delivery address below: No
VPD New Mexico LLC	
Natalie Winsett – Landman	
2000 McKinney Ave. Suite 2050	
Dallas, TX 75201	
	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™
	□ Adult Signature Restricted Delivery □ Registered Mail Restricted
9590 9402 4008 8079 4846 82	Certified Mail Restricted Delivery     Return Receipt for
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul>	A. S.ignature X Agent B. Received by (Printed Name) D. Is deliv 'ery address different from item 1? If YES, enter delivery address below: If No
Stryker Energy LLC 1011 Fannin Suite 2020 Houston, TX 77002	
9590 9402 4008 8079 4842 48 2. Article Number (Transfer from service label) 7020 0090 0000 3424 241	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature       □ Registered Mail™         □ Adult Signature       □ Registered Mail™         □ Certified Mail®       □ Signature         □ Collect on Delive       □ Priority Mail Express®         □ Collect on Delive       □ Priority Mail Express®         □ Priority Mail Express®       □ Registered Mail Registered Mail Restricted Delivery         □ Collect on Delive       □ Priority Mail Express®         □ Collect on Delive       □ Priority Mail Express®         □ Priority Mail Express®       □ Registered Mail Restricted Delivery         □ Priority Mail Express®       □ Registered Mail Restricted Delivery         □ Collect on Delive       □ Priority Mail Express®         □ Priority Mail Express®       □ Registered Mail Restricted Delivery         □ Priority Mail Express®       □ Registered Mail Restricted Delivery         □ Priority Mail Express®       □ Registered Mail Restricted Delivery         □ Priority Mail Express®       □ Signature Confirmation Priority         □ Priority Mail Restricted Delivery       □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
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so that we can return the card to you. Attach this card to the back of the mailpiece,	B. Received by (Printed Name) C. Date of Delivery
or on the front if space permits.	824/20
1. Article Addressed to:	D. Is delivery address different from item 1?
	If YES, enter delivery address below:
Stryker Energy LLC	
1011 Fannin Suite 2020	
Houston, TX 77002	
	3. Service Type
	□ Adult Signature □ Registered Mail <sup>™</sup> □ Adult Signature Restricted Delivery □ Registered Mail Restricted
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9590 9402 4008 8079 4842 24	Collect on Delivery Merchandise
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PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X, Abuth B. Received by (Printed Name) Agent Addressee C. Pate of Delivery Symbol Symbol
1. Article Addressed to: Stryker Energy LLC 1011 Fannin Suite 2020 Houston, TX 77002	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
9590 9402 4008 8079 4846 06 2 Article Number (Transfer from service label) 7020 0090 0000 3424 2397	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Priority Mail Express®         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Begistered Mail Restricted Delivery         □ Collect on Delivery       □ Return Receipt for Merchandise         □ Collect on Delivery Restricted Delivery       □ Signature Confirmation™         □ Insured Mail       □ Signature Confirmation         □ Mail       Bestricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	\$500) Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X Agent
so that we can return the card to you.	Addressee           B. Beceived by (Printed Name)         C. Date of Delivery
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? Yes
	If YES, enter delivery address below: 🗋 No
Murchison Oil and Gas LLC	7750 752
Eric S. Buddenbohn – Land Manager	1250 NO7 7520
7520 Dallas Parkway, Suite 1400	
Plano, TX 75024	
	3. Service Type     □ Priority Mail Express®       □ Adult Signature     □ Registered Mail™
	Adult Signature Restricted Delivery
9590 9402 4008 8079 4842 93	Certified Mail® Delivery Certified Mail Restricted Delivery Return Receipt for
	□ Collect on Delivery □ Collect on Delivery Restricted Delivery □ Signature Confirmation™
2. Article Number (Transfer from service label)	ed Mail
7020 0090 0000 3424 2342	ed Mail Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X & Abach DAgent
so that we can return the card to you.	
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. (Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Stryker Energy LLC	
1011 Fannin Suite 2020	
Houston, TX 77002	
	3. Service Type
	□ Adult Signature □ Registered Mail™
	□ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Registered Mail Restricted Delivery
9590 9402 4008 8079 4845 90	Certified Mail Restricted Delivery     Collect on Delivery     Collect on Delivery
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation <sup>TM</sup>
7020 0090 0000 3424 2427	Mail       Image: Signature Confirmation         Mail Restricted Delivery       Restricted Delivery         (0.00, 0000)       Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse so that we can return the card to you.	Agent Addressee
<ul> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
EOG Resources Inc.	
Katie McBryde – Landman	
5509 Champions Dr.	
Midland, TX 79706	
	3. Service Type  Priority Mail Express®
	□ Adult Signature □ Registered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted
9590 9402 4008 8079 4842 86	Certified Mail®     Delivery     Certified Mail Restricted Delivery     Delivery     Delivery
	Collect on Delivery     Merchandise
2. Article Number (Transfer from service label)	Mail Signature Confirmation
7020 0090 0000 3424 2373	Mail Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes If YES, enter delivery address below: No
EOG Resources Inc. Katie McBryde – Landman 5509 Champions Dr. Midland, TX 79706	
9590 9402 4008 8079 4842 55 2. Article Number (Transfer from service label)	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Certified Mail®       □ Receipt for         □ Collect on Delivery       □ Signature Confirmation™         □ Collect on Delivery       □ Signature Confirmation
7020 0090 0000 3424 2366	Mail Restricted Delivery Restricted Delivery 00)
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse	X Agent
so that we can return the card to you.	Addressee
Attach this card to the back of the mailpiece, or on the front if space permits.	B Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes
	If YES, enter delivery address below:
EOG Resources Inc.	
Katie McBryde – Landman	
5509 Champions Dr.	
Midland, TX 79706	
	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™
	Adult Signature Restricted Delivery
9590 9402 4008 8079 4842 31	Certified Mail® Delivery  Certified Mail Restricted Delivery  Receipt for
	□ Collect on Delivery Merchandise □ Collect on Delivery Restricted Delivery □ Signature Confirmation™
2. Article Number (Transfer from service label)	Mail Signature Confirmation
7020 0090 0000 3424 2380	Vail Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DI	ELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X B. Received by (Printed Name)	C. Date of Delivery
1. Article Addressed to: New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	D. Is delivery address different from i If YES, enter delivery address be	
9590 9402 4008 8079 4847 36 2. Article Number ( <i>Transfer from service label</i> ) 7020 0090 0000 3424 4124	Adult Signature     Adult Signature Restricted Delivery     Adult Signature Restricted Delivery     Certified Mail Restricted Delivery     Collect on Delivery     Collect on Delivery Restricted Delivery     Adult	<ul> <li>Priority Mail Express®</li> <li>Registered Mail™</li> <li>Registered Mail Restricted Delivery</li> <li>Return Receipt for Merchandise</li> <li>Signature Confirmation™</li> <li>Signature Confirmation Restricted Delivery</li> </ul>
PS Form 3811, July 2015 PSN 7530-02-000-9053	Do	mestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse so that we can return the card to you.	X Agent
Attach this card to the back of the mailpiece, or on the front if space permits.	B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501	
9590 9402 4008 8079 4847 50	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise
2. Article Number (Transfer from service label)	□ Collect on Delivery Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation
7020 0090 0000 3424 4	גן Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DE	LIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature X B. Received by (Printed Name)	Agent Addressee C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from it If YES, enter delivery address bel	
New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87501		
3402 4008 8079 4846 99         2. Article Number (Transfer from service label)         7020 0090 0000 3424 410	Adult Signature     Adult Signature Restricted Delivery     Adult Signature Restricted Delivery     Certified Mail®     Certified Mail Restricted Delivery     Collect on Delivery     Collect on Delivery Restricted Delivery     Mail	Priority Mail Express® Registered Mail™ Registered Mail Restricted Delivery Return Receipt for Merchandise Signature Confirmation™ Signature Confirmation Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	and a new second s	nestic Return Receipt

, sugar	shiftici lainearshiftinananna anna anna
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature A. Signature A. Signature A. Signature A. Add R20 C-9 Agent Addressee B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Chevron USA Inc. Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706	
9590 9402 4008 8079 4846 20	3. Service Type       □ Priority Mail Express®         □ Adult Signature       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail™         □ Adult Signature Restricted Delivery       □ Registered Mail Restricted Delivery         □ Certified Mail®       □ Return Receipt for Merchandise         □ Collect on Delivery       □ Signature Confirmation™
7020 0090 0000 3424 246	5 I Signature Confirmation I Restricted Delivery Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> </ul>	A. Signature B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address	
Chevron USA Inc. Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706		
9590 9402 4008 8079 4846 51 2. Article Number ( <i>Transfer from service label</i> ) 7020 0090 0000 3424 2458	<ul> <li>3. Service Type</li> <li>Adult Signature</li> <li>Adult Signature Restricted Delivery</li> <li>Certified Mail®</li> <li>Certified Mail Restricted Delivery</li> <li>Collect on Delivery</li> <li>Collect on Delivery Restricted Delivery</li> <li><i>I</i> Adult Adult Adult Signature Restricted Delivery</li> <li><i>I</i> Adult Restricted Delivery</li> <li><i>I</i> Adult Signature Restricted Delivery</li> <li><i>I</i> Adult Restricted Delivery</li> <li><i>I</i> Adult Restricted Delivery</li> </ul>	<ul> <li>□ Priority Mail Express®</li> <li>□ Registered Mail™</li> <li>□ Registered Mail Restricted Delivery</li> <li>□ Return Receipt for Merchandise</li> <li>□ Signature Confirmation™</li> <li>□ Signature Confirmation Restricted Delivery</li> </ul>
PS Form 3811, July 2015 PSN 7530-02-000-9053	Ē	Domestic Return Receipt

	NM 970	
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>Article Addressed to:</li> <li>Chevron USA Inc.</li> </ul>	A. Signature X B. Received by (Printed Name) D. Is delivery address different from If YES, enter delivery address I	
Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706		
9590 9402 4008 8079 4846 44	<ul> <li>3. Service Type</li> <li>Adult Signature</li> <li>Adult Signature Restricted Delivery</li> <li>Certified Mail®</li> <li>Certified Mail Restricted Delivery</li> <li>Collect on Delivery</li> <li>Collect on Delivery Restricted Delivery</li> </ul>	<ul> <li>□ Priority Mail Express®</li> <li>□ Registered Mail™</li> <li>□ Registered Mail Restricted Delivery</li> <li>□ Return Receipt for Merchandise</li> <li>□ Signature Confirmation™</li> <li>□ Signature Confirmation</li> </ul>
7020 0090 0000 3424 2434	d Mail Mail Restricted Delivery 00)	Restricted Delivery
PS Form 3811, July 2015 PSN 7530-02-000-9053	alter ja L	Domestic Return Receipt

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature <b>x</b> AA R20 C-19 Agent B. Received by (Printed Name) C. Date of Delivery
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Chevron USA Inc. Kristen Hunter – Landman 6301 Deauville Blvd. Midland, TX 79706	
9590 9402 4008 8079 4846 13 2. Article Number ( <i>Transfer from service label</i> )	3. Service Type       □       Priority Mail Express®         □ Adult Signature       □       Registered Mail™         □ Adult Signature Restricted Delivery       □       Registered Mail™         □ Certified Mail®       □       Registered Mail Restricted Delivery         □ Collect on Delivery       □       Return Receipt for Merchandise         □ Signature Confirmation™       □       Signature Confirmation™         □ Insured Mail       □       Signature Confirmation         □ Insured Mail       □       Signature Confirmation
	500) Domestic Return Receipt

## Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

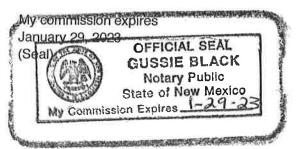
> Beginning with the issue dated August 26, 2020 and ending with the issue dated August 26, 2020.

Publisher

Sworn and subscribed to before me this 26th day of August 2020.

lac

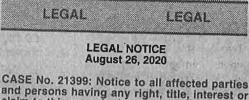
**Business Manager** 



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

67115820

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



and persons having any right, title, interest or claim to this case, including overriding royalty interest owners, as well as the known and Interest owners, as well as the known and unknown heirs, devisees, assigns and successors of VPD NEW MEXICO LLC, STRYKER ENERGY LLC, EOG RESOURCES INC., AND CHEVRON USA INC., of Devon Energy Production Company, L.P.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on Sentember Dooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on September 10, 2020, at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you visit the Division's website at: http://www.emmrd.state.nm.us/OCD/hearings.html or call (505) 476-3441. Devon Energy Production Company, L.P., at 333 W. Sheridan Ave, Oklahoma City, OK 73102, seeks an order from the Division: (1) creating a standard 316.44-acre, more or less, horizontal spacing and proration unit comprised of the W/2 W/2 of Sections 30 and 31, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation (ANTELOPE RIDGE; BONE SPRING [Pool Code 2200]) underlying the unit. The proposed well for the horizontal spacing unit is the Pred Bull 30-31 Fed State Com 1H Well, to be horizontally drilled from a surface location in NE/4 NW/4 (Unit C) of Section 30 to a bottom hole location in the SW/4 SW/4 (Lot 4) of Section 31. The completed interval and first take and last take point for the well proposed in the unit meet the Division's statewide setback requirements for horizontal oil wells; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and lands are located approximately 12 miles northwest of Jal, New Mexico, and 17 1/2 miles northwest of Jal, New Mexico and 17 1/2 miles northwest of Jal, New Mexico and 17 1/2 miles northwest of Jal, New Mexico and 17 1/2 miles northwest of Jal, New Mexico and 17 1/2 miles northwest of Jal, New Mexico and 17 1/2 miles northwest of Jal, New Mexico and 17 1/2 miles northwest of Jal, Nex #35774

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**EXHIBIT**