

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 4, 2023**

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

Case No. 23497:

Exmoor 10-34 Fed Com 303H Well

Devon Energy Production Company, L.P.

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TAB 1

Reference for Case No. 23497

Application Case No. 23497:

Exmoor 10-34 Fed Com 303H Well

NMOCD Checklist Case No. 23497

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

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

Case No. 23497

APPLICATION

Devon Energy Production Company, L.P. (“Devon”), OGRID No. 6137, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) establishing a standard 477.20-acre, more or less, spacing and proration unit comprised of the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in an interval within the Paduca; Bone Spring (O) pool [Pool Code (96641)], from the stratigraphic equivalent of 100 feet from below the base of the Avalon Sand, as seen at a depth of 8,358 feet, to the stratigraphic equivalent of the base of the Paduca; Bone Spring (O) formation, as seen at a depth of 11,520 feet, on the Open Hope Platform Express log for the PLU #196 Well (API No. 30-015-33164), designated as an oil pool, underlying said unit. Sections 3 and 34 are irregular and contain correction lots.

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 and dedicates to the HSU the **Exmoor 10-34 Fed Com 303H Well**, as an initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Devon proposes the **Exmoor 10-34 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10-25S-31E to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 34-24S-31E.

4. The proposed well is orthodox in its location, and its take points and completed interval comply with setback requirements under Statewide Rules.

5. There exist several wells within units that overlap the HSU proposed herein, as follows: (1) the Cotton Draw Unit 117H Well (API No. 30-015-38434) within a unit that covers the W/2 E/2 of Section 34; (2) the Cotton Draw Unit 114H Well (API No. 30-015-37410) within a unit that covers the W/2 E/2 of Section 34; (3) the Cotton Draw Unit 216Y Well (API No. 30-015-42648) within a unit that covers the W/2 E/2 of Section 3; (4) the Cotton Draw Unit 272H Well (API No. 30-015-43724) within a unit that covers the W/2 E/2 of Section 3; and (5) the Cotton Draw 10 Fed 1H Well (API No. 30-015-39229) and 3H Well (API No. 30-015-42126) both located in the unit that covers the W/2 E/2 of Section 10. Devon operates all the overlapping units and wells. Furthermore, Sections 3 and 34 of the HSU proposed herein are part of the Cotton Draw Federal Unit, a federal unit covering multiple sections, for which Devon is the designated operator. As such, the proposed HSU is a straddle unit in which the W/2 E/2 of Section 10 is outside the Cotton Draw Federal Unit and the W/2 E/2 of Sections 3 and 34 are inside the federal unit. Devon will provide proper notice and seeks approval of the overlapping units during the hearing process.

6. 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 their development within the proposed HSU.

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

8. 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.

WHEREFORE, Devon requests that this Application be set for hearing on May 4, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 477.20-acre, more or less, spacing and proration unit comprised of the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the interval of the Bone Spring formation as described herein underlying the proposed HSU.

C. Approving the **Exmoor 10-34 Fed Com 303H Well** as the well for the HSU.

D. Approving the overlap with existing units described above in Paragraph 5.

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

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

G. 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

H. 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.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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Attorneys for Devon Energy Company, L.P.

Application of Devon Energy Production Company, L.P., for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 477.20-acre, more or less, spacing and proration unit comprised of the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in an interval within the Paduca; Bone Spring (O) pool [Pool Code (96641)], from the stratigraphic equivalent of 100 feet from below the base of the Avalon Sand, as seen at a depth of 8,358 feet, to the stratigraphic equivalent of the base of the Paduca; Bone Spring (O) formation, as seen at a depth of 11,520 feet, designated as an oil pool, underlying said unit. Sections 3 and 34 are irregular and contain correction lots. The proposed well to be dedicated to the horizontal spacing unit is the **Exmoor 10-34 Fed Com 303H Well**, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 10-25S-31E to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 34-24S-31E. Devon seeks approval for overlap wells within units it operates, as follows: (1) the Cotton Draw Unit 117H Well (API No. 30-015-38434) within a unit that covers the W/2 E/2 of Section 34; (2) the Cotton Draw Unit 114H Well (API No. 30-015-37410) within a unit that covers the W/2 E/2 of Section 34; (3) the Cotton Draw Unit 216Y Well (API No. 30-015-42648) within a unit that covers the W/2 E/2 of Section 3; (4) the Cotton Draw Unit 272H Well (API No. 30-015-43724) within a unit that covers the W/2 E/2 of Section 3; and (5) the Cotton Draw 10 Fed 1H Well (API No. 30-015-39229) and 3H Well (API No. 30-015-42126) both located in a unit that covers the W/2 E/2 of Section 10. Sections 3 and 34 of the proposed unit are part of the Cotton Draw Federal Unit for which Devon is the designated operator. The proposed 303H well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; 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 35.5 miles northwest of Jal, New Mexico, and approximately 11.2 miles north of the state line.

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVIT	
Case: 23497	APPLICANT'S RESPONSE
Date: May 4, 2023	
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 6137
Applicant's Counsel:	Darin C. Savage, Abadie & Schill, P.C.
Case Title:	APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Exmoor
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring formation (Interval within Bone Spring formation to be pooled described in Exhibit A, Para. 5)
Pool Name and Pool Code:	Paduca; Bone Spring (O) pool [Pool Code (96641)]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	477.20 acres, more or less
Building Blocks:	Quarter Quarter Sections (40 acre blocks)
Orientation:	South to North
Description: TRS/County	W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes, standard spacing unit
Other Situations	
Depth Severance: Y/N. If yes, description	No, there is no depth severance within the interval described
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-2: Ownership
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	Exmoor 10-34 Fed Com 303H Well (API No. 30-015-53567), SHL: Unit O, 316' FSL, 1,457' FEL, Section 10, T25S-R31E; BHL: Unit B, 20' FNL, 2,300' FEL, Section 34, T24S-R31E, standup, standard location
Horizontal Well First and Last Take Points	Exmoor 10-34 Fed Com 303H Well: FTP: Unit O, 100' FSL, 2,300' FEL, Section 10, T25S-R31E LTP: Unit B, 100' FNL, 2,300' FEL, Section 34, T24S-R31E
Completion Target (Formation, TVD and MD)	Exmoor 10-34 Fed Com 303H Well: TVD approx. 10,820', TMD 25,820'; Bone Spring formation, See Exhibit A & B-2

AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, 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, 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
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, Para. 12
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4, B-5
Well Orientation (with rationale)	Exhibit B, B-1, B-2, B-3
Target Formation	Exhibit B-2, B-4, B-5
HSU Cross Section	Exhibit B-2, B-5
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit A-2, B-1, B-3
Well Bore Location Map	Exhibit A-1, B-1, B-3
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-4, B-5
Cross Section (including Landing Zone)	Exhibit B-2, B-4, B-5
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate	
Printed Name (Attorney or Party Representative):	Darin C. Savage
Signed Name (Attorney or Party Representative):	/s/ Darin Savage
Date:	May 2, 2023

TAB 2

Case No. 23497

- Exhibit A: Self-Affirmed Statement of Ryan Cloer, Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2: Ownership and Sectional Map
- Exhibit A-3: Well Proposal Letters and AFEs
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY,
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COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 23497

SELF-AFFIRMED STATEMENT OF RYAN CLOER

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.

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

3. I graduated in 2008 from The University of Oklahoma with a bachelor’s degree in Business Administration. I have worked at Devon Energy Production Company, L.P. for approximately 14 years, and I have been working in New Mexico for 7 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 above-referenced spacing and compulsory pooling applications pursuant to 19.15.4.12.A(1).

5. Devon seeks an order pooling all uncommitted mineral interest in the interval within the Paduca; Bone Spring (O) pool [Pool Code (96641)], from the stratigraphic equivalent of 100 feet from below the base of the Avalon Sand, as seen at a depth of 8,358 feet, to the stratigraphic equivalent of the base of the Paduca; Bone Spring (O) formation, as seen at a depth of 11,520 feet, on the Open Hope Platform Express log for the PLU #196 Well (API No. 30-015-

33164), designated as an oil pool, underlying said unit; underlying a standard 477.20-acre, more or less, spacing and proration unit comprised of the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico

6. Under Case No. 23497, Devon seeks to dedicate the **Exmoor 10-34 Fed Com 303H Well**, (API 30-015-53567) as an initial well, horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 10-25S-31E to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 34-24S-31E; approximate TVD of 10,820'; approximate TMD of 25,820'; FTP in Section 10: 100' FSL, 2300' FEL; LTP in Section 34: 100' FNL, 2300' FEL.

7. The proposed C-102 for each well is attached as **Exhibit A-1**.

8. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The location of each 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 owner.

10. There are no depth severances in the interval of the Bone Spring formation described herein that is being pooled.

11. There exist several wells within units that overlap the HSU proposed herein, as follows: (1) the Cotton Draw Unit 117H Well (API No. 30-015-38434) within a unit that covers the W/2 E/2 of Section 34; (2) the Cotton Draw Unit 114H Well (API No. 30-015-37410) within a unit that covers the W/2 E/2 of Section 34; (3) the Cotton Draw Unit 216Y Well (API No. 30-

015-42648) within a unit that covers the W/2 E/2 of Section 3; (4) the Cotton Draw Unit 272H Well (API No. 30-015-43724) within a unit that covers the W/2 E/2 of Section 3; and (5) the Cotton Draw 10 Fed 1H Well (API No. 30-015-39229) and 3H Well (API No. 30-015-42126) both located in the unit that covers the W/2 E/2 of Section 10. Devon operates all the overlapping units and wells. Furthermore, Sections 3 and 34 of the HSU proposed herein are part of the Cotton Draw Federal Unit, a federal unit covering multiple sections, for which Devon is the designated operator. As such, the proposed HSU is a straddle unit in which the W/2 E/2 of Section 10 is outside the Cotton Draw Federal Unit and the W/2 E/2 of Sections 3 and 34 are inside the federal unit. Devon has provided proper notice and seeks approval of the overlapping units during the hearing process.

12. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted interest owners shown on **Exhibit A-2**. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed; there were no unlocatable parties who were overriding interest owners. Four of the mailings to ORRI owners are still listed as in-transit, therefore the locations have not been confirmed for: the Estate of Tom E. Bryan, deceased, John E. Cochran, Janice Mendoza Bryan, and Eden Mendoza Bryan. Devon published notice in the Carlsbad Current Argus, a newspaper of general circulation in Eddy County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

13. Devon has made a good faith effort to negotiate with the interest owners, 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

horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Devon has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If 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 protection of correlative rights.

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

16. Devon requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each 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.

17. Devon requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners to the extent needed.

18. Devon requests that it be designated operator of the units and wells.

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

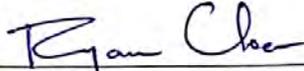
20. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

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

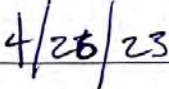
[Signature page follows]

Signature page of Self-Affirmed Statement of Ryan Cloer:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23497 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Ryan Cloer



Date Signed

DISTRICT I
1825 N. FRENCH DR., HOBBS, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-53567	Pool Code 96641	Pool Name Paduca; Bone Spring (O) Pool
Property Code	Property Name EXMOOR 10-34 FED COM	Well Number 303H
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3386.6'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	10	25-S	31-E		316	SOUTH	1457	EAST	EDDY

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
B	34	24-S	31-E		20	NORTH	2300	EAST	EDDY

Dedicated Acres 477.20	Joint or Infill	Consolidation Code	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

EXMOOR 10-34 FED COM 303H
EL: 3386.6'
LAT:32.138556
LON:103.761912
N:414611.68
E:718205.71

FIRST TAKE POINT
100' FSL 2300' FEL SEC. 10
LAT:32.137960
LON:103.764634
N:414390.13
E:717364.15

LAST TAKE POINT
100' FNL 2300' FEL SEC. 34
LAT:32.180793
LON:103.764549
N:429972.43
E:717308.11

BOTTOM OF HOLE
LAT:32.181013
LON:103.764549
N:430052.43
E:717307.93

OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

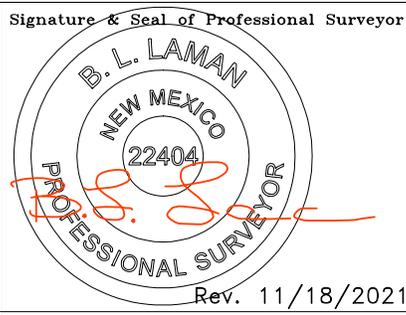
SURVEYOR CERTIFICATION

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 true and correct to the best of my belief.

11/2021

DATE OF SURVEY _____

Signature & Seal of Professional Surveyor



Rev. 11/18/2021

Certificate No. 22404 B.L. LAMAN

Note: All bearings recited herein are based on the New Mexico State Plane Coordinate System, NAD 83, New Mexico East Zone 3001, US Survey Feet, all distances are grid.

EXHIBIT A-1

Intent As Drilled

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.	Property Name: EXMOOR 10-34 FED COM	Well Number 303H

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	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
O	10	25-S	31-E		100	SOUTH	2300	EAST	EDDY
Latitude 32.137960					Longitude 103.764634			NAD 83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
B	34	24-S	31-E		100	NORTH	2300	EAST	EDDY
Latitude 32.180793					Longitude 103.764549			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.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

OWNERSHIP BREAKDOWN

Exmoor 10-34 Fed Com 303H

W/2 E/2 of Section 34, T24S, R31E & W/2 E/2 of Sections 3 & 10, T25S, R31 E
Eddy County, New Mexico,
Bone Spring Formation

Tract 1:
NMNM 037489
(80 acres)



Tract 2:
NMNM 036379
(77.44 acres)



Tract 3:
NMNM 042625
(159.76 acres)



Tract 4:
NMNM 042626
(80 acres)



Tract 5:
NMNM 120902
(40 acres)



Tract 6:
NMNM 000503
(40 acres)



Cotton Draw Federal Unit

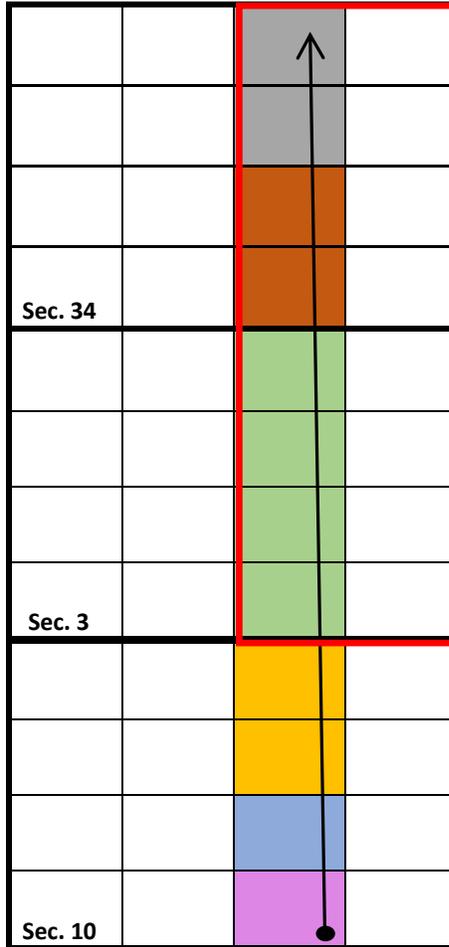


EXHIBIT
A-2

TRACT 1 OWNERSHIP (W/2 NE/4 of Section 34-T24S-R31E, being 80 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Ave. Oklahoma City, OK 73102	40.00	0.500000	Committed
XTO Holdings, LLC 22777 Springwoods Village Pkwy Spring, TX 77389	40.00	0.500000	Committed
Total:	80.00	1.00	

TRACT 2 OWNERSHIP (W/2 SE/4 of Section 34-T24S-R31E, being 77.44 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	38.72	0.500000	Committed
XTO Holdings, LLC	38.72	0.500000	Committed
Total:	80.00	1.00	

TRACT 3 OWNERSHIP (W/2 E/2 of Section 3-T25S-R31E, being 159.76 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	79.88	0.500000	Committed
XTO Holdings, LLC	79.88	0.500000	Committed
Total:	159.76	1.00	

TRACT 4 OWNERSHIP (W/2 NE4 of Section 10-T25S-R31E, being 80 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	40.00	0.50000	Committed
XTO Holdings, LLC	40.00	0.50000	Committed
Total:	80.00	1.00	

TRACT 5 OWNERSHIP (NW/4 SE/4 of Section 10-T25S-R31E, being 40 acres):

As to depths 100' below the base of the Avalon Sand, being 8,358', to the stratigraphic equivalent of the base of the Bone Spring formation, being 11,520' on the Open Hole Platform Express log for the PLU #196 well.

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	20.00	0.500000	Committed
Chevron U.S.A. Inc. 1400 Smith St. Houston, TX 77002	20.00	0.500000	Uncommitted
Total:	40.00	1.00	

TRACT 6 OWNERSHIP (SW/4 SE/4 of Section 10-T25S-R31E, being 40 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P.	40.00	0.50000	Committed
XTO Holdings, LLC	20.00	0.50000	Committed
Total:	40.00	1.00	

Unit Recapitulation-Wolfcamp– 477.20 AC HSU
Exmoor 10-34 Fed Com 303H
W/2 E/2 of Section 34, T24S, R31E & W/2 E/2 of Section 3 & 10, T25S, R31E
Eddy County, New Mexico

Owner	Interest
Devon Energy Production Company, L.P.	50.000000%
XTO Holdings, LLC	45.808885%
Chevron U.S.A. Inc	04.191115%
TOTAL	100.000000%

Uncommitted Working Interest Owners seeking to Compulsory Pool



Devon Energy Corporation
333 W. Sheridan Avenue
Oklahoma City, OK 73102

405 519 9359 Phone
www.devonenergy.com

February 15, 2023

Chevron U.S.A. Inc.
1400 Smith Street
Houston, Texas 77002

RE: Exmoor 10-34 Fed Com 303H Well Proposal
W/2E/2 of Section 34-T24S-R31E and
W/2E/2 of Section 10 & 3-T25S-R31E
Eddy County, New Mexico

To Whom It May Concern,

Devon Energy Production Company, L.P. ("Devon"), hereby proposes to drill the following horizontal well with a productive lateral in the W/2E/2 of Sections 34-T24S-R31E, 10-T25S-R31E & 3-T25S-R31E, Eddy County, New Mexico;

Exmoor 10-34 Fed Com 303H - to be drilled to a depth sufficient to test the 3rd Bone Spring formation (TVD of ~25,820'). The surface location for this well is proposed to be approximately 316' FSL & 1457' FEL, Section 10-T25S-R31E, and a bottom hole location at approximately 20' FNL & 2300' FEL, Section 34-T24S-R31E. The dedicated horizontal spacing unit will be the W/2E/2 of Section 34-T24S-31E and the W/2E/2 of Sections 10 & 3-T25S-R31E, Eddy County, New Mexico. The total estimated cost to drill and complete said well is \$14,297,452.74, as shown on the attached Authority for Expenditure ("AFE").

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

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

If you have any questions or concerns regarding this proposal, please contact me at (405) 228-2448 or ryan.cloer@dnv.com.



Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Ryan Cloer
Sr. Staff Landman

Enclosures

Chevron U.S.A. Inc. hereby elects to:

_____ I/We elect to participate in the drilling and completion of the **Exmoor 10-34 Fed Com 303H.**

_____ I/We elect not to participate in the drilling and completion of the **Exmoor 10-34 Fed Com 303H.**

Chevron U.S.A. Inc.

By: _____

Name: _____

Title: _____

Date: _____



From: Cloer, Ryan Ryan.Cloer@dvn.com
Subject: Re: [EXTERNAL] Exmoor Well Proposals
Date: March 3, 2023 at 1:54 PM
To: LaBron - Howard, Candace candacelabron@chevron.com
Cc: Sabrsula, Scott ScottSabrsula@chevron.com, Cortez, Chelsey Chelsey.Cortez@dvn.com

Candace,

I wanted to let you know that the overhead rates we plan to propose at the pooling hearing are \$8000/\$800.

Let me know if you have any questions. Have a great weekend!

Ryan Cloer

Get [Outlook for iOS](#)

From: LaBron - Howard, Candace <candacelabron@chevron.com>
Sent: Monday, February 27, 2023 9:40:33 AM
To: Cloer, Ryan <Ryan.Cloer@dvn.com>
Cc: Sabrsula, Scott <ScottSabrsula@chevron.com>; Cortez, Chelsey <Chelsey.Cortez@dvn.com>
Subject: RE: [EXTERNAL] Exmoor Well Proposals

Thanks!

From: Cloer, Ryan <Ryan.Cloer@dvn.com>
Sent: Friday, February 24, 2023 3:40 PM
To: LaBron - Howard, Candace <candacelabron@chevron.com>
Cc: Sabrsula, Scott <ScottSabrsula@chevron.com>; Cortez, Chelsey <Chelsey.Cortez@dvn.com>
Subject: [****EXTERNAL****] RE: [EXTERNAL] Exmoor Well Proposals

Be aware this external email contains an attachment and/or link.

Ensure the email and contents are expected. If there are concerns, please submit suspicious messages to the Cyber Intelligence Center using the Report Phishing button.

Good afternoon, Candace.

I am still waiting on some of the geology questions below, but I did get some answer on completion plan. Here they are:

- EXMOOR Completion Design
- WFMP
 - 2500ppf/45bpf Slickwater
 - 3 mi - 74 Stgs
 - 200' stages (10 cluster x 20')
 - 3BSLT
 - 2500ppf/42bpf Slickwater
 - 240' stages (14 cluster x 17')

RC

From: LaBron - Howard, Candace <candacelabron@chevron.com>
Sent: Thursday, February 23, 2023 8:59 AM
To: Cloer, Ryan <Ryan.Cloer@dvn.com>



Authorization for Expenditure

AFE # XX-139550.01

Well Name: EXMOOR 10-34 FED COM 303H

AFE Date: 2/24/2023

Cost Center Number: 1094549701

State: NM

Legal Description: SEC 34-24S-31E, 10 & 3-24S-31E

County/Parish: EDDY

Revision:

Explanation and Justification:

DRILL & COMPLETE FOR EXMOOR 10-34 FED COM 303H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6010130	COMPANY LABOR-ADJ	5,380.60	0.00	0.00	5,380.60
6040110	CHEMICALS - OTHER	0.00	303,599.80	0.00	303,599.80
6060100	DYED LIQUID FUELS	187,723.32	544,811.07	0.00	732,534.39
6060130	GASEOUS FUELS	0.00	193,165.93	0.00	193,165.93
6080100	DISPOSAL - SOLIDS	131,525.90	3,165.00	0.00	134,690.90
6080110	DISP-SALTWATER & OTH	0.00	10,295.00	0.00	10,295.00
6080115	DISP VIA PIPELINE SW	0.00	156,000.00	0.00	156,000.00
6090100	FLUIDS - WATER	27,700.15	10,105.15	0.00	17,595.00
6090120	RECYC TREAT&PROC-H2O	0.00	375,991.89	0.00	375,991.89
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	30,000.00	40,632.50	0.00	70,632.50
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	85,535.42	0.00	85,535.42
6130170	COMM SVCS - WAN	3,985.63	0.00	0.00	3,985.63
6130360	RTOC - ENGINEERING	0.00	6,912.34	0.00	6,912.34
6130370	RTOC - GEOSTEERING	10,960.49	0.00	0.00	10,960.49
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	479,266.16	0.00	479,266.16
6160100	MATERIALS & SUPPLIES	9,764.80	0.00	0.00	9,764.80
6170100	PULLING&SWABBING SVC	0.00	7,700.00	0.00	7,700.00
6170110	SNUBBG&COIL TUBG SVC	0.00	228,513.00	0.00	228,513.00
6190100	TRCKG&HL-SOLID&FLUID	99,042.99	0.00	0.00	99,042.99
6190110	TRUCKING&HAUL OF EQP	48,425.44	42,012.50	0.00	90,437.94
6200130	CONSLT & PROJECT SVC	134,627.33	126,854.11	0.00	261,481.44
6230120	SAFETY SERVICES	41,052.02	4,696.59	0.00	45,748.61
6300270	SOLIDS CONTROL SRVCS	76,922.72	0.00	0.00	76,922.72
6310120	STIMULATION SERVICES	0.00	2,241,895.29	0.00	2,241,895.29
6310190	PROPPANT PURCHASE	0.00	1,375,762.16	0.00	1,375,762.16
6310200	CASING & TUBULAR SVC	117,376.90	0.00	0.00	117,376.90
6310250	CEMENTING SERVICES	258,500.00	0.00	0.00	258,500.00
6310280	DAYWORK COSTS	913,230.00	0.00	0.00	913,230.00
6310300	DIRECTIONAL SERVICES	317,654.97	0.00	0.00	317,654.97
6310310	DRILL BITS	113,391.26	0.00	0.00	113,391.26
6310330	DRILL&COMP FLUID&SVC	291,349.79	27,693.75	0.00	319,043.54
6310370	MOB & DEMOBILIZATION	472,000.00	0.00	0.00	472,000.00
6310380	OPEN HOLE EVALUATION	25,906.62	0.00	0.00	25,906.62
6310480	TSTNG-WELL, PL & OTH	0.00	176,408.94	0.00	176,408.94
6310600	MISC PUMPING SERVICE	0.00	122,049.05	0.00	122,049.05
6320100	EQPMNT SVC-SRF RNTL	168,393.00	308,629.70	0.00	477,022.70
6320110	EQUIP SVC - DOWNHOLE	94,459.51	51,958.75	0.00	146,418.26
6320160	WELDING SERVICES	2,789.94	0.00	0.00	2,789.94
6320190	WATER TRANSFER	0.00	178,023.70	0.00	178,023.70
6350100	CONSTRUCTION SVC	0.00	184,181.73	0.00	184,181.73

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



Authorization for Expenditure

AFE # XX-139550.01
 Well Name: EXMOOR 10-34 FED COM 303H
 Cost Center Number: 1094549701
 Legal Description: SEC 34-24S-31E, 10 & 3-24S-31E
 Revision:

AFE Date: 2/24/2023
 State: NM
 County/Parish: EDDY

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	10,247.15	0.00	10,247.15
6550110	MISCELLANEOUS SVC	41,649.87	0.00	0.00	41,649.87
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	11,159.77	46,424.54	0.00	57,584.31
6740340	TAXES OTHER	0.00	35,102.58	0.00	35,102.58
	Total Intangibles	3,705,973.02	7,362,423.50	0.00	11,068,396.52

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	97,864.35	0.00	97,864.35
6120120	MEASUREMENT EQUIP	0.00	72,160.94	0.00	72,160.94
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	395,008.70	0.00	395,008.70
6300220	STORAGE VESSEL&TANKS	0.00	64,610.00	0.00	64,610.00
6300230	PUMPS - SURFACE	0.00	10,561.25	0.00	10,561.25
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	130,039.00	0.00	130,039.00
6310460	WELLHEAD EQUIPMENT	46,615.00	143,362.50	0.00	189,977.50
6310530	SURFACE CASING	77,165.00	0.00	0.00	77,165.00
6310540	INTERMEDIATE CASING	711,648.00	0.00	0.00	711,648.00
6310560	PROD LINERS&TIEBACKS	1,067,262.39	0.00	0.00	1,067,262.39
6310580	CASING COMPONENTS	34,675.01	0.00	0.00	34,675.01
6330100	PIPE,FIT,FLANG,CPLNG	0.00	316,834.08	0.00	316,834.08
	Total Tangibles	1,957,365.40	1,271,690.82	0.00	3,229,056.22

TOTAL ESTIMATED COST	5,663,338.42	8,634,114.32	0.00	14,297,452.74
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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.

Chronology of Contact with Non-Joined Working Interests

Chevron U.S.A. Inc.

2/15/2023 – Mailed well proposals to Chevron U.S.A. Inc.

2/15/2023 – E-mailed revised well proposals to Chevron U.S.A. Inc.

2/17/2023 – E-mail discussions with Candance LaBron-Howard; Discussing proposals & providing JOA template

2/24/2023 – E-mail discussions with Candace Labron-Howard; Discussing proposals

2/28/2023 – E-mail discussions with Candace Labron-Howard; Discussing proposals

3/3/2023 – E-mail discussions with Candace Labron-Howard; Discussing JOA terms

3/13/2023 – E-mail discussions with Candace Labron-Howard; Discussing JOA terms

3/14/2023 – E-mail discussions with Candace Labron-Howard; Discussing proposals



TAB 3

Case No. 23497

- Exhibit B: Self-Affirmed Statement of Kate Hughston-Kennedy, Geologist
- Exhibit B-1: Structure Map
- Exhibit B-2: Stratigraphic Cross Section
- Exhibit B-3: Gross Isochore
- Exhibit B-4: Gun Barrel View
- Exhibit B-5: Structural Cross-Section

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

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

Case No. 23497

SELF-AFFIRMED STATEMENT OF KATE HUGHSTON-KENNEDY

I, Kate Hughston-Kennedy, 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. I graduated in 2005 from Texas A&M University with a Bachelor of Science Degree in geology. I have worked at Devon Energy for approximately 10 years, and I have been working in New Mexico for 10 years. My credentials as a petroleum geologist 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 above-referenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.
5. **Exhibit B-1** is a structure map of the top of the 3rd Bone Spring Limestone with contour interval of 25’. The unit being pooled is outlined by a red rectangle. The structure map shows that there is a regional down-dip to the east-southeast. The proposed



well will be drilled up dip over the crest of an anticline that trends NW-SE. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval

6. **Exhibit B-2** is a stratigraphic cross-section flattened on the 3rd Bone Spring Sandstone. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates reservoir continuity and a slight overall thickening from north to south. The well logs on the cross-section give a representative sample of the 3rd Bone Spring Limestone. The landing zone is highlighted by a red outline on the cross-section.

7. Additional exhibits for the benefit of the Division's review include **Exhibit B-3**, a gross isochore of the 3rd Bone Spring Limestone, as well as **Exhibits B-4 and B-5**. **Exhibit B-4** is a gun barrel representation of the unit, and **Exhibit B-5** is a structural cross section built along the wellbore trajectories. Exhibits B-1 through B-5 are the same for the Devon's application in Case No. 23497.

8. 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.

9. The preferred well orientation in this area is south-north so that the wells run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

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

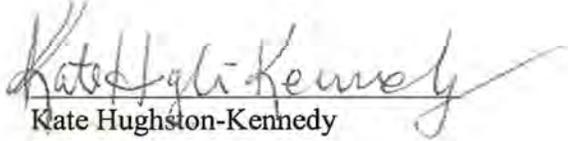
11. The granting of this Application is in the interests of conservation, the prevention of waste and the drilling of unnecessary wells, and the protection of correlative rights.

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

[Signature page follows]

Signature page of Self-Affirmed Statement of Kate Hughston-Kennedy:

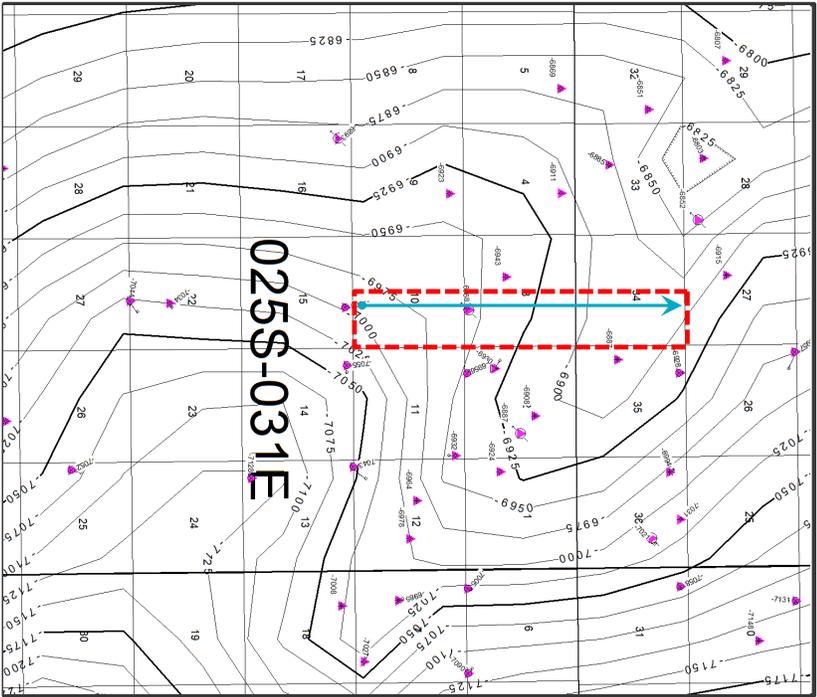
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23497 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.


Kate Hughston-Kennedy

4/27/23

Date Signed

3rd Bone Spring Limestone Top (SS) Structure Map (C.I. = 25')



- ▲ 3BSLM Tops
- Area of Interest



EXHIBIT
B-1

Stratigraphic Cross-Section N-S

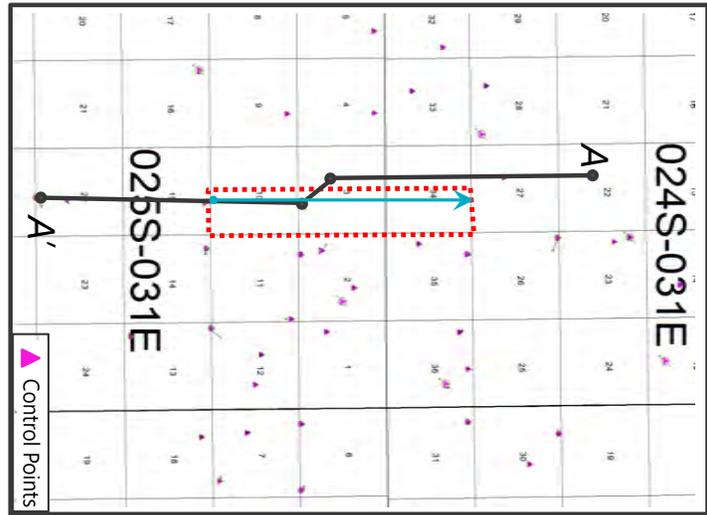
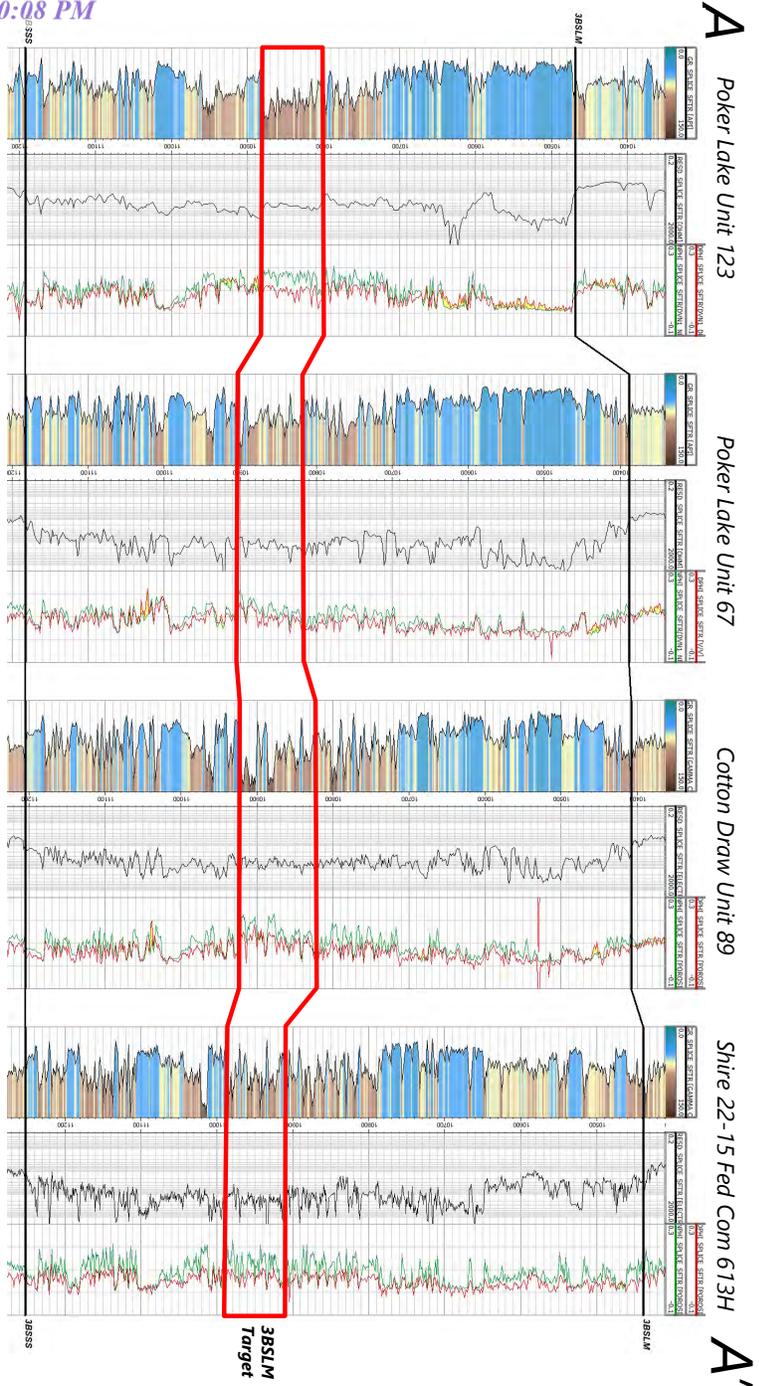
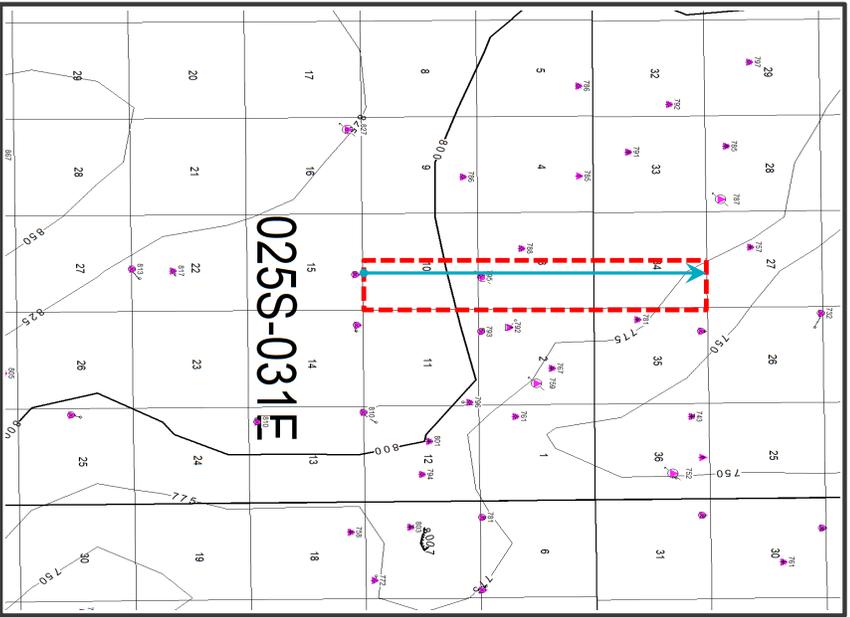


EXHIBIT B-2

3rd Bone Spring Limestone Isochore Map (C.I. = 25')



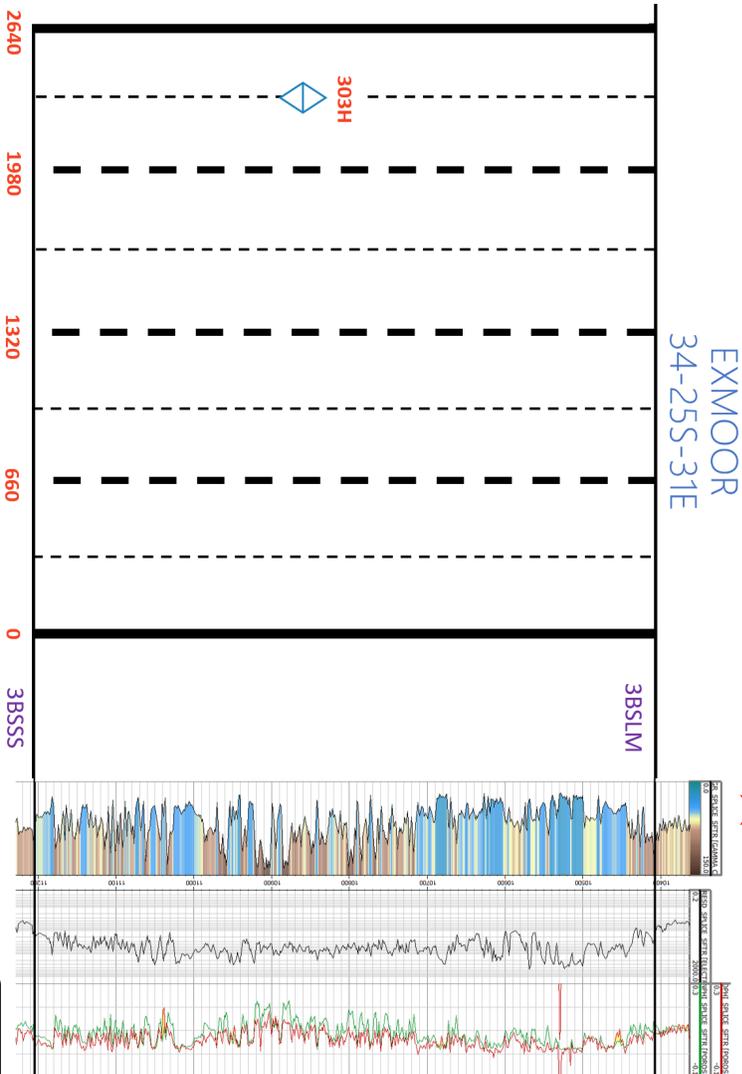
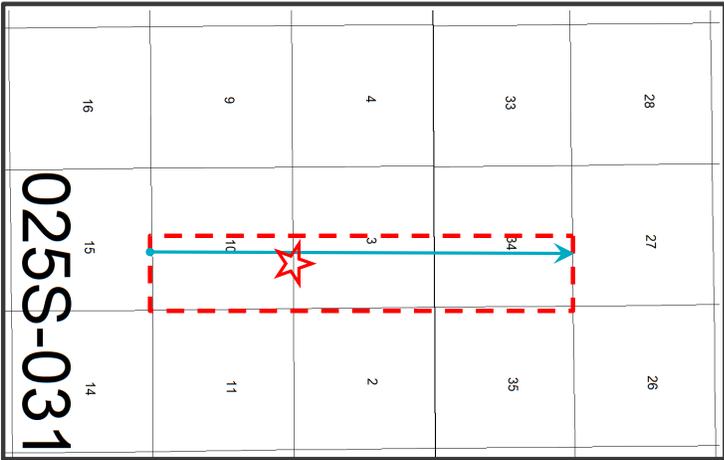
▲ Control Points

□ Area of Interest

EXHIBIT
B-3

Devon Exmoor 10-34 Gun Barrel

Planned Wells
3BSLIM



Cotton Draw Unit 89



Wells are spaced at 660'.

EXHIBIT
B-4

3BSLM Projected Structural Cross Section

Exmoor 10-34 Fed Com 303H
3BSLM Target: 10,850' TVD
Well TD: 26,409' MD

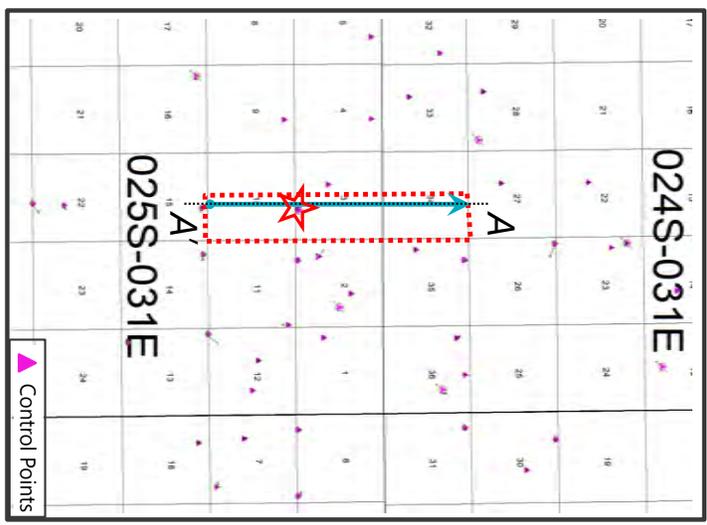
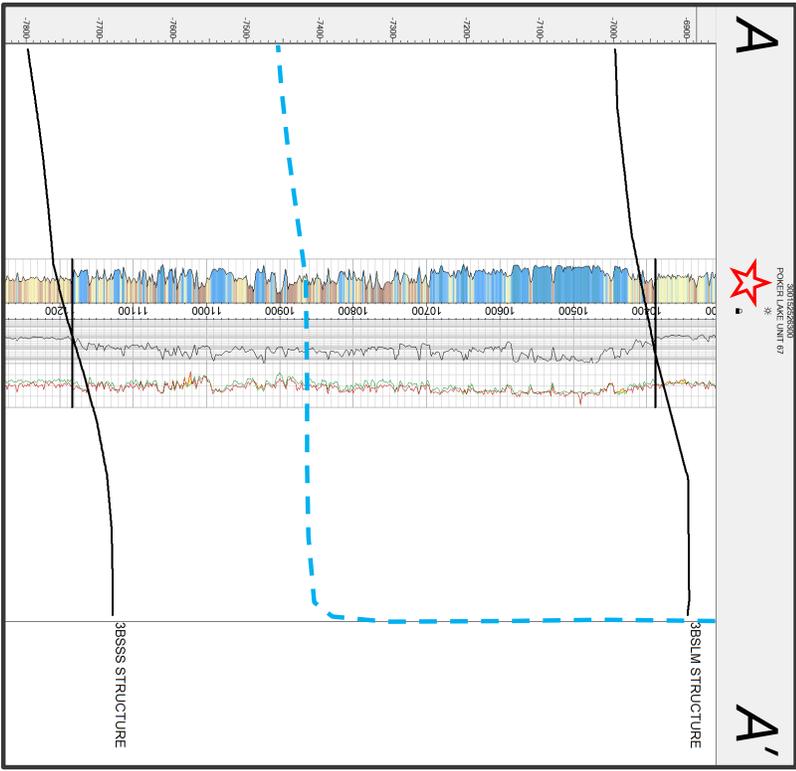


EXHIBIT B-5

TAB 4

Case No. 23497

Exhibit C: Affidavit of Notice, Darin C. Savage
Exhibit C-1: Notice Letter
Exhibit C-2: Mailing List
Exhibit C-3: Affidavit of Publication

Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23497 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.



Darin Savage

May 2, 2023

Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

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

April 13, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Devon Energy Production Company, L.P., for a horizontal spacing unit and compulsory pooling, Eddy County, New Mexico
Exmoor 10-34 Fed Com 303H Well (Case No. 23497)

Case Nos. 23497:

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P. (“Devon”) has filed the enclosed application, Case No. 23497, with the New Mexico Oil Conservation Division (“Division”) for the compulsory pooling of units in the Bone Spring formation.

In Case No. 23497, Devon seeks to pool the Paduca; Bone Spring (O) pool [Pool Code (96641)], from the stratigraphic equivalent of 100 feet from below the base of the Avalon Sand, as seen at a depth of 8,358 feet, to the stratigraphic equivalent of the base of the Paduca; Bone Spring (O) formation, as seen at a depth of 11,520 feet underlying the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico, a standard unit encompassing 477.20 acres, more or less, dedicated to the above-referenced 303H Well.

A hearing has been requested before a Division Examiner on May 4, 2023, and the status of the hearing can be monitored through the Division’s website. Division hearings will

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

EXHIBIT
C-1

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 current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) 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 Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. 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 Ryan Cloer at (405) 228-2448 or at ryan.cloer@dvn.com.

Sincerely,



Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Transaction Report Details - CertifiedPro.net											
Date Created: 4/13/2023 - 4/13/2023											
Generated: 5/2/2023 10:29:15 AM											
USPS Article Number	Date Mailed	Reference Number	Name 1	Name 2	Address1	Address2	City	State	Zip	Mailing Status	Mail Service Type
9314869904300106639412	4/13/2023	4188.44	Pegasus Resources II LLC		PO BOX 470698		FORT WORTH	TX	76147	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639405	4/13/2023	4188.44	Barry Eugene Bryan		PO BOX 207		VIDA	OR	97488	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639399	4/13/2023	4188.44	Eden Mendoza Bryan		218 ALICE FARR DR		GREENVILLE	SC	29617	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300106639382	4/13/2023	4188.44	Brynne Lee Bryan		9104 SEMINOLE CIR		FLOWER MOUND	TX	75022	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639375	4/13/2023	4188.44	Janice Mendoza Bryan		PO BOX 972		POHNPEI	FM	96941	Undelivered	Return Receipt - Electronic, Certified Mail
9314869904300106639368	4/13/2023	4188.44	Tumbler Energy Partners, LLC		PO BOX 50938		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639351	4/13/2023	4188.44	Trustee of the Wallace Merchant Trust		914 ACORN ST		HUNTSVILLE	AR	72740	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639344	4/13/2023	4188.44	Donald R. Merchant, Trustee or Successor Trustee	under Declaration of Trust dated December 15, 1981	59 DAMONTE RANCH PRKWY	STE B 205	Reno	NV	89521	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639337	4/13/2023	4188.44	Shirley May Childress	as separate property	604 N DELAWARE AVE	APT 2	ROSWELL	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639320	4/13/2023	4188.44	John E. Cochran	as separate property	5003 RIVERSIDE OAKS DR		KINGWOOD	TX	77345	Undelivered	Return Receipt - Electronic, Certified Mail
9314869904300106639313	4/13/2023	4188.44	McCaw Properties, LLC		PO BOX 127		ARTESIA	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639306	4/13/2023	4188.44	Estate of Tom E. Bryan, deceased		1224 TRAILRIDGE DR		Canyon Lake	TX	78133	Undelivered	Return Receipt - Electronic, Certified Mail
9314869904300106639290	4/13/2023	4188.44	Betty Jo Bryan Bradshaw	as separate property	PO BOX 761		PLACITAS	NM	87043	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639283	4/13/2023	4188.44	Ballard E. Spencer Trust, Inc.		PO BOX 6		ARTESIA	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639276	4/13/2023	4188.44	Chevron USA Inc.	Attn: Scott Sabrsula	1400 Smith Street		Houston	TX	77002	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300106639269	4/13/2023	4188.44	Bureau of Land Management		620 E. GREENEST.		CARLSBAD	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail





April 18, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6394 12.**

Item Details

Status:	Delivered
Status Date / Time:	April 17, 2023, 09:59 a.m.
Location:	FORT WORTH, TX 76147
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Pegasus Resources II LLC

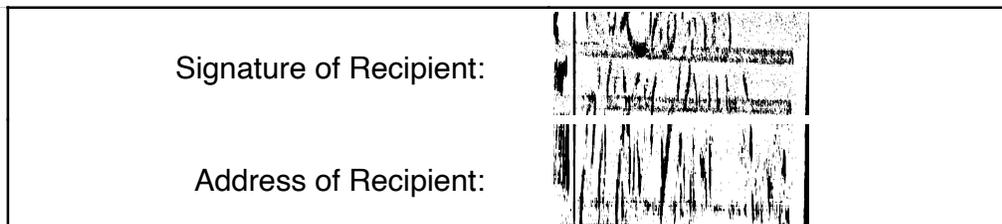
Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address:	PO BOX 470698
City, State ZIP Code:	FORT WORTH, TX 76147-0698

Recipient Signature



Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

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Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.44



April 20, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6394 05.**

Item Details

Status: Delivered
Status Date / Time: April 19, 2023, 02:41 p.m.
Location: VIDA, OR 97488
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Barry Eugene Bryan

Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: PO BOX 207
City, State ZIP Code: VIDA, OR 97488-0207

Recipient Signature

Signature of Recipient:	Signature X <i>Benjamin Bryan</i>
	Printed Name <i>Benjamin Bryan</i>
Address of Recipient:	Delivery Address <i>PO Box 207</i>

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Reference Number: 4188.44



April 18, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6393 82.**

Item Details

Status: Delivered, Left with Individual
Status Date / Time: April 17, 2023, 04:39 p.m.
Location: FLOWER MOUND, TX 75022
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Brynne Lee Bryan

Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: 9104 SEMINOLE CIR
City, State ZIP Code: FLOWER MOUND, TX 75022-7038

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.44



April 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6393 68**.

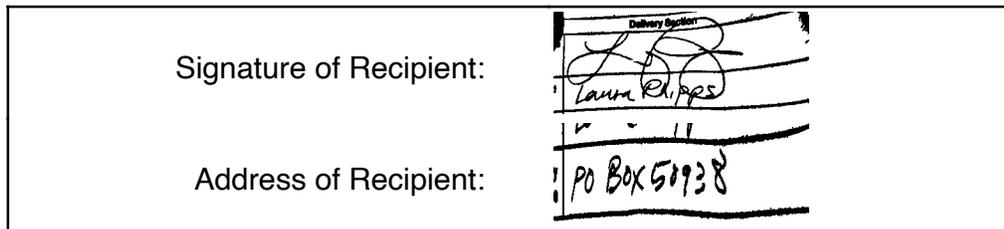
Item Details

Status:	Delivered, Left with Individual
Status Date / Time:	April 20, 2023, 02:20 p.m.
Location:	MIDLAND, TX 79705
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Tumbler Energy Partners LLC

Shipment Details

Weight: 2.0oz

Recipient Signature



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Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.44



April 19, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6393 51**.

Item Details

Status: Delivered, Individual Picked Up at Post Office
Status Date / Time: April 18, 2023, 10:21 a.m.
Location: HUNTSVILLE, AR 72740
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Trustee of the Wallace Merchant Trust

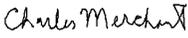
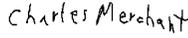
Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: 914 ACORN ST
City, State ZIP Code: HUNTSVILLE, AR 72740-9670

Recipient Signature

Signature of Recipient:	  914 ACORN ST <small>HUNTSVILLE, AR 72740-9670</small>
Address of Recipient:	914 ACORN ST <small>HUNTSVILLE, AR 72740-9670</small>

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Reference Number: 4188.44



April 18, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6393 44.**

Item Details

Status: Delivered, Left with Individual
Status Date / Time: April 17, 2023, 04:39 p.m.
Location: RENO, NV 89521
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Donald R Merchant Trustee or Successor Trustee

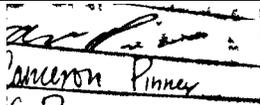
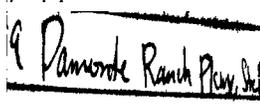
Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: 59 DAMONTE RANCH PKWY
City, State ZIP Code: RENO, NV 89521-1907

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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April 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6393 37.**

Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	April 20, 2023, 02:35 p.m.
Location:	ROSWELL, NM 88201
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Shirley May Childress as separate property

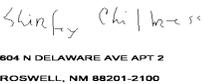
Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address:	604 N DELAWARE AVE APT 2
City, State ZIP Code:	ROSWELL, NM 88201-2100

Recipient Signature

Signature of Recipient:	 
Address of Recipient:	

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Reference Number: 4188.44



April 18, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6393 13.**

Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	April 17, 2023, 09:44 a.m.
Location:	ARTESIA, NM 88210
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	McCaw Properties LLC

Shipment Details

Weight:	2.0oz
----------------	-------

Recipient Signature

Signature of Recipient:	 Mehssa Felker
Address of Recipient:	

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Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.44



April 25, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6392 90.**

Item Details

Status: Delivered, Individual Picked Up at Post Office
Status Date / Time: April 24, 2023, 08:15 a.m.
Location: PLACITAS, NM 87043
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Betty Jo Bryan Bradshaw as separate property

Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: PO BOX 761
City, State ZIP Code: PLACITAS, NM 87043-0761

Recipient Signature

Signature of Recipient:	 PO BOX 761 <small>PLACITAS, NM 87043-0761</small>
Address of Recipient:	

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Reference Number: 4188.44



April 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6392 83.**

Item Details

Status:	Delivered, Individual Picked Up at Post Office
Status Date / Time:	April 20, 2023, 02:59 p.m.
Location:	ARTESIA, NM 88210
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	Ballard E Spencer Trust Inc

Shipment Details

Weight: 2.0oz

Recipient Signature

Signature of Recipient:	 Van A Webster PO BOX 6 <small>ARTESIA, NM 88211-0006</small>
Address of Recipient:	

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Reference Number: 4188.44



April 21, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6392 76**.

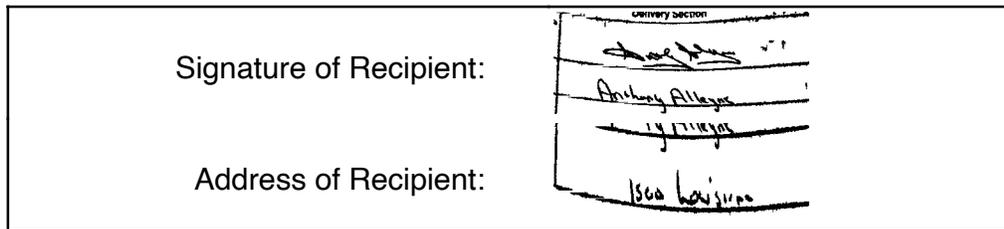
Item Details

Status: Delivered, Front Desk/Reception/Mail Room
Status Date / Time: April 20, 2023, 11:00 a.m.
Location: HOUSTON, TX 77202
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Chevron USA Inc Attn Scott Sabrsula

Shipment Details

Weight: 2.0oz

Recipient Signature



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Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.44



April 19, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0106 6392 69.**

Item Details

Status: Delivered, Left with Individual
Status Date / Time: April 18, 2023, 01:18 p.m.
Location: CARLSBAD, NM 88220
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: Bureau of Land Management

Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: 620 E GREENE ST
City, State ZIP Code: CARLSBAD, NM 88220-6292

Recipient Signature

Signature of Recipient:	
Address of Recipient:	

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 United States Postal Service®
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 Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4188.44

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005667556

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ABADIE SCHILL P.C.
555 RIVERGATE # B 4-180

DURANGO, CO 81301-7485

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

04/18/2023



Legal Clerk

Subscribed and sworn before me this April 18, 2023:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005667556
PO #: 0005667556
of Affidavits 1

This is not an invoice

CASE No. 23497: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include CHEVRON USA INC.; BALLARD E. SPENCER TRUST, INC.; BETTY JO BRYAN BRADSHAW; ESTATE OF TOM E. BRYAN, DECEASED; MCCAWE PROPERTIES, LLC; JOHN E. COCHRAN; SHIRLEY MAY CHILDRESS; DONALD R. MERCHANT, TRUSTEE OR SUCCESSOR TRUSTEE UNDER DECLARATION OF TRUST DATED DECEMBER 15, 1981 AND AMENDMENTS THERETO; TRUSTEE OF THE WALLACE MERCHANT TRUST; TUMBLER ENERGY PARTNERS, LLC; JANICE MENDOZA BRYAN; BRYNNE LEE BRYAN; EDEN MENDOZA BRYAN; BARRY EUGENE BRYAN; AND PEGASUS RESOURCES II LLC -- of Devon Energy Production Company, L.P.'s application for approval of a spacing unit and compulsory pooling, Eddy 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 May 4, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> 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) to pool the Paduca; Bone Spring (O) pool [Pool Code (96641)], from the stratigraphic equivalent of 100 feet from below the base of the Avalon Sand, as seen at a depth of 8,358 feet, to the stratigraphic equivalent of the base of the Paduca; Bone Spring (O) formation, as seen at a depth of 11,520 feet, designated as an oil pool, underlying the W/2 NE/4, the NW/4 SE/4 and Lot 3 (SW/4 SE/4 equivalent) of Section 34, in Township 24 South, Range 31 East, NMPM; and Lot 2 (NW/4 NE/4 equivalent), SW/4 NE/4, and W/2 SE/4 of Section 3 and the W/2 E/2 of Section 10, in Township 25 South, Range 31 East, NMPM; Eddy County, New Mexico, a standard unit encompassing 477.20 acres, more or less, dedicated to the Exmoor 10-34 Fed Com 303H Well. Devon seeks approval for overlap wells within units it operates, as follows: (1) the Cotton Draw Unit 117H Well (API No. 30-015-38434) within a unit that covers the W/2 E/2 of Section 34; (2) the Cotton Draw Unit 114H Well (API No. 30-015-37410) within a unit that covers the W/2 E/2 of Section 34; (3) the Cotton Draw Unit 216Y Well (API No. 30-015-42648) within a unit that covers the W/2 E/2 of Section 3; (4) the Cotton Draw Unit 272H Well (API No. 30015-43724)) within a unit that covers the W/2 E/2 of Section 3; and (5) the Cotton Draw 10 Fed 1H Well (API No. 30-015-39229) and 3H Well (API No. 30-01542126) both located in a unit that covers the W/2 E/2 of Section 10. Sections 3 and 34 of the proposed unit are part of the Cotton Draw Federal Unit for which Devon is the designated operator. The proposed 303H well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules. 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 35.5 miles northwest of Jal, New Mexico, and approximately 11.2 miles north of the state line.

#5667556, Current Argus, April 18, 2023

EXHIBIT
C-3