

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 15057

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

Case No. 15061

VERIFIED STATEMENT OF CARI ALLEN

Cari Allen, being duly sworn upon his oath, deposes and states:

1. I am a landman for Devon Energy Production Company, L.P., and have personal knowledge of the matters stated herein.

2. Pursuant to Division Rule NMAC 19.15.4.12.A(1), the following information is submitted in support of the compulsory pooling application filed herein:

(a) No opposition is expected because the working interest owners being pooled have simply not responded to lease offers, well proposals, and subsequent contacts.

(b) A plat outlining the spacing unit being pooled, and marking the location of the subject well, is attached as Exhibit A. Applicant seeks orders as follows:

Case 15057: Approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the S/2S/2 of Section 14, Township 17 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the BAE 14 Fed. Com. Well No. 8H, a horizontal well to be drilled at a surface location 990 feet from the south line and 200 feet from the east line, with a terminus 710 feet from the south line and 330 feet from the west line, of Section 14. The well will test the Blinbry member of the West Maljamar-Yeso Pool, and the entire

Oil Conservation Division

Case No. 1

Exhibit No. 1

producing interval of the well will be orthodox. A C-102 for the well is included in Exhibit A.

Case 15061: Approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the S/2S/2 of Section 14, Township 17 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the BAE 14 Fed. Com. Well No. 7H, a horizontal well to be drilled at a surface location 940 feet from the south line and 200 feet from the east line, with a terminus 660 feet from the south line and 330 feet from the west line, of Section 14. The well will test the Paddock member of the West Maljamar-Yeso Pool, and the entire producing interval of the well will be orthodox. A C-102 for the well is included in Exhibit A.

(c) The parties being pooled, their addresses, and their working interests in the well unit, are as follows:

Halcon Resources Operating Company, Inc. 5100 E. Skelly Drive, Suite 650 Tulsa, OK 74135	<u>6.187500%</u>
--	------------------

Asa Grayson Ashworth, separate property c/o John P. Ashworth, Attorney in fact 1577 Yankee Lane Hornell, NY 14843	<u>0.520834%</u>
--	------------------

Baish Limited Partnerships 3020 Fishing Creek Valley Road Harrisburg, PA 17112	<u>1.562500%</u>
--	------------------

Deborah Masters Andrews c/o Baish Limited Partnerships 3020 Fishing Creek Valley Road Harrisburg, PA 17112	<u>0.781250%</u>
---	------------------

Benefit of William Wilson Masters c/o Baish Limited Partnerships 3020 Fishing Creek Valley Road Harrisburg, PA 17112	<u>0.390625%</u>
---	------------------

Benefit of Christian Martin Masters c/o Baish Limited Partnerships 3020 Fishing Creek Valley Road Harrisburg, PA 17112	<u>0.390625%</u>
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(d) The addresses for all parties are current and correct. The parties being pooled are unleased mineral owners.

(e) Proposal letters sent to the uncommitted working interest owners are attached as Exhibit B-1 (Case 15057) and Exhibit B-2 (Case 15061). In addition to the proposal letters we have contacted the owners several times by telephone and e-mail. Applicant has made a good faith effort to obtain the voluntary joinder of the interest owners in the well.

(f) Pursuant to Division rules, applicant requests that a 200% risk charge be assessed against non-consenting interest owners.

(g) Authorizations for Expenditure for the wells are attached as Exhibit C-1 (Case 15057) and Exhibit C-2 (Case 15061). The well costs set forth therein are fair and reasonable, and are comparable to those of other wells of this depth in this area of Lea County.

(h) Overhead charges of \$7500/month for a drilling well, and \$750/month for a producing well, are requested. These rates are fair and reasonable, and are in line with rates charged by other operators in this area for well of this depth. Applicant requests that the rates be adjusted pursuant to the COPAS accounting procedure.

(i) Applicant requests that it be designated operator of the well.

(j) Exhibit D lists all offset operators or working interest owners to the well unit.

3. Granting these applications will prevent waste and protect correlative rights.

VERIFICATION

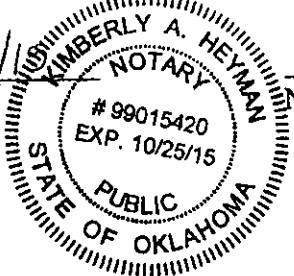
STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Cari Allen, being duly sworn upon his oath, deposes and states that: She is a landman for Devon Energy Production Company, L.P.; she is authorized to make this verification on its behalf; she has read the foregoing statement, and knows the contents thereof; and the same is true and correct to the best of her knowledge, information, and belief.

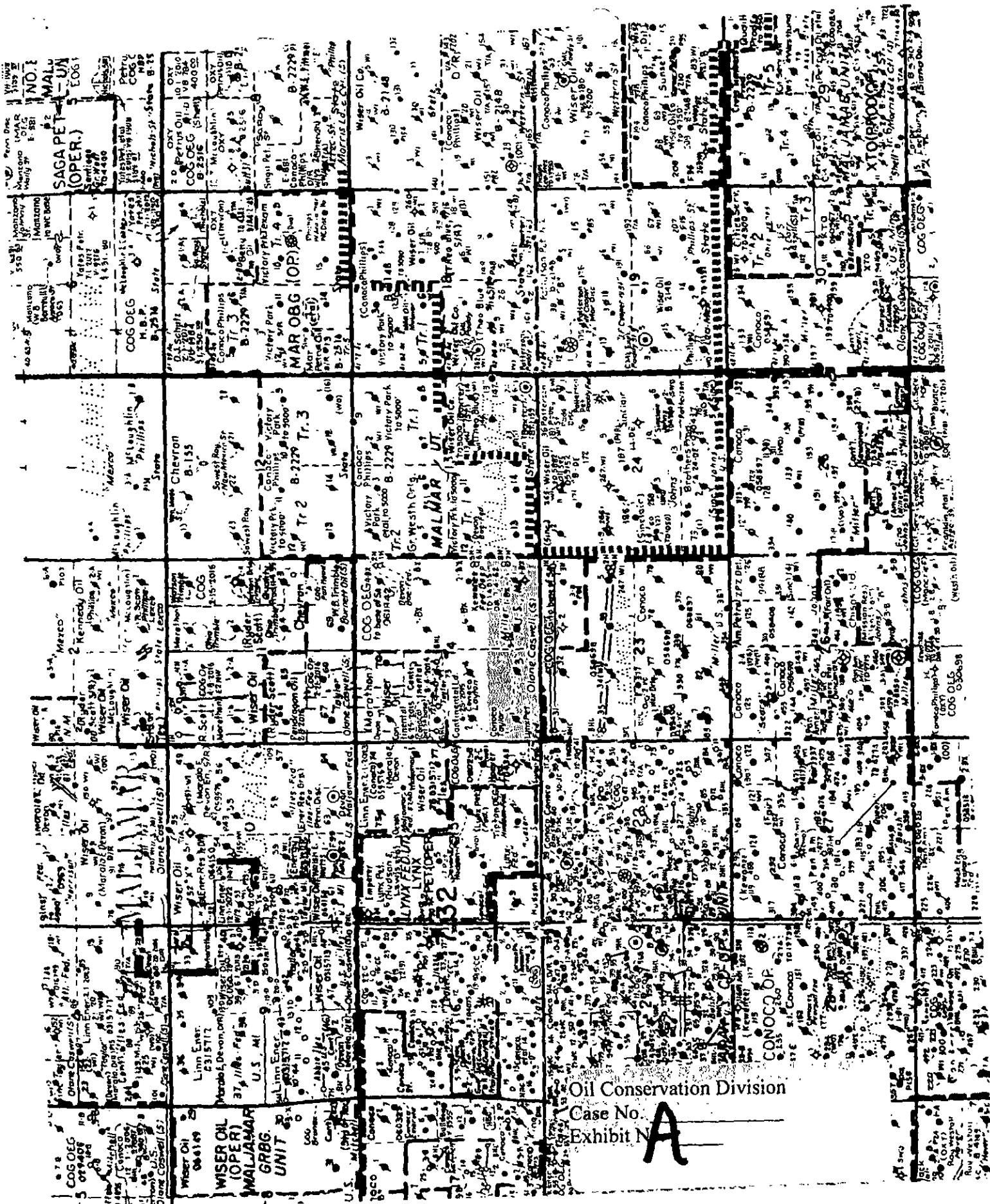

Cari Allen

SUBSCRIBED AND SWORN TO before me this 4th day of December, 2013 by Cari Allen.

My Commission Expires: 10/25/15



Kimberly A. Heyman
Notary Public #99015420



Oil Conservation Division

Case No.

Exhibit No.

A

District I
1425 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-4161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Urezo Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3460

HOBBS OGD

APR 11 2013

RECEIVED

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41105	² Pool Code 44500	³ Pool Name Maljammar Yeso, WEST
⁴ Property Code 39816	⁵ Property Name BAE "14" FED COM	
⁶ OGRID No. 6137	⁷ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁸ Well Number 8H
		⁹ Elevation 4082.4

10 Surface Location

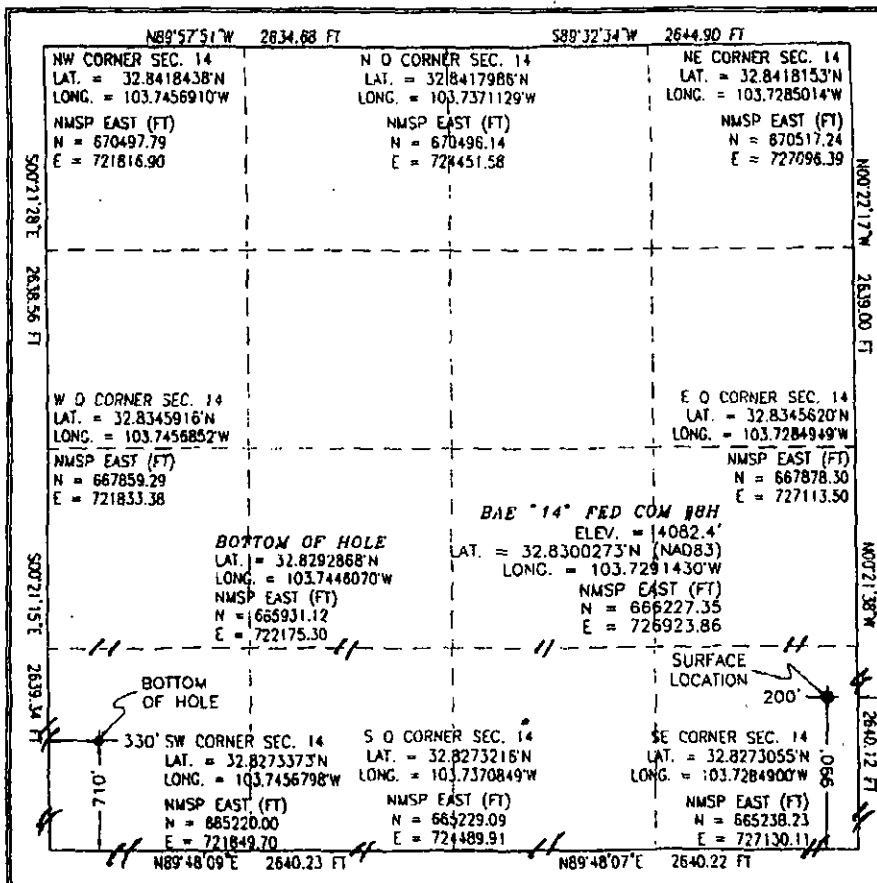
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	14	17 S	32 E		990	SOUTH	200	EAST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	14	17 S	32 E		710	SOUTH	330	WEST	LEA

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well in this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *[Signature]* Date: **2/19/2013**

David Cook, Regulatory Specialist
Printed Name:
David.Cook@dvn.com
E-mail Address:

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is accurate correct to the best of my belief.

OCTOBER 28, 2012
Date of Survey

Signature: *[Signature]*
Certificate Number: **688102-NM-TARAHILLO, PLS 12797**
SURVEY NO. 1329

PP: 710 FSL ; 53- FSL

☐ AMENDED REPORT

APR 15 2013



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: 405 228 4397
Direct Fax: 405 552 7667
cari.allen@devn.com

405 235 3611 Phone
www.devonenergy.com

June 10, 2013

Via Overnight Mail

WORKING INTEREST OWNERS
(See Attached List)

RE: BAE 14 Fed Com 8H
Project Area: S/2 S/2 Section 14-17S-32E
Proposed Working Interest Unit: S/2; S/2 N/2 Section 14-17S-32E
Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the BAE 14 Fed Com 8H as a horizontal Blinbry test at a surface location of 990' FSL & 200' FEL of Section 14-17S-32E, Lea County, New Mexico. Devon plans to drill to an approximate total vertical depth of 6,800' (heel) and continue in a westerly direction to an approximate total measured depth of 11,313 (6,902' TVD) with an approximate bottom hole location of 710' FSL & 330' FWL Section 14-17S-32E. The project area will cover the S/2 S/2 Section 14-17S-32E, Lea County, New Mexico, however, Devon is proposing a 480-acre working interest unit covering the S/2 and S/2 N/2 Section 14-17S-32E. Enclosed is Devon's AFE for the proposed BAE 14 Fed Com 8H with estimated cost of \$5,947,916.

Please indicate your election below and return one copy of this letter to my attention. Should you elect to participate, please return one executed copy of the enclosed AFE. Also, please review the enclosed Joint Operating Agreement (JOA) and, if acceptable to you, return a fully executed signature page to the JOA and one fully executed and notarized signature page to the Memorandum of JOA.

In lieu of participate, Devon offers one of the following options:

- 1) \$750 per acre, 3/16ths royalty for a three year paid-up lease
- 2) No cash consideration, 1/4 royalty for a three year paid-up lease

If you have any questions regarding this matter, please give me a call.

Sincerely,

Cari Allen
Senior Landman

Oil Conservation Division
Case No. B-1
Exhibit No. 1

Page 2
BAE Fed Com 8H
June 10, 2013

_____ The undersigned hereby elects to participate in the drilling and completion of the
BAE 14 Fed Com 8H.

_____ The undersigned hereby elects to lease its interest to Devon as stated in 1)
above.

_____ The undersigned hereby elects to lease its interest to Devon as stated in 2)
above.

Company/Individual: _____

By _____

WORKING INTEREST OWNERS
BAE 14 Fed Com 8H

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

Halcon Resources Operating Company, Inc.
Meridian Tower, Suite 650
5100 East Skelly Drive
Tulsa, Oklahoma 74135-6549

- via fed ex. 6-10-13

Range Operating New Mexico, Inc.
281 N. Highway 248
Eunice, New Mexico 88231

91 7108 2133 3939 6402 7293

Sharbro Holdings LLC
c/o Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

91 7108 2133 3939 6402 7286

Legacy Royalty LLC
c/o Yates Petroleum Corporation
105 S. 4th Street
Artesia, New Mexico 88210

91 7108 2133 3939 6402 7279

Deborah Masters Andrews
c/o Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7108 2133 3939 6402 7262

Benefit of William Wilson Masters
c/o Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7108 2133 3939 6402 7255

Benefit of Christian Martin Masters
c/o Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7108 2133 3939 6402 7248

Asa Grayson Ashworth
c/o John P. Ashworth, Attorney in fact
1577 Yankee Lane
Hornell, New York 14843

91 7108 2133 3939 6402 7231

Braille Institute of America, Inc.
741 N. Vermont Avenue
Los Angeles, California 90029

91 7108 2133 3939 6402 7224



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102
Direct Line: 405 228 4397
Direct Fax: 405 552 7667
carl.allen@dvn.com

405 235 3611 Phone
www.devonenergy.com

October 2, 2013

Via Certified Mail

WORKING INTEREST OWNERS
(See Attached List)

RE: BAE 14 Fed Com 7H
Project Area: S/2 S/2 Section 14-17S-32E
Proposed Working Interest Unit: S/2; S/2 N/2 Section 14-17S-32E
Lea County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the BAE 14 Fed Com 7H as a horizontal Paddock test at a surface location of 940' FSL & 200' FEL of Section 14-17S-32E, Lea County, New Mexico. Devon plans to drill to an approximate total vertical depth of 6,025' (heel) and continue in a westerly direction to an approximate total measured depth of 10,543' (5,901' TVD) with an approximate bottom hole location of 660' FSL & 330' FWL Section 14-17S-32E. The project area will cover the S/2 S/2 Section 14-17S-32E, Lea County, New Mexico, however, Devon is proposing a 480-acre working interest unit covering the S/2 and S/2 N/2 Section 14-17S-32E. Enclosed is Devon's AFE for the proposed BAE 14 Fed Com 7H with estimated cost of \$5,663,025.

Please indicate your election below and return one copy of this letter to my attention. Should you elect to participate, please return one executed copy of the enclosed AFE. The proposed Joint Operating Agreement (JOA) was forwarded with Devon's proposal to drill the BAE Fed Com 8H which is the Initial Well under that JOA. If acceptable to you, return a fully executed signature page to the JOA and one fully executed and notarized signature page to the Memorandum of JOA.

In lieu of participate, Devon offers one of the following options:

- 1) \$750 per acre, 3/16ths royalty for a three year paid-up lease
- 2) No cash consideration, 1/4 royalty for a three year paid-up lease

If you have any questions regarding this matter, please give me a call.

Sincerely,

Cari Allen
Senior Landman

Oil Conservation Division
Case No. B-2
Exhibit No. B-2

Page 2
BAE Fed Com 7H
October 2, 2013

_____ The undersigned hereby elects to participate in the drilling and completion of the
BAE 14 Fed Com 7H.

_____ The undersigned hereby elects to lease its interest to Devon as stated in 1)
above.

_____ The undersigned hereby elects to lease its interest to Devon as stated in 2)
above.

Company/Individual: _____

By _____

WORKING INTEREST OWNERS
BAE 14 Fed Com 7H

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

Halcon Resources Operating Company, Inc.
Meridian Tower, Suite 650
5100 East Skelly Drive
Tulsa, Oklahoma 74135-6549

91 7199 9991 7032 9616 6398

Range Operating New Mexico, Inc.
281 N. Highway 248
Eunice, New Mexico 88231

91 7199 9991 7032 9616 6404

Deborah Masters Andrews
c/o Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7199 9991 7032 9616 6411

Benefit of William Wilson Masters
c/o Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7199 9991 7032 9616 6428

Benefit of Christian Martin Masters
c/o Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7199 9991 7032 9616 6435

Baish Limited Partnerships
3020 Fishing Creek Valley Road
Harrisburg, PA 17112

91 7199 9991 7032 9616 6442

Asa Grayson Ashworth
c/o John P. Ashworth, Attorney in fact
1577 Yankee Lane
Hornell, New York 14843

91 7199 9991 7032 9616 6459

Braille Institute of America, Inc.
741 N. Vermont Avenue
Los Angeles, California 90029

91 7199 9991 7032 9616 6466


AUTHORIZATION FOR EXPENDITURE

PROJECT NAME	BAE 14 Fed Com 8H		
COUNTY/PARISH	Lata	COST CENTER	1000170001
STATE	New Mexico	DATE	04/28/11
LEGAL DESCRIPTION	SURFACE LOCATION: 14-175-32 / BOTTOM HOLE LOCATION: 14-175-32E		
WORK DESCRIPTION	Drilling and Complete		

Cost Element #	Cost Element Description	Surface Lease Acquire	Wellbore Preparation	Drill	Casing and Support	Complete	Side Report	Well Tie In	Element	Total
6010100	Employee Salaries	\$0	\$0	\$0	\$0	\$7,600	\$0	\$0		\$7,600
6020100	Contract Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6060100	Dyed Liquid Fuels (Texas Only)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6080110	Liquid Fuels - Other	\$0	\$0	\$132,963	\$16,821	\$15,000	\$0	\$0		\$164,584
6080120	Electricity & Utilities	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0		\$10,000
6080110	Disposal - Saltwater & Other Fluids	\$0	\$0	\$148,400	\$0	\$200,000	\$0	\$0		\$348,400
6090100	Fluids - Water	\$0	\$0	\$81,313	\$15,900	\$5,000	\$0	\$0		\$102,213
6090110	Fluids - Lube & Hydraulic Oil	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6100100	Permitting, Surveying & Title Services	\$0	\$65,000	\$0	\$0	\$5,000	\$0	\$0		\$75,000
6100110	Right Of Way	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6110100	Roads & Location Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6110120	Road & Site Preparation Materials & Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6110130	Road & Site Preparation Services	\$0	\$0	\$0	\$0	\$10,000	\$65,000	\$0		\$75,000
6110170	Demolition & Remediation	\$0	\$0	\$0	\$0	\$10,000	\$10,000	\$0		\$20,000
6120120	Measurement Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$90,000		\$90,000
6130170	Communication Services - Other	\$0	\$0	\$6,752	\$719	\$0	\$0	\$0		\$7,471
6140100	Enviro - Community Consultations	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6140110	Enviro - Compliance & Fines	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6140160	Enviro - Services	\$0	\$0	\$1,892	\$487	\$2,500	\$0	\$0		\$4,879
6150100	Logging, Perl & WH Services (CH Only)	\$0	\$0	\$0	\$0	\$35,000	\$0	\$0		\$35,000
6160100	Materials & Supplies	\$0	\$0	\$7,960	\$0	\$5,000	\$0	\$0		\$12,960
6170100	Pulling & Borehole Services	\$0	\$0	\$0	\$0	\$75,000	\$0	\$0		\$75,000
6170110	Snubbing & Coil Tubing Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6180130	Vehicles - Usage	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6190110	Trucking & Hauling	\$0	\$0	\$111,305	\$15,900	\$12,000	\$12,000	\$0		\$151,205
6201160	Welding Services	\$0	\$0	\$38,160	\$4,770	\$0	\$0	\$0		\$42,930
6200120	Other Roundabout Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6200110	Inspection Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6200130	Consultants - Technical & Professional Fees	\$0	\$0	\$127,200	\$15,900	\$35,000	\$0	\$0		\$178,100
6310120	Simulation Services	\$0	\$0	\$0	\$0	\$1,400,000	\$0	\$0		\$1,400,000
6310200	Casing & Tubular Services	\$0	\$0	\$42,400	\$10,600	\$0	\$0	\$0		\$53,000
6310250	Cementing Services	\$0	\$0	\$106,000	\$83,210	\$0	\$0	\$0		\$189,210
6310280	Daywork Costs	\$0	\$0	\$549,099	\$77,703	\$0	\$0	\$0		\$626,802
6310290	Turnkey Drilling Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6310300	Directional Services	\$0	\$0	\$135,642	\$11,978	\$0	\$0	\$0		\$147,620
6310310	Oil Rts	\$0	\$0	\$105,067	\$0	\$5,000	\$0	\$0		\$110,067
6310330	Drilling and Completion Fluids & Services	\$0	\$0	\$34,980	\$0	\$0	\$0	\$0		\$34,980
6310350	Fishing Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6310360	Postage Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6310370	Job & Demobilization	\$0	\$0	\$204,664	\$0	\$0	\$0	\$0		\$204,664
6310380	Open Hole Evaluation	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6310480	Well Testing Services	\$0	\$0	\$0	\$0	\$35,000	\$0	\$0		\$35,000
6320100	Equipment Services - Surface Rentals	\$0	\$0	\$187,700	\$22,837	\$75,000	\$0	\$0		\$285,537
6320110	Equipment Services - Downhole Rentals	\$0	\$0	\$103,891	\$0	\$80,000	\$0	\$0		\$183,891
6350100	Construction Services	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000		\$150,000
6370100	Land	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0		\$10,000
6500100	Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6500110	Legal Settlements	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6500120	Miscellaneous Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6500110	Other Services	\$0	\$0	\$37,100	\$0	\$70,000	\$0	\$0		\$107,100
6120100	Electrical, Instrumentation & Control Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6230120	Safety Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6610100	Casualty & Property Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6630110	Overhead	\$0	\$0	\$8,265	\$1,045	\$0	\$0	\$0		\$9,310
6650100	Leasehold Rentals	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6650200	Other Leasehold Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
TOTAL INTANGIBLE ITEMS		10,000	65,000	2,123,873	276,835	2,142,800	87,000	240,000		4,864,608
6300110	Dehydration Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6300130	Heaters & Heat Exchange Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6300150	Separator Equipment	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0		\$15,000
6300210	Trailer & Free Water Knockout Equipment	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0		\$45,000
6300220	Storage Vessels & Tanks	\$0	\$0	\$0	\$0	\$130,000	\$0	\$0		\$130,000
6300230	Pumps - Surface	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6300260	Valves	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6310130	Artificial Lift Equipment	\$0	\$0	\$0	\$0	\$135,000	\$0	\$0		\$135,000
6310150	Casing - Conductor & Drive Pipe	\$0	\$0	\$42,400	\$0	\$0	\$0	\$0		\$42,400
6310410	Sucker Rods	\$0	\$0	\$0	\$0	\$40,000	\$0	\$0		\$40,000
6310420	Oil Country Tubular Goods Tubing	\$0	\$0	\$0	\$0	\$80,000	\$0	\$0		\$80,000
6310460	Wellhead Equipment	\$0	\$0	\$26,900	\$0	\$5,000	\$0	\$0		\$31,900
6310630	Surface Casing	\$0	\$0	\$59,420	\$0	\$0	\$0	\$0		\$59,420
6310640	Intermediate Casing	\$0	\$0	\$97,340	\$0	\$0	\$0	\$0		\$97,340
6310660	Production Casing	\$0	\$0	\$0	\$136,249	\$0	\$0	\$0		\$136,249
6310680	Prod Liners & Tiebacks	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6310670	Drill Liners & Tiebacks	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6320180	Equipment Other	\$0	\$0	\$0	\$0	\$12,000	\$0	\$0		\$12,000
6310220	Corrosion Protection Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6330100	Pipe, Fitting, Flanges & Couplings	\$0	\$0	\$0	\$0	\$25,000	\$0	\$0		\$25,000
6130120	Comm devices and accessories - SCADA	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6120110	Electrical, Instrumentation & Control Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6120120	Measurement Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
6300140	Engines & Motors	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0
TOTAL TANGIBLE ITEMS		0	0	325,945	376,345	373,945	225,000	0		651,995
TANGIBLE SPILT %		0	0	0	0	0	0	0		0
GRAND TOTAL		10,000	65,000	2,449,818	653,180	2,516,745	312,000	240,000		5,477,118

Cost Element #	Cost Element Description	Surge Lease Acquire	Vehicle Preparation	Drill	Casing and Stimulation	Completion	Surf Equip	Well T&I	Equipment	Totals
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Costs on this form are estimates only. Working Interest Owners should not consider these estimates as establishing any limit on the monies which will be required to perform the proposed operation.

Signature:

Print Name:

Title:

Company Name:

Email Address for daily reports:

Date:



Authorization for Expenditure

AFE # 03636A1

Well Name: BAE 14 FED COM 7H
 Cost Center Number: 1090170101
 Legal Description: S/2 S/2 Sec. 14-17S-32E
 Revision:

AFE Date: 10/1/2013
 State: New Mexico
 County/Parish: Lea

Explanation and Justification: Drill and Complete a Horizontal Paddock test.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010100	EMPLOYEE SALARIES	0.00	7,500.00	0.00	7,500.00
6060100	DYED LIQUID FUELS	0.00	14,000.00	0.00	14,000.00
6060110	LIQUID FUELS - OTHER	130,000.00	15,000.00	0.00	145,000.00
6060120	ELEC & UTILITIES	0.00	10,000.00	0.00	10,000.00
6080110	DISP-SALTWATER & OTH	139,125.00	200,000.00	0.00	339,125.00
6090100	FLUIDS - WATER	83,000.00	15,000.00	0.00	98,000.00
6100100	PERMIT SURVEY&TITLE	25,000.00	5,000.00	0.00	30,000.00
6110120	ROAD&SITE PREP M&S	0.00	5,000.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	70,000.00	70,000.00	0.00	140,000.00
6110170	DAMAGE & REMEDIATION	0.00	10,000.00	0.00	10,000.00
6130170	COMM SVCS - OTHER	6,500.00	800.00	0.00	7,300.00
6140160	ENV-SERVICES	3,700.00	3,000.00	0.00	6,700.00
6150100	LOG PERFORATG&WL SVC	0.00	95,000.00	0.00	95,000.00
6160100	MATERIALS & SUPPLIES	7,500.00	5,000.00	0.00	12,500.00
6170100	PULLING&SWABBING SVC	0.00	75,000.00	0.00	75,000.00
6190100	TRCKG&HL-SOLID&FLUID	50,000.00	0.00	0.00	50,000.00
6190110	TRUCKING&HAUL OF EQP	70,000.00	39,900.00	0.00	109,900.00
6200130	CONSULT-TECH&PROF SVC	122,000.00	51,000.00	0.00	173,000.00
6310120	STIMULATION SERVICES	0.00	1,200,000.00	0.00	1,200,000.00
6310200	CASING & TUBULAR SVC	42,500.00	10,000.00	0.00	52,500.00
6310250	CEMENTING SERVICES	140,000.00	85,000.00	0.00	225,000.00
6310280	DAYWORK COSTS	550,000.00	80,000.00	0.00	630,000.00
6310300	DIRECTIONAL SERVICES	135,000.00	12,000.00	0.00	147,000.00
6310310	DRILL BITS	105,000.00	5,000.00	0.00	110,000.00
6310330	DRILL&COMP FLUID&SVC	35,000.00	0.00	0.00	35,000.00
6310370	MOB & DEMOBILIZATION	150,000.00	0.00	0.00	150,000.00
6310480	TESTING-WELL, PL & OTH	0.00	35,000.00	0.00	35,000.00
6320100	EQUIPMENT SERVICES	165,000.00	97,000.00	0.00	262,000.00
6320110	EQUIP SVC - DOWNHOLE	110,000.00	80,000.00	0.00	190,000.00
6320160	WELDING SERVICES	33,000.00	5,000.00	0.00	38,000.00
6350100	CONSTRUCTION SVC	0.00	150,000.00	0.00	150,000.00
6550110	MISCELLANEOUS SVC	40,000.00	70,000.00	0.00	110,000.00
	Total Intangibles	2,212,325.00	2,450,200.00	0.00	4,662,525.00

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120120	MEASUREMENT EQUIP	0.00	90,000.00	0.00	90,000.00
6300150	SEPARATOR EQUIPMENT	0.00	15,000.00	0.00	15,000.00
6300210	TREATER FWKO EQUIP	0.00	45,000.00	0.00	45,000.00
6300220	STORAGE VESSEL&TANKS	0.00	135,000.00	0.00	135,000.00
6310130	ARTIFICIAL LIFT EQP	0.00	135,000.00	0.00	135,000.00
6310410	SUCKER RODS	0.00	40,000.00	0.00	40,000.00
6310420	TUBING & COMPONENTS	0.00	80,000.00	0.00	80,000.00
6310460	WELLHEAD EQUIPMENT	26,500.00	5,000.00	0.00	31,500.00

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Oil Conservation Division
 Case No. **C-2**
 Exhibit No. **6-2**



Authorization for Expenditure

AFE # 03636A1

Well Name: BAE 14 FED COM 7H

AFE Date:

Cost Center Number: 1090170101

State:

Legal Description:

County/Parish:

Revision:



Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6310530	SURFACE CASING	59,500.00	0.00	0.00	59,500.00
6310540	INTERMEDIATE CASING	97,500.00	0.00	0.00	97,500.00
6310550	PRODUCTION CASING	0.00	235,000.00	0.00	235,000.00
6320180	EQUIPMENT OTHER	0.00	12,000.00	0.00	12,000.00
6330100	PIPE, FIT, FLANG, CPLNG	0.00	25,000.00	0.00	25,000.00
	Total Tangibles	183,500.00	817,000.00	0.00	1,000,500.00

TOTAL ESTIMATED COST	2,395,825.00	3,267,200.00	0.00	5,663,025.00
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

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

Offsets

E/2SE/4 Section 15

Mack Energy Corp.

Lynx Petroleum Consultants, Inc.

COG Operating LLC

N/2S/2 Section 14

Devon Energy Production Company, L.P.

SW/4 Section 13

VPR Operating, LLC

NW/4NW/4 Section 22

CML Exploration, LLC

N/2N/2 Section 23

Devon Energy Production Company, L.P.

NE/4NE/4 Section 24

COG Operating LLC

EXHIBIT

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