

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JUNE 1, 2023**

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

**Case No. 23550:**

**Prairie Fire 27-25 Fed Com 722H Well**

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

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# **TAB 1**

Reference for Case No. 23550  
Application Case No. 23550:  
**Prairie Fire 27-25 Fed Com 722H Well**

NMOCD Checklist Case No. 23550

**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. \_\_\_\_\_

**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 400-acre, more or less, spacing and proration unit comprised of the S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying said unit.

In support of its Application, Devon states the following:

1. Devon is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.
2. Devon proposes and dedicates to the HSU the **Prairie Fire 27-25 Fed Com 722H Well**, as an initial well, to be drilled to a sufficient depth to test the Wolfcamp formation.
3. Devon proposes the **Prairie Fire 27-25 Fed Com 722H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 25.

4. The **722H Well** is orthodox in its location, and the take points and completed interval complies with setback requirements under the statewide rules.

5. Devon's review of land records did not indicate that there exist overlapping units; however, if an overlapping unit is discovered, Devon will address the matter during the permitting stage.

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 Wolfcamp 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 June 1, 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 400-acre, more or less, spacing and proration unit comprised of the S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico;

B. Pooling all uncommitted mineral interests in the Wolfcamp formation underlying the proposed HSU.

C. Approving the **Prairie Fire 27-25 Fed Com 722H Well** as the well for the HSU.

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

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

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

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

Respectfully submitted,

ABADIE & SCHILL, PC

*/s/ Darin C. Savage*

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Darin C. Savage

Andrew D. Schill  
William E. Zimsky  
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bill@abadieschill.com

**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 400-acre, more or less, spacing and proration unit comprised of the S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying the unit. The proposed well to be dedicated to the horizontal spacing unit is the **Prairie Fire 27-25 Fed Com 722H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 25. The **722H Well** will be orthodox, and its take points and completed intervals will comply with the setback requirements under 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 57 miles northwest of Jal, New Mexico, and approximate 37 miles north of the state line.

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23550</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: June 1, 2023 (Scheduled hearing)</b>	
Applicant	<b>Devon Energy Production Company, L.P.</b>
Designated Operator & OGRID (affiliation if applicable)	<b>6137</b>
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
Entries of Appearance/Intervenors:	N/A
Well Family	Prairie Fire 27-25 Fed Com
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	WC 20S29E23: Wolfcamp; Pool Code: [98357]
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	400-acre, more or less
Building Blocks:	Quarter-Quarter Sections (40 Acre Blocks)
Orientation:	West to East
Description: TRS/County	S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 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
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	See Exhibit A-2, breakdown of ownership
<b>Well(s)</b>	
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	Prairie Fire 27-25 Fed Com 722H Well (API No. 30-015-Pending), SHL: Unit D, 208' FNL, 710' FWL, Section 27, T20S-R29E; BHL: Unit H, 1980' FNL, 20' FEL, Section 25, T20S-R29E, NMPM; Eddy County, New Mexico
Well #2	



Horizontal Well First and Last Take Points	Prairie Fire 27-25 Fed Com 722H Well: FTP: Unit G, 1980' FNL, 2540' FEL, Section 27, T20S-R29E LTP: Unit H, 1980' FNL, 100' FEL, Section 25, T20S-R29E
Completion Target (Formation, TVD and MD)	Prairie Fire 27-25 Fed Com 722H Well: TVD approx. 9933', TMD 22,433'; Wolfcamp formation, See Exhibit A,
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
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)	All uncommitted WI owners; ORRI owners; and Record Title owners; including as shown on Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit A, Para. 12
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
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
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1, B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4, B-5
Well Orientation (with rationale)	Exhibit B, B-1, B-3
Target Formation	Exhibit B-2, B-4, B-5
HSU Cross Section	Exhibit B-2, B-4, B-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	

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
Well Bore Location Map	Exhibit A-1, B-1, B-2, B-3
Structure Contour Map - Subsea Depth	Exhibit B-1
Cross Section Location Map (including wells)	Exhibit B-2, B-4, B-5
Cross Section (including Landing Zone)	Exhibit B-2, B-4, B-5
<b>Additional Information</b>	
Special Provisions/Stipulations	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Darin C. Savage
<b>Signed Name</b> (Attorney or Party Representative):	/s/ <i>Darin Savage</i>
<b>Date:</b>	30-May-23

## TAB 2

- Exhibit A: Self-Affirmed Statement of Andy Bennett, 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,  
L.P., FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 23550

**SELF-AFFIRMED STATEMENT OF ANDY BENNETT**

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 Statement, 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 from the University of Oklahoma with a Bachelor’s degree in Business (Energy Management) in 2008. I have worked at Devon for approximately 14 years, and I have been working in New Mexico for 5 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 Statement 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 Wolfcamp formation ([WC 20S29E23: Wolfcamp]; Pool Code: [98357]) underlying a standard 400-acre, more or less, horizontal spacing and proration unit comprised of the S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.



6. Under Case No. 23550, Devon seeks to dedicate the **Prairie Fire 27-25 Fed Com 722H Well** (API 30-015-pending) an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 25; approximate TVD of 9,933'; approximate TMD of 22,433'; FTP in Section 27: 1,980' FNL, 2,540' FEL; LTP in Section 25: 1,980' FNL, 100' 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 unit being pooled is attached hereto as **Exhibit A-2**, which show the location of the proposed well within the unit. The well location 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 the working interest owners, the overriding royalty interest owners, and the record title owners to be pooled.

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

11. A good faith review of records did not reveal any overlapping units.

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

15. **Exhibit A-3** is a sample proposal letter and the AFEs for the proposed well. The estimated cost of the well 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 unit and well.

19. The Exhibits to this Statement 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 Andy Bennett:*

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23550 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.



Andy Bennett



Date Signed



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

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

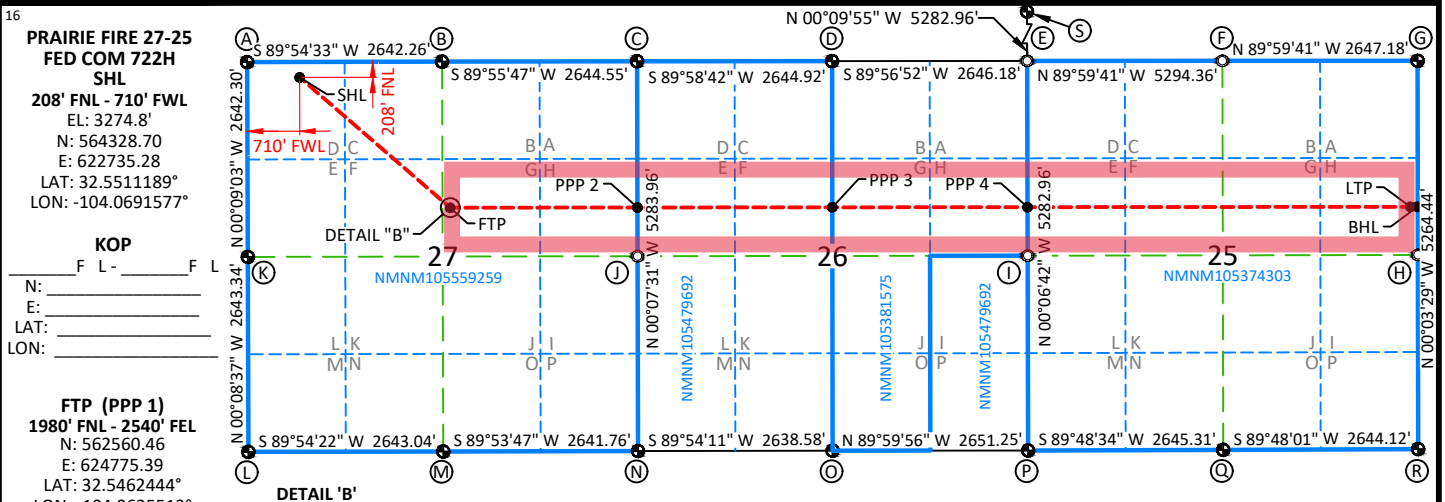
Table with 3 columns: API Number, Pool Code, Pool Name; Property Code, Property Name, Well Number; OGRID No., Operator Name, Elevation.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

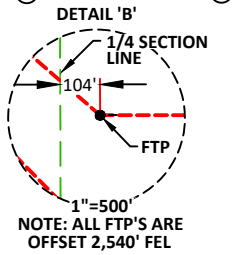
Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 4 columns: Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

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



KOP
N:
E:
LAT:
LON:
FTP (PPP 1)
1980' FNL - 2540' FEL
N: 562560.46
E: 624775.39
LAT: 32.5462444°
LON: -104.0625513°
PPP 2
1980' FNL - 0' FEL
N: 562561.63
E: 627314.79
LAT: 32.5462296°
LON: -104.0543102°
PPP 3
1980' FNL - 2646' FEL
N: 562562.86
E: 629956.70
LAT: 32.5462136°
LON: -104.0457364°
PPP 4
1980' FNL - 0' FEL
N: 562564.09
E: 632604.16
LAT: 32.5461971°
LON: -104.0371447°
LTP
1980' FNL - 100' FEL
N: 562566.49
E: 637795.42
LAT: 32.5461629°
LON: -104.0202976°
BHL
1980' FNL - 20' FEL
N: 562566.49
E: 637875.40
LAT: 32.5461622°
LON: -104.0200381°



SECTION CORNER COORDINATE TABLE
A N: 564535.52 E: 622024.91
B N: 564539.71 E: 624666.53
C N: 564542.95 E: 627310.45
D N: 564543.95 E: 629954.74
E N: 564546.37 E: 632600.30
F N: 564546.12 E: 635246.85
G N: 564545.87 E: 637893.40
H N: 561914.28 E: 637896.06
I N: 561905.52 E: 632605.44
J N: 561901.60 E: 627316.23
K N: 561893.86 E: 622031.85
L N: 559251.15 E: 622038.48
M N: 559255.49 E: 624680.89
N N: 559260.26 E: 627322.02
O N: 559264.72 E: 629959.96
P N: 559264.68 E: 632610.58
Q N: 559273.48 E: 635255.24
R N: 559282.69 E: 637898.72
S N: 569828.04 E: 632585.06

LEGEND
SECTION LINE
1/4 SEC. LINE
1/4 SEC. LINE
WELL PATH LEASE LINE
LEASE ID NUMBER
FOUND USGLO B.C. ON 1" PIPE, "1916"
CALCULATED POINT

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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: Chelsey Green
Date: 05/23/23
Printed Name: Chelsey Green
E-mail Address: chelsey.green@dvn.com

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 true and correct to the best of my belief.
Date of Survey: 05/11/2023
Signature and Seal of Professional Surveyor: Albert R. DeHoyos
Professional Surveyor No. 23261

NOTES:
1. BASIS OF BEARINGS, COORDINATES AND DISTANCES ARE A LAMBERT CONICAL PROJECTION OF THE NEW MEXICO COORDINATE SYSTEM, STATE PLANE GRID, NAD 83, NEW MEXICO EAST (3001) WITH A CONVERGENCE ANGLE OF -0°09'37.47" AND A COMBINED SCALE FACTOR OF 1.000237768 BASED ON CONTROL POINT CP FTZ BOOSTER AT N:556917.441 E:633268.606.
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCES IN U.S. SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000237768.
3. ELEVATIONS SHOWN ARE EXISTING GROUND UNLESS OTHERWISE NOTED.

Certificate No. 23261
Albert R. DeHoyos
Drawn by: JMA
Checked by: ARD

EXHIBIT A-1

Intent  As Drilled

API #

Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: PRAIRIE FIRE 27-25 FED COM	Well Number 722H
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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
G	27	20-S	29-E	N/A	1980	NORTH	2540	EAST	EDDY
Latitude 32.5462444°					Longitude -104.0625513°			NAD 83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
H	25	20-S	29-E	N/A	1980	NORTH	100	EAST	EDDY
Latitude 32.5461629°					Longitude -104.0202976°			NAD 83	

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

Is this well an infill well?

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

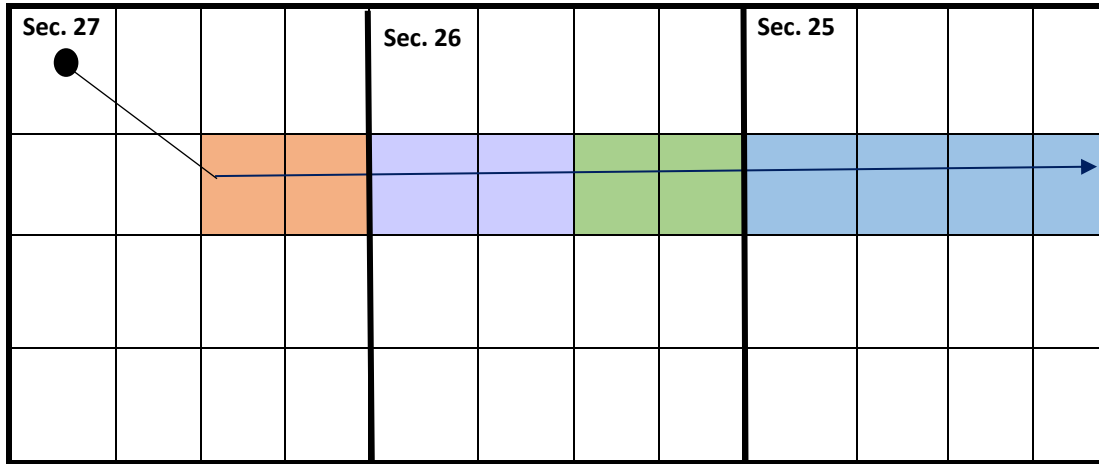
API #

Operator Name:	Property Name:	Well Number
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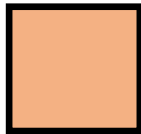
KZ 06/29/2018

Exhibit "A-2"

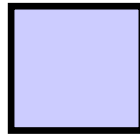
S/2NE/4 of Section 27 and the S/2N/2 of Sections 25 and 26, Township 20 South, Range 29  
East of Eddy County, NM (PERMIAN/DELAWARE BASIN) – Wolfcamp formation



**Tract 1:**  
USA NMNM-83068  
(80 acres)



**Tract 2:**  
USA NMNM-103602  
(80 acres)



**Tract 3:**  
USA NMNM-129731  
(80 acres)



**Tract 4:**  
USA NMNM-132066  
(160 acres)



**Prairie Fire 27-25 Fed Com 722H**

**SHL: Sec. 27-20S-29E; 208' FNL and 710' FWL**

**BHL: Sec. 25-20S-29E; 1,980' FNL and 100' FEL**



**Exhibit "A-2"**  
**OWNERSHIP BREAKDOWN – Wolfcamp formation**

**S/2NE/4 of Section 27 and the S/2N/2 of Sections 25 and 26, Township 20 South, Range 29  
 East of Eddy County, NM**

**Prairie Fire 27-25 Fed Com 722H**

**TRACT 1 OWNERSHIP (S/2NE/4 of Section 27-T20S-R29E, being 80 acres)**

**Lease: USA NMNM-83068**

<b>Owner</b>	<b>Net Acres</b>	<b>Unit WI</b>	<b>Status</b>
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	62.1425	0.15535625	Committed
Marathon Oil Permian, LLC 5555 San Felipe St. Houston, TX 77056	8.00	0.02	Uncommitted
MRC Permian Company 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	7.8575	0.01964375	Uncommitted
MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	1.92	0.0048	Uncommitted
Nadal & Gussman Capitan, LLC c/o NexGen Capital Resources, LLC 4000 N. Big Spring St., Suite 210 Midland, TX 79705	0.08	0.0002	Uncommitted
<b>TRACT 1 TOTAL</b>	<b>80</b>	<b>0.20</b>	

**TRACT 2 OWNERSHIP (S/2NW/4 of Section 26-T20S-R29E, being 80 acres)****Lease: USA NMNM-103602**

<b>Owner</b>	<b>Net Acres</b>	<b>Unit WI</b>	<b>Status</b>
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	80.00	0.20	Committed
<b>TRACT 2 TOTAL</b>	<b>80.00</b>	<b>0.20</b>	

**TRACT 3 OWNERSHIP (S/2NE/4 of Section 26-T20S-R29E, being 80 acres)****Lease: USA NMNM-129731**

<b>Owner</b>	<b>Net Acres</b>	<b>Unit WI</b>	<b>Status</b>
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	80.00	0.20	Committed
<b>TRACT 3 TOTAL</b>	<b>80.00</b>	<b>0.20</b>	

**TRACT 4 OWNERSHIP (S/2N/2 of Section 25-T20S-R29E, being 160 acres)****Lease: USA NMNM-132066**

<b>Owner</b>	<b>Net Acres</b>	<b>Unit WI</b>	<b>Status</b>
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	160.00	0.40	Committed
<b>TRACT 4 TOTAL</b>	<b>160.00</b>	<b>0.40</b>	

**Complete List of Parties/Persons to be Pooled:**

**Working Interest Owners**

Devon Energy Production Company, L.P.

Marathon Oil Permian, LLC

MRC Permian Company

MRC Delaware Resources, LLC

Nadal & Gussman Capitan, LLC

(c/o NexGen Capital Resources, LLC)

**Overriding Royalty Owners**

Chalcam Exploration, LLC

Thomas R. Nickoloff, MSU

**Record Title Owners**

Devon Energy Production Company, L.P.

David Petroleum Corporation

Oxy Y-1 Company

Yates Industries, LLC

Permian Exploration Corporation

K&C Production Company Inc.

MRC Delaware Resources, LLC

Marathon Oil Permian, LLC

Nadal & Gussman Capitan, LLC

**UNIT RECAPITULATION:**

**S/2NE/4 of Section 27 and S/2N/2 of Sections 25 and 26; all in T20S-R29E; 400 acres**

Devon Energy Production Company, L.P.                      95.535625% WI

Marathon Oil Permian, LLC                                      2.00% WI

MRC Permian Company 1.964375% WI

MRC Delaware Resources, LLC 0.48% WI

Nadal & Gussman Capitan, LLC 0.02% WI  
(c/o NexGen Capital Resources, LLC)

**UNIT TOTAL: 100% WI**

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

405 552 8002 Phone  
www.devonenergy.com



March 15, 2023

MRC Permian Company;  
MRC Delaware Resources, LLC  
5400 Lyndon B. Johnson Freeway, Suite 1500  
Dallas, Texas 75240

RE: Prairie Fire 27-25 Fed Com Well Proposals  
N2 of Sections 25 and 26; and NE4 of Section 27; All in T20S-R29E  
Eddy County, New Mexico

To Whom It May Concern,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill and complete the following three (3) wells:

**Prairie Fire 27-25 Fed Com 331H** – to be drilled to a depth sufficient to test the Bone Spring formation (estimated TVD 9,582'; estimated TMD 22,082'). The surface location for this well is proposed to be approximately 178' FNL & 710' FWL, Section 27-T20S-R29E, and a bottom hole location at approximately 1220' FNL & 20' FEL, Section 25-T20S-R29E. The total estimated cost to drill and complete said well is \$9,456,828.86, as shown on the attached Authority for Expenditure ("AFE"). The NE4 of Section 27 and the N2 of Sections 25 and 26 will be dedicated to the well as the spacing unit.

**Prairie Fire 27-25 Fed Com 621H** – to be drilled to a depth sufficient to test the Wolfcamp formation (estimated TVD 9,753'; estimated TMD 22,253'). The surface location for this well is proposed to be approximately 148' FNL & 710' FWL, Section 27-T20S-R29E, and a bottom hole location at approximately 460' FNL & 20' FEL, Section 25-T20S-R29E. The total estimated cost to drill and complete said well is \$10,156,388.41, as shown on the attached Authority for Expenditure ("AFE"). The N2NE4 of Section 27 and the N2N2 of Sections 25 and 26 will be dedicated to the well as the spacing unit.

**Prairie Fire 27-25 Fed Com 722H** – to be drilled to a depth sufficient to test the Wolfcamp formation (estimated TVD 9,933'; estimated TMD 22,433'). The surface location for this well is proposed to be approximately 208' FNL & 710' FWL, Section 27-T20S-R29E, and a bottom hole location at approximately 1980' FNL & 20' FEL, Section 25-T20S-R29E. The total estimated cost to drill and complete said well is \$10,287,105.01, as shown on the attached Authority for Expenditure ("AFE"). The S2NE4 of Section 27 and the S2N2 of Sections 25 and 26 will be dedicated to the well as the spacing unit.

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

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

EXHIBIT  
A-3



Prairie Fire 27-25 Fed Com

- Devon Energy Production Company, L.P. named as Operator
- Contract Area: N/2 of Sections 25 and 26 and NE4 of Section 27, T20S-R29E, Eddy County, NM
- 100/300% Non-Consenting Penalty
- Overhead rates of \$8,000 DWR/\$800 PWR

Devon recognizes there is an existing Operating Agreement (“Zinnia JOA”) dated May 19, 1993, that includes Section 27-20S-29E, along with the Zinnia Federal Unit #1 wellbore that Devon is the Operator of, located in Section 27-20S-29E. Devon will utilize the Zinnia JOA to calculate all owners contractual interest under the NE4 of Section 27 in order to proportionately reduce across the entire Contract Area for the upcoming Prairie Fire 27-25 Fed Com wells, but Devon wishes for all parties to enter into a new JOA that will govern the Contract Area.

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

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

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

Please do not hesitate to contact me at (405) 552-8002 or via email at [Andy.Bennett@dvn.com](mailto:Andy.Bennett@dvn.com) if you have any questions concerning this proposal.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Andy Bennett  
Advising Landman

Enclosures

**MRC Permian Company** hereby elects to:



### Authorization for Expenditure

AFE # XX-141319.01

Well Name: PRAIRIE FIRE 27-25 FED COM 722H

AFE Date: 3/9/2023

Cost Center Number: 1094582601

State: NM

Legal Description: SECTIONS 27 &amp; 25-20S-29E

County/Parish: EDDY

Revision: 

#### Explanation and Justification:

DRILL & COMPLETE FOR THE PRAIRIE FIRE 27-25 FED COM 722H

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	145,596.00	0.00	145,596.00
6060100	DYED LIQUID FUELS	245,986.89	290,591.00	0.00	536,577.89
6060130	GASEOUS FUELS	0.00	93,692.00	0.00	93,692.00
6080100	DISPOSAL - SOLIDS	172,347.50	3,165.00	0.00	175,512.50
6080110	DISP-SALTWATER & OTH	0.00	10,295.00	0.00	10,295.00
6080115	DISP VIA PIPELINE SW	0.00	113,760.00	0.00	113,760.00
6090100	FLUIDS - WATER	36,297.43	408,426.00	0.00	444,723.43
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	18,000.00	79,683.00	0.00	97,683.00
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	121,587.50	0.00	121,587.50
6130170	COMM SVCS - WAN	5,222.65	0.00	0.00	5,222.65
6130360	RTOC - ENGINEERING	0.00	3,713.00	0.00	3,713.00
6130370	RTOC - GEOSTEERING	14,362.29	0.00	0.00	14,362.29
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	239,795.00	0.00	239,795.00
6160100	MATERIALS & SUPPLIES	12,795.50	0.00	0.00	12,795.50
6170100	PULLING&SWABBING SVC	0.00	6,900.00	0.00	6,900.00
6170110	SNUBBG&COIL TUBG SVC	0.00	118,266.00	0.00	118,266.00
6190100	TRCKG&HL-SOLID&FLUID	129,782.89	0.00	0.00	129,782.89
6190110	TRUCKING&HAUL OF EQP	63,455.22	62,425.00	0.00	125,880.22
6200130	CONSLT & PROJECT SVC	173,925.23	81,720.00	0.00	255,645.23
6230120	SAFETY SERVICES	53,793.31	2,767.00	0.00	56,560.31
6300270	SOLIDS CONTROL SRVCS	100,797.17	0.00	0.00	100,797.17
6310120	STIMULATION SERVICES	0.00	1,097,756.00	0.00	1,097,756.00
6310190	PROPPANT PURCHASE	0.00	852,674.00	0.00	852,674.00
6310200	CASING & TUBULAR SVC	153,807.09	0.00	0.00	153,807.09
6310250	CEMENTING SERVICES	185,000.00	0.00	0.00	185,000.00
6310280	DAYWORK COSTS	549,600.00	0.00	0.00	549,600.00
6310300	DIRECTIONAL SERVICES	416,245.32	0.00	0.00	416,245.32
6310310	DRILL BITS	148,584.44	0.00	0.00	148,584.44
6310330	DRILL&COMP FLUID&SVC	381,775.82	10,770.00	0.00	392,545.82
6310370	MOB & DEMOBILIZATION	15,000.00	0.00	0.00	15,000.00
6310380	OPEN HOLE EVALUATION	33,947.23	0.00	0.00	33,947.23
6310480	TSTNG-WELL, PL & OTH	0.00	137,321.00	0.00	137,321.00
6310600	MISC PUMPING SERVICE	0.00	44,794.00	0.00	44,794.00
6320100	EQPMNT SVC-SRF RNTL	220,657.03	224,344.00	0.00	445,001.03
6320110	EQUIP SVC - DOWNHOLE	123,776.84	35,035.00	0.00	158,811.84
6320160	WELDING SERVICES	3,655.86	0.00	0.00	3,655.86
6320190	WATER TRANSFER	0.00	118,063.00	0.00	118,063.00
6350100	CONSTRUCTION SVC	0.00	181,493.75	0.00	181,493.75
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	10,579.65	0.00	10,579.65

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-141319.01  
 Well Name: PRAIRIE FIRE 27-25 FED COM 722H  
 Cost Center Number: 1094582601  
 Legal Description: SECTIONS 27 & 25-20S-29E  
 Revision:

AFE Date: 3/9/2023  
 State: NM  
 County/Parish: EDDY

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550110	MISCELLANEOUS SVC	54,576.71	0.00	0.00	54,576.71
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6610100	PROPERTY INSURANCE	0.00	9,900.00	0.00	9,900.00
6630110	CAPITAL OVERHEAD	14,623.42	36,304.75	0.00	50,928.17
6740340	TAXES OTHER	0.00	33,333.18	0.00	33,333.18
	<b>Total Intangibles</b>	<b>3,399,015.84</b>	<b>4,579,749.83</b>	<b>0.00</b>	<b>7,978,765.67</b>

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	0.00	132,467.71	0.00	132,467.71
6120120	MEASUREMENT EQUIP	0.00	23,458.05	0.00	23,458.05
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	354,089.56	0.00	354,089.56
6300220	STORAGE VESSEL&TANKS	0.00	129,220.00	0.00	129,220.00
6300230	PUMPS - SURFACE	0.00	21,619.50	0.00	21,619.50
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	137,489.00	0.00	137,489.00
6310460	WELLHEAD EQUIPMENT	28,000.00	168,363.00	0.00	196,363.00
6310530	SURFACE CASING	68,931.00	0.00	0.00	68,931.00
6310540	INTERMEDIATE CASING	185,493.00	0.00	0.00	185,493.00
6310560	PROD LINERS&TIEBACKS	589,820.00	0.00	0.00	589,820.00
6310580	CASING COMPONENTS	45,437.07	0.00	0.00	45,437.07
6330100	PIPE,FIT,FLANG,CPLNG	0.00	362,701.45	0.00	362,701.45
	<b>Total Tangibles</b>	<b>937,681.07</b>	<b>1,370,658.27</b>	<b>0.00</b>	<b>2,308,339.34</b>

<b>TOTAL ESTIMATED COST</b>	<b>4,336,696.91</b>	<b>5,950,408.10</b>	<b>0.00</b>	<b>10,287,105.01</b>
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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 Contacts between Devon Energy Production Company, L.P. (“Devon”) and the Uncommitted Interest Owners in Case No. 23550:**

1. Well Proposal Letter Prairie Fire 27-25 Fed Com 722H Well from Devon to the working interest owners dated and mailed March 15, 2023 (Exhibit A-3).
2. Initial email with discussion of agreements/drafts between Devon Energy Production Company, L.P. and the working interest owners occurred in March and April 2023, following the mailing of the proposal letter. Devon answered general questions from working interest owners related to their respective working interest percentages in the proposed wells/spacing units. Devon inquired if working interest owners desired to sign a Joint Operating Agreement, but did not receive any feedback from the working interest owners of their intentions.
3. Follow up efforts with various working interest owners in May 2023 did not result in any voluntary agreements being entered into and the interests remained uncommitted.



## TAB 3

Exhibit B: Self-Affirmed Statement of Joe Dixon, 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**

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

Case Nos. 23550 & 23553

**SELF-AFFIRMED STATEMENT OF JOE DIXON**

I, Joe Dixon, 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 have testified previously by affidavit before the Oil Conservation Division (“Division”) as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
  - a. I have a Bachelor of Science Degree in Geology from Purdue University and a Master of Science Degree in Geology from Oklahoma State University.
  - b. I have worked on New Mexico Oil and Gas matters since November 2020.
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.

**EXHIBIT  
B**

5. **Exhibit B-1** is a structure map showing the depth (subsea) to the top of the Wolfcamp formation, a marker that defines the top of the target interval for the proposed wells. Contour interval of 20'. The units being pooled are outlined by red rectangles. The structure map shows that there is a regional down-dip to the Southeast. 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 Wolfcamp Top. Each well in the cross-section contains a gamma ray, resistivity, and porosity log (porosity log not ran on the Dooley 1). The cross-section demonstrates continuity and consistent thickness across the target zone. The well logs on the cross-section give a representative sample of the Wolfcamp. The landing zones are highlighted by the well numbers.

7. Additional exhibits for the benefit of the Division's review include **Exhibit B-3**, a gross isochore from the top of Wolfcamp to the Wolfcamp C, 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 applications in Case Nos. 23550 and 23553.

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 East-West 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's 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]*

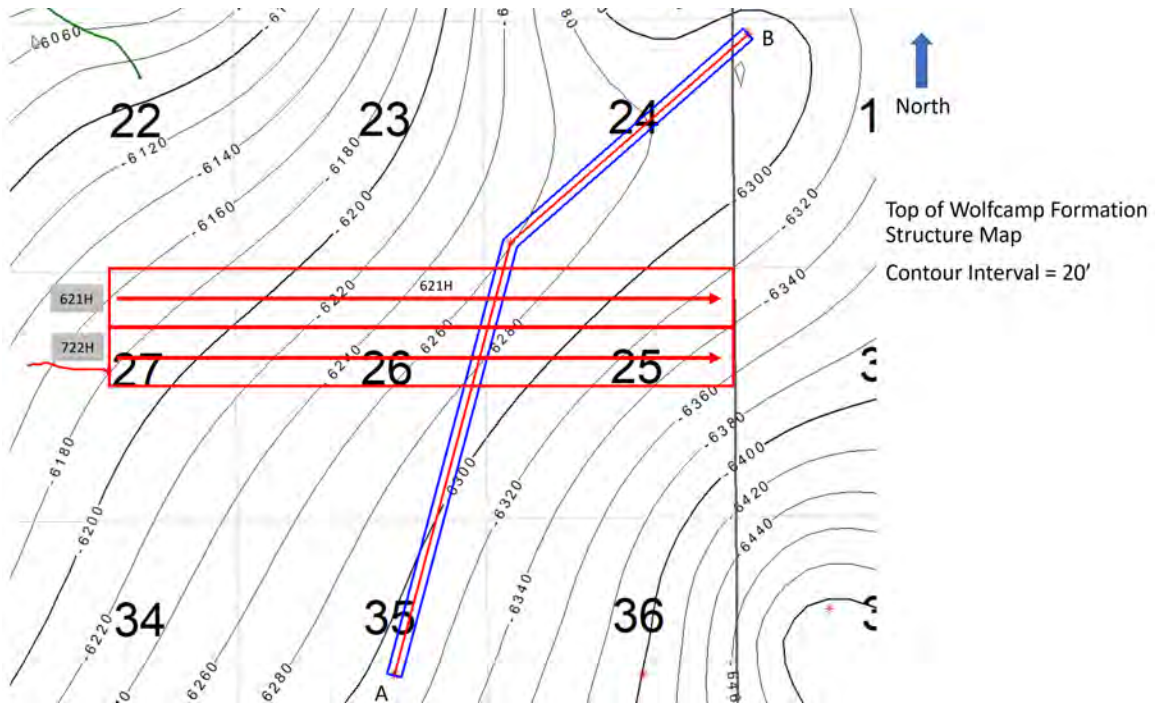


*Signature page of Self-Affirmed Statement of Joe Dixon:*

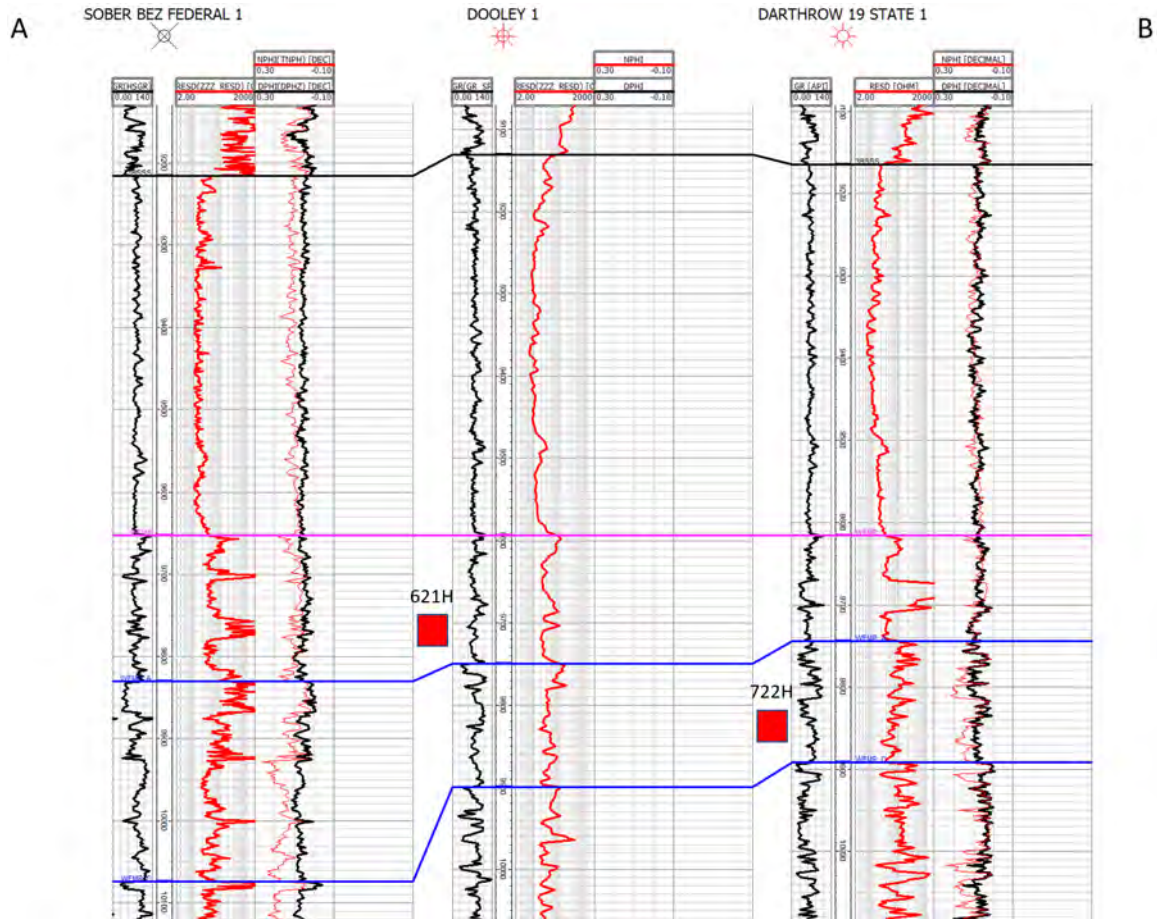
I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23550 & 23553 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

  
\_\_\_\_\_  
Joe Dixon

5/18/23  
\_\_\_\_\_  
Date Signed

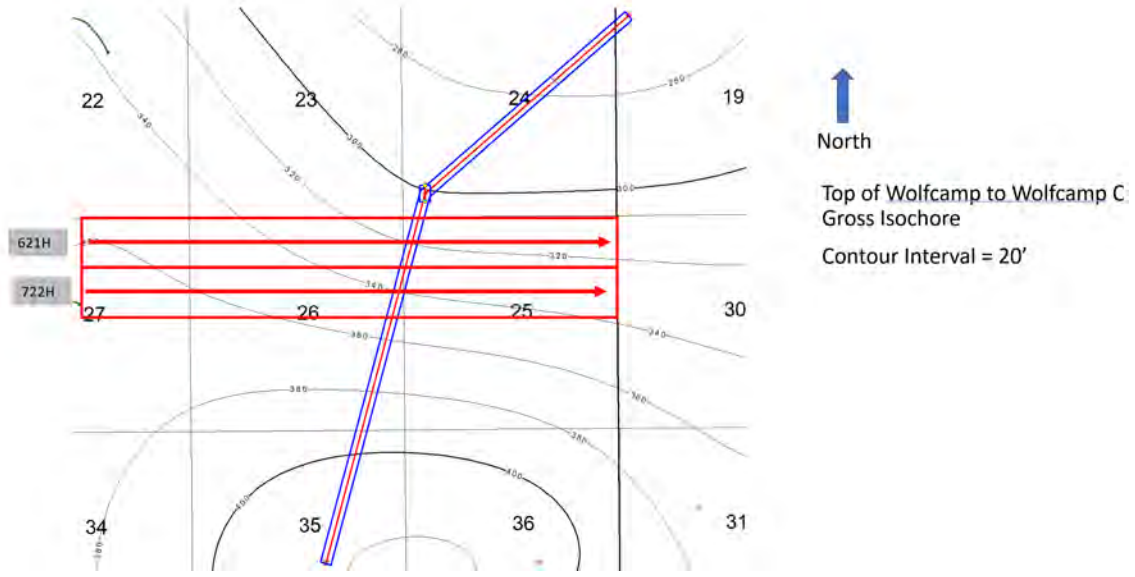


**Exhibit B-1** is a structure map showing the depth (subsea) to the top of the Wolfcamp formation, a marker that defines the top of the target interval for the proposed well.



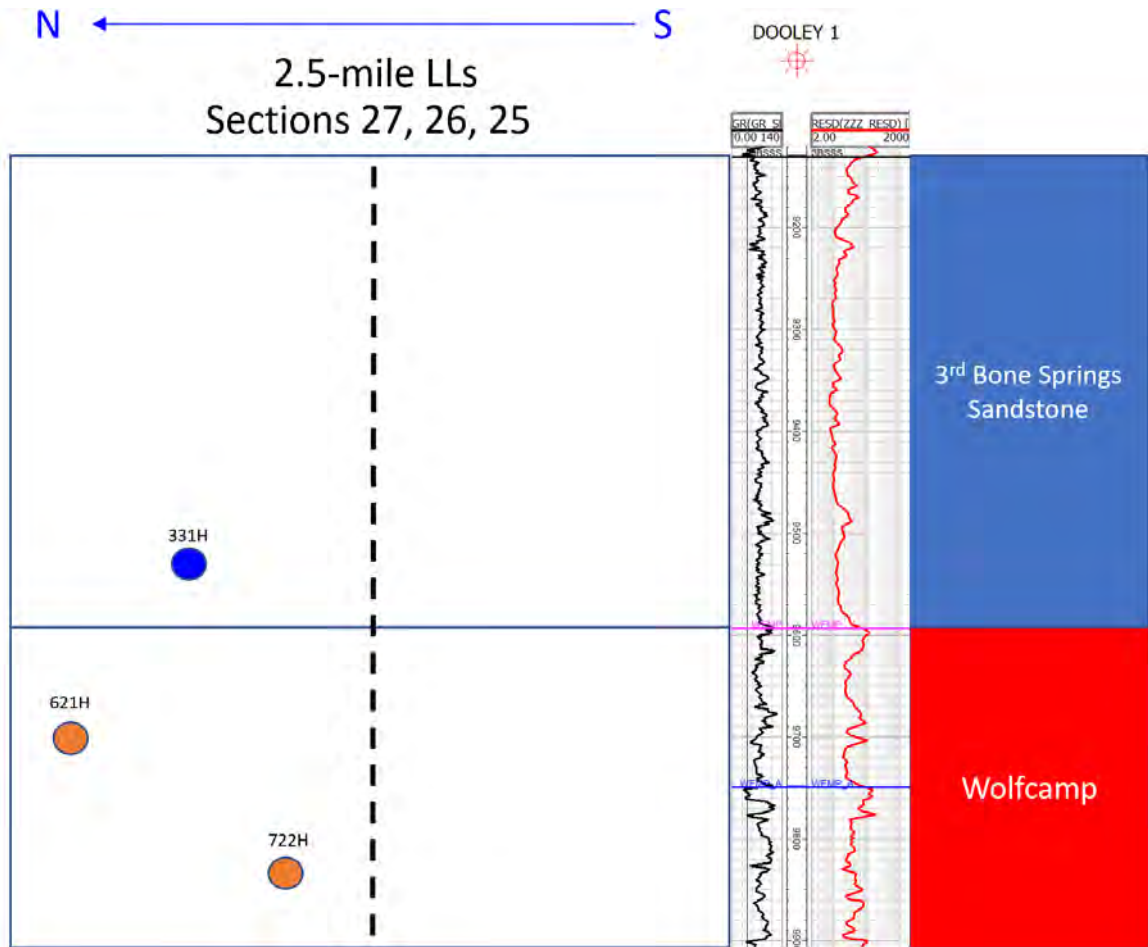
**Exhibit B-2** Cross-section A to B. Stratigraphic cross-section hung on top of Wolfcamp.

Target interval indicated by well number.

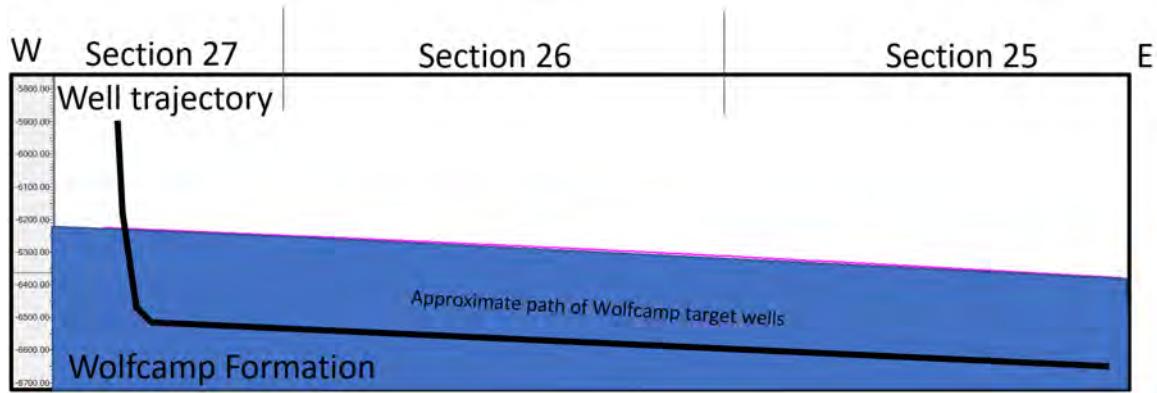


**Exhibit B-3** is a gross isochore from the top of Wolfcamp to Wolfcamp C with a 20' contour interval. Map demonstrates continuity and consistent thickness of the target zone.

**EXHIBIT  
B-3**



**Exhibit B-4** is a gun barrel representation of the unit.



**Exhibit B-5** is a cross section with approximate well trajectory.

## **TAB 4**

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage  
Exhibit C-1: Notice Letter  
Exhibit C-2: Mailing List  
Exhibit C-3: Affidavits of Publication

**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. 23550

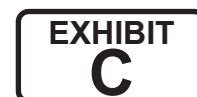
**SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P. (“Devon”), the Applicant herein, affirms and states the following as true and correct to the best of my knowledge:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on May 11, 2023, to all uncommitted interest owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. A copy of the notice letter and evidence of mailing to parties are attached hereto as Exhibits C-1 and C-2.

2. Notice was sent to the Carlsbad Current-Argus, a newspaper of general circulation in Eddy County, New Mexico, and timely published in said newspaper on May 16, 2023. *See* Exhibit C-3.

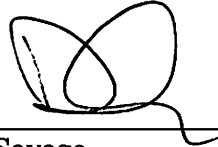
*[Signature follows]*





*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. 23550 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

5/29/2023

\_\_\_\_\_  
Date Signed



For the Pursuit of Energy

ABADIE | SCHILL PC

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

May 11, 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  
Prairie Fire 27-25 Fed Com 722H Well (Case No. 23550)

Case No. 23550:

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P. (“Devon”), has filed the enclosed application, Case No. 23550, with the New Mexico Oil Conservation Division (“Division”) for the compulsory pooling of a standard horizontal spacing unit in the Wolfcamp formation.

In Case No. 23550, Devon seeks to pool the Wolfcamp formation underlying the S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, a standard unit encompassing 400 acres, more or less, dedicated to the above-referenced Prairie Fire 27-25 Fed Com 722H.

A hearing has been requested before a Division Examiner on June 1, 2023, and the status of the hearing can be monitored through the Division’s website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division’s Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online.

[abadieschill.com](http://abadieschill.com)

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

**EXHIBIT  
C-1**

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 Andy Bennett at (405) 552-8002 or at [andy.bennett@dvn.com](mailto:andy.bennett@dvn.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Darin C. Savage". The signature is stylized with a large loop and a horizontal stroke at the end.

---

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Mail Activity Report - CertifiedPro.net  
 Mailed from 4/30/2023 to 5/30/2023  
 User Name: abadieschill  
 Generated: 5/30/2023 3:43:01 PM

USPS Article Number	Ownership Type	Date Mailed	Name 1	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
9314869904300107835066	ORRI & RT	05/11/2023	David Petroleum Corp	116 W. 1st Street		Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835073	WI	05/11/2023	MRC Delaware Resources, LLC	5400 LBJ Freeway	Suite 1500	Dallas	TX	75240	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300107835080	ORRI & WI	05/11/2023	Marathon Oil Permian, LLC	5555 San Felipe St.		Houston	TX	77056	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300107835097	ORRI & WI	05/11/2023	Nadel & Gussman Capitan, LLC	15 E. 5th St.	Suite 3300	Tulsa	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835103	ORRI	05/11/2023	Chalcam Exploration, LLC	403 Tierra Berrenda		Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835127	ORRI	05/11/2023	Thomas R. Nickoloff, MSU	118 W. 1st St.		Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835134	ORRI	05/11/2023	HEYCO Development Corporation	PO Box 1933		Roswell	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835141	ORRI	05/11/2023	Edsell B. Neff Jr.	403 Tierra Berrenda		Roswell	NM	88203	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835158	ORRI	05/11/2023	Wing Resources VI, LLC	2100 McKinney Ave.	Suite 1540	Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835165	ORRI	05/11/2023	Wing Resources VII, LLC	2100 McKinney Ave.	Suite 1540	Dallas	TX	75201	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300107835172	RI	05/11/2023	Bureau of Land Management	620 E. Greene Street		Carlsbad	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail





May 17, 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 0107 8351 72.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	May 16, 2023, 01:58 p.m.
<b>Location:</b>	CARLSBAD, NM 88220
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Bureau of Land Management

**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

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

**Recipient Signature**

Signature of Recipient:	TYLSR
Address of Recipient:	TYLSR 620 E Greene St

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

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Sincerely,  
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475 L'Enfant Plaza SW  
Washington, D.C. 20260-0004

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

**Reference Number:** 4188.48



May 16, 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 0107 8351 65.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	May 15, 2023, 12:52 p.m.
<b>Location:</b>	DALLAS, TX 75201
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Wing Resources VII LLC



**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

<b>Street Address:</b>	2100 MCKINNEY AVE STE 1540
<b>City, State ZIP Code:</b>	DALLAS, TX 75201-2140

**Recipient Signature**

<p>Signature of Recipient: </p> <p>Address of Recipient: </p>
---

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

**Reference Number:** 4188.48



May 16, 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 0107 8351 58.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	May 15, 2023, 12:52 p.m.
<b>Location:</b>	DALLAS, TX 75201
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Wing Resources VI LLC

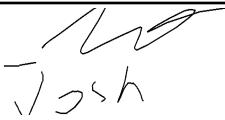
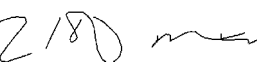
**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

<b>Street Address:</b>	2100 MCKINNEY AVE STE 1540
<b>City, State ZIP Code:</b>	DALLAS, TX 75201-2140

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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:** 4188.48



May 16, 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 0107 8351 41.**

**Item Details**

**Status:** Delivered, Left with Individual  
**Status Date / Time:** May 15, 2023, 10:30 a.m.  
**Location:** ROSWELL, NM 88201  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
 Return Receipt Electronic  
**Recipient Name:** Edsell B Neff Jr

**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

**Street Address:** 403 TIERRA BERRENDA DR  
**City, State ZIP Code:** ROSWELL, NM 88201-7837

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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

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**Reference Number:** 4188.48





May 17, 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 0107 8351 34.**

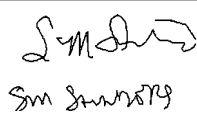
**Item Details**

**Status:** Delivered, Individual Picked Up at Post Office  
**Status Date / Time:** May 16, 2023, 02:04 p.m.  
**Location:** ROSWELL, NM 88201  
**Postal Product:** First-Class Mail®  
**Extra Services:** Certified Mail™  
 Return Receipt Electronic  
**Recipient Name:** HEYCO Development Corporation

**Shipment Details**

**Weight:** 4.0oz

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	2143

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May 16, 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 0107 8351 27**.

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	May 15, 2023, 02:02 p.m.
<b>Location:</b>	ROSWELL, NM 88203
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Thomas R Nickoloff MSU

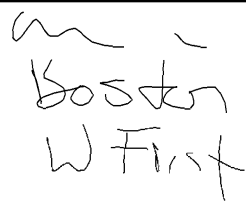
**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

<b>Street Address:</b>	118 W 1ST ST
<b>City, State ZIP Code:</b>	ROSWELL, NM 88203-4702

**Recipient Signature**

<p>Signature of Recipient:</p> <p>Address of Recipient:</p>	
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Washington, D.C. 20260-0004

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

**Reference Number:** 4188.48



May 16, 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 0107 8351 03.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	May 15, 2023, 10:30 a.m.
<b>Location:</b>	ROSWELL, NM 88201
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Chalcam Exploration LLC

**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

<b>Street Address:</b>	403 TIERRA BERRENDA DR
<b>City, State ZIP Code:</b>	ROSWELL, NM 88201-7837

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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:** 4188.48



May 16, 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 0107 8350 97**.

**Item Details**

<b>Status:</b>	Delivered, Front Desk/Reception/Mail Room
<b>Status Date / Time:</b>	May 15, 2023, 01:18 p.m.
<b>Location:</b>	TULSA, OK 74103
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	Nadel Gussman Capitan LLC

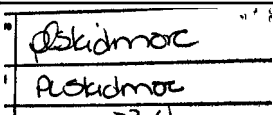
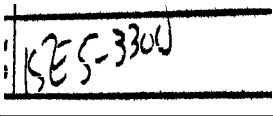
**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

<b>Street Address:</b>	15 E 5TH ST STE 3300
<b>City, State ZIP Code:</b>	TULSA, OK 74103-4340

**Recipient Signature**

Signature of Recipient:	
Address of Recipient:	

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

**Reference Number:** 4188.48



May 16, 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 0107 8350 66.**

**Item Details**

<b>Status:</b>	Delivered, Left with Individual
<b>Status Date / Time:</b>	May 15, 2023, 02:02 p.m.
<b>Location:</b>	ROSWELL, NM 88203
<b>Postal Product:</b>	First-Class Mail®
<b>Extra Services:</b>	Certified Mail™ Return Receipt Electronic
<b>Recipient Name:</b>	David Petroleum Corp

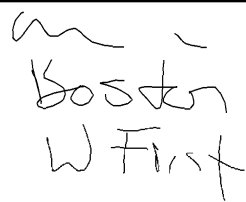
**Shipment Details**

**Weight:** 4.0oz

**Destination Delivery Address**

<b>Street Address:</b>	116 W 1ST ST
<b>City, State ZIP Code:</b>	ROSWELL, NM 88203-4702

**Recipient Signature**

<p>Signature of Recipient:</p> <p>Address of Recipient:</p>	
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Information in this section provided by Covius Document Services, LLC.

**Reference Number:** 4188.48

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0005702708

This is not an invoice

**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:

05/16/2023

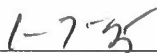


Legal Clerk

Subscribed and sworn before me this May 16, 2023:



State of WI, County of Brown  
NOTARY PUBLIC



My commission expires

**CASE No. 23550:** 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 **DAVID PETROLEUM CORP; MRC DELAWARE RESOURCES, LLC; MARATHON OIL PERMIAN, LLC; NADEL & GUSSMAN CAPITAN, LLC; CHALCAM EXPLORATION, LLC; THOMAS R. NICKOLOFF, MSU; HEYCO DEVELOPMENT CORPORATION; EDSSELL B. NEFF JR.; WING RESOURCES VI, LLC; AND WING RESOURCES VII, 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 June 1, 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) establishing a standard 400-acre, more or less, spacing and proration unit comprised of the S/2 NE/4 of Section 27, and the S/2 N/2 of Sections 26 and 25, all in Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation, designated as an oil pool, underlying the unit. The proposed well to be dedicated to the horizontal spacing unit is the **Prairie Fire 27-25 Fed Com 722H Well**, an oil well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 27 to a bottom hole location in the SE/4 NE/4 (Unit H) of Section 25. The **722H Well** will be orthodox, and its take points and completed intervals will comply with the setback requirements under 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 57 miles northwest of Jal, New Mexico, and approximately 37 miles north of the state line.  
#5702708, Current Argus, May 16, 2023

**KATHLEEN ALLEN**  
Notary Public  
State of Wisconsin

Ad # 0005702708  
PO #: CASE No. 23550  
# of Affidavits 1

This is not an invoice

**EXHIBIT**  
**C-3**