# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING OCTOBER 5, 2023

# APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 23789:

Tater Tot 2-35 Fed Com 621H Well Tater Tot 2-35 Fed Com 711H Well Tater Tot 2-35 Fed Com 712H Well

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Tater Tot 2-35 Fed Com 711H Well Tater Tot 2-35 Fed Com 712H Well

NMOCD Checklist Case No. 23789

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### **TAB 1**

Reference for Case No. 23789 Application Case No. 23789:

Tater Tot 2-35 Fed Com 621H Well Tater Tot 2-35 Fed Com 711H Well Tater Tot 2-35 Fed Com 712H Well

NMOCD Checklist Case No. 23789

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 23789

#### **APPLICATION**

Devon Energy Production Company, L.P. ("Devon" or "Applicant"), 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, seeking an order pooling all uncommitted mineral interests in the Purple Sage; Wolfcamp formation, designated as a gas pool, underlying a standard 639.56-acre, more or less, spacing and proration unit comprised of the W/2 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. Section 2 is an irregular section containing 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 Tater Tot 2-35 Fed Com 621H Well, Tater Tot 2-35 Fed Com 711H Well, and Tater Tot 2-35 Fed Com 712H Well as the initial wells to be drilled to a sufficient depth to test the Wolfcamp formation.

- 3. Devon proposes the **Tater Tot 2-35 Fed Com 621H Well**, a gas well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of section 35.
- 4. Devon proposes the **Tater Tot 2-35 Fed Com 711H Well**, a gas well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of section 35.
- 5. Devon proposes the **Tater Tot 2-35 Fed Com 712H Well**, a gas well, to be horizontally drilled from a surface location in Unit O (SW/4 SE/4 equivalent) of Section 2 to a bottom hole location in Unit C (NE/4 NW/4 equivalent) of section 35.
- 6. The proposed wells are unorthodox in location, and the take points and completed intervals do not comply with setback requirements under the special Division rules for the Purple Sage Wolfcamp pool, which are set out in Order No. R-14262.
- 7. Devon has made applications for administrative approval of the Nonstandard Locations ("NSL") of each well, and the Division has granted approval of each NSL in Order No. NSL-8625, Order No. NSL-8628, and Order No. NSL-8629.
- 8. Devon has sought in good faith but has been unable to obtain a voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.
- 9. The pooling of all interests in the Purple Sage; Wolfcamp formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

10. 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 wells and HSU.

WHEREFORE, Devon requests that this Application be set for hearing on October 5, 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 639.56-acre, more or less, spacing and proration unit comprised of the W/2 of Section 35, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico;
- B. Pooling all uncommitted mineral interests in the Purple Sage; Wolfcamp formation underlying the proposed HSU;
- C. Approving the Tater Tot 2-35 Fed Com 621H Well, Tater Tot 2-35 Fed Com711H Well, and Tater Tot 2-35 Fed Com 712H Well as the wells for the HSU.
- D. Designating Devon as operator of this HSU and the horizontal wells to be drilled thereon;
- E. Authorizing Devon to recover its costs of drilling, equipping, and completing the wells;
- F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting rates pursuant to the COPAS accounting procedures; and

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

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

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

Attorneys for Devon Energy Production Company, L.P.

Application of Devon Energy Production Company, L.P., for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Purple Sage; Wolfcamp formation, designated as a gas pool, underlying a standard 639.56-acre, more or less, spacing and proration unit comprised of the W/2 of Section 35, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. Section 2 is an irregular section which contains correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Tater Tot 2-35 Fed Com 621H Well, a gas well, to be drilled from a surface location in Unit M (SW/4 SW/4 equivalent) of Section 2 to a bottom hole location in Unit D (NW/4 NW/4 equivalent) of Section 35; Tater Tot 2-35 Fed Com 711H Well, a gas well, to be drilled from a surface location in Unit M (SW/4 SW/4 equivalent) of Section 2 to a bottom hole location in Unit D (NW/4 NW/4 equivalent) of Section 35; and Tater Tot 2-35 Fed Com 712H Well, a gas well, to be drilled from a surface location in Unit O (SW/4 SE/4 equivalent) of Section 2 to a bottom hole location in Unit C (NE/4 NW/4 equivalent) of Section 35. The wells are unorthodox, and the take points and completed intervals do not comply with the setback requirements under the Special Division Rules in Order No. R-14262 for the Purple Sage Wolfcamp; however, Devon has applied for and received administrative approval for the nonstandard locations; 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 8.8 miles southeast of Loving, New Mexico.

## **COMPULSORY POOLING APPLICATION CHECKLIST**

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

Case: 23789	APPLICANT'S RESPONSE
Date	October 5, 2023
Applicant	DEVON ENERGY PRODUCTION COMPANY, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel: Case Title:	Darin C. Savage, Abadie & Schill, P.C.  APPLICATION OF DEVON ENERGY PRODUCTION
	COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Tater Tot
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Purple Sage; Wolfcamp formation: See Exhibit A, Paras 4-8
Pool Name and Pool Code:	Purple Sage; Wolfcamp formation: See Exhibit A, Para 5, 7, 8, 9
Well Location Setback Rules:	Special field rules, see Order No. R-14262
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	639.56-acre, more or less
Building Blocks:	160 acre buidling blocks (quarter sections)
Orientation:	South-North
Description: TRS/County	W/2 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes.
and is approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	No, N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit A-2
Well(s)	

Received by OCD: 10/3/2023 8:51:46 PM	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Tater Tot 2-35 Fed Com 621H Well (API No. Pending), SHL: Unit M, 200' FSL, 1090' FWL, Section 2, T24S- R29E; BHL: Unit D, 20' FNL, 1070' FWL, Section 35, T23S-R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 621H Well: FTP 100' FSL, 1070' FWL, Section 2; LTP 100' FNL, 1070' FWL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 621H Well: TVD approx. 10,253', TMD 20,253'; Wolfcamp formation, See Exhibit A & B-2
Well #2	Tater Tot 2-35 Fed Com 711H Well (API No. Pending), SHL: Unit M, 200' FSL, 1060' FWL, Section 2, T24S- R29E; BHL: Unit D, 20' FNL, 450' FWL, Section 35, T23S R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 711H Well: FTP 100' FSL, 450' FWL, Section 2; LTP 100' FNL, 450' FWL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 711H Well: TVD approx. 10,457', TMD 20,349'; Wolfcamp formation, See Exhibit See Exhibit A & B-2
Well #3	Tater Tot 2-35 Fed Com 712H Well (API No. Pending), SHL: Unit O, 200' FSL, 2095' FEL, Section 2, T24S-R29E; BHL: Unit C, 20' FNL, 2310' FWL, Section 35, T23S- R29E, standup, standard location
Horizontal Well First and Last Take Points	Tater Tot 2-35 Fed Com 712H Well: FTP 100' FSL, 2310' FWL, Section 2; LTP 100' FNL, 2310' FWL, Section 35
Completion Target (Formation, TVD and MD)	Tater Tot 2-35 Fed Com 712H Well: TVD approx. 10,525', TMD 20,558'; Wolfcamp formation, See Exhibit A & B-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000, Exhibit A, para 19; Exhibit A-3
Production Supervision/Month \$	\$8,000, Exhibit A, para 19; Exhibit A-3
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 myrabers and pyrners)	Exhibit A-2
· · · · · · · · · · · · · · · · · · ·	•

Q	eceived	hv O	CD.	10/3/2	023 8.5	1:46 PM

Date:	10/3/23
Signed Name (Attorney or Party Representative):	Darin C. Savage
Printed Name (Attorney or Party Representative):	Darin C. Savage
CERTIFICATION: I hereby certify that the information pro	wided in this checklist is complete and accurate
Special Provisions/Stipulations	
Additional Information	LAHIOR D Z
Cross Section Location Map (including wells) Cross Section (including Landing Zone)	Exhibit B-2
·	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-1
Well Bore Location Map	Exhibit A-1
General Location Map (including basin)	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
Tracts	Exhibit A-2
C-102	Exhibit A-1
Forms, Figures and Tables	1975
Depth Severance Discussion	N/A
HSU Cross Section	Exhibit B-2
Well Orientation (with rationale)  Target Formation	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1
Cupharral/Latoral Trainatem: Schamatic	Geologist believes Exhibits B-1 and B-2 provide accurate evaluation
Spacing Unit Schematic	Exhibit B-1
Summary (including special considerations)	Exhibit B
Geology	
Cost Estimate for Production Facilities	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Overhead Rates In Proposal Letter	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Sample Copy of Proposal Letter	Exhibit A-3
Joinder	
below)	N/A
Unlocatable Parties to be Pooled  Ownership Depth Severance (including percentage above &	Exhibit A: Para. 15
Pooled Parties (including ownership type)	Exhibit A-2, includes Working Interest owners, Record Title Owners, and ORRI owners
to notice requirements.	N/A
List (including lease numbers and owners) of Tracts subject	21/0
If approval of Non-Standard Spacing Unit is requested, Tract	

#### **TAB 2**

Case No. 23789

Exhibit A: Self-Affirmed Statement of Aaron Young, Landman

Exhibit A-1: C-102 Form

Exhibit A-2: Ownership and Sectional Map Exhibit A-3: Well Proposal Letter and AFE

Exhibit A-4: Chronology of Contacts with Uncommitted Owners

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P., FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 23789

#### SELF-AFFIRMED STATEMENT OF AARON YOUNG

- 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 Self-Affirmed 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. I have previously testified before the New Mexico Oil Conservation Division ("Division") as an expert witness in petroleum land matters and my credentials have been accepted by the Division and made a matter of record.
- 3. This Self-Affirmed 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).
- 4. Devon seeks an order pooling all uncommitted mineral interests in the Purple Sage; Wolfcamp formation [Pool Code (98220)], designated as a gas pool, underlying a standard 639.56-acre, more or less, spacing and proration unit comprised of the W/2 of Section 35, Township 23 South, Range 29 East, NMPM, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, all in Eddy County, New Mexico. Section 2 is an irregular section containing correction lots.



- 5. Under <u>Case No. 23789</u>, Devon proposes and dedicates to the **Tater Tot 2-35 Fed**Com 621H Well, Tater Tot 2-35 Fed Com 711H Well, and Tater Tot 2-35 Fed Com 712H

  Well as the initial wells to be drilled to a sufficient depth to test the Wolfcamp formation.
- 6. **Tater Tot 2-35 Fed Com 621H Well** (API-pending), a gas well, horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35; approximate TVD 10,253'; approximate TMD of 20,253'; FTP in Section 2: 100' FSL, 1,070' FWL; LTP in Section 35: 100' FNL, 1,070' FWL.
- 7. The **Tater Tot 2-35 Fed Com 711H Well** (API-pending), a gas well, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 2 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 35; approximate TVD of 10,457; approximate TMD of 20,349'; FTP in Section 2: 100' FSL, 450' FWL; LTP in Section 35: 100' FNL, 450' FWL.
- 8. The **Tater Tot 2-35 Fed Com 712H Well** (API-pending), a gas well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 2 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 35; approximate TVD of 10,525; approximate TMD of 20,558'; FTP in Section 2: 100' FSL, 2,310' FWL; LTP in Section 35: 100' FNL, 2,310' FWL.
  - 9. The proposed C-102's for each of the wells are attached as **Exhibit A-1**.
- as **Exhibit A-2**, which show the locations of the proposed wells within the unit. The proposed wells are unorthodox in location, and the take points and completed intervals do not comply with setback requirements under the special Division rules for the Purple Sage; Wolfcamp pool, which are set out in Order No. R-14262.

- 11. Devon has made applications for administrative approval of the Nonstandard Locations ("NSL") of each well, and the Division has granted approval of each NSL in Order No. NSL-8625, Order No. NSL-8628, and Order No. NSL-8629.
- 12. 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, record title owners, and overriding royalty interest owner.
  - 13. There are no depth severances in the Wolfcamp formation in this acreage.
  - 14. A review of records did not reveal any overlapping units.
- 15. 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 three unlocatable parties who were ORRI owners: Leslie Robert Honeyman Trust, LaNell Joy Honeyman, Trustee; LJA Charitable Investments, LLC and Strategic Energy Income Fund IV, LP. 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.
- 16. 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 wells or in the commitment of their interests to the wells for their development within the proposed horizontal spacing unit. **Exhibit A-4** provides a chronology and history of contacts with the owners.

- 17. 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.
- 18. **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.
- 19. 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.
- 20. Devon requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.
  - 21. Devon requests that it be designated operator of the units and wells.
- 22. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Devon's company business records under my direct supervision.
- 23. 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.

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

[Signature page follows]

Signature page of Self-Affirmed Statement of Aaron Young:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23789 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.

Aaron Young

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

<u>District III</u> 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

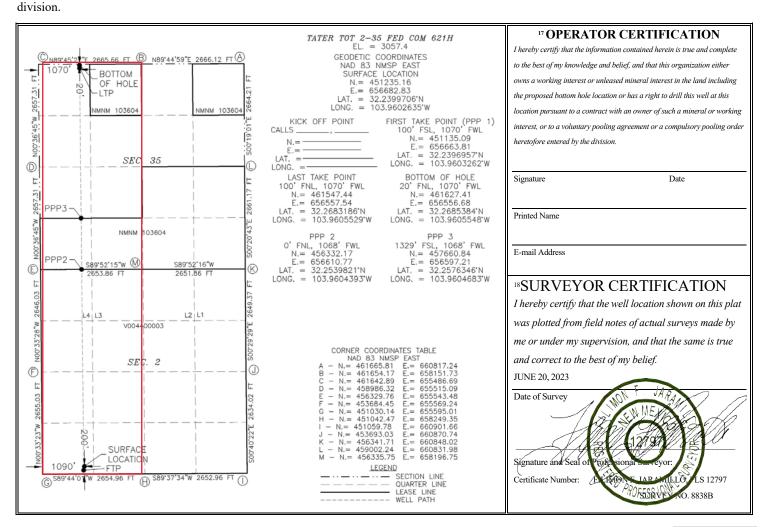
<sup>1</sup> API Numbe	er	<sup>2</sup> Pool Code						
		98220	PURPLE SAGE; WOLFCAMP (GAS)					
<sup>4</sup> Property Code		<sup>5</sup> P <sub>1</sub>	operty Name	<sup>6</sup> Well Number				
		TATER TOT 2-35 FED COM						
<sup>7</sup> OGRID No.		8 O <sub>l</sub>	<sup>9</sup> Elevation					
6137		DEVON ENERGY PRO	ODUCTION COMPANY, L.P.	3057.4				

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
M	2	24 S	29 E		200	SOUTH	1090	WEST	EDDY	
<sup>11</sup> 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	
D	35	23 S	29 E		20	NORTH	1070	WEST	EDDY	

12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 639.36

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



Inten	t	As Dril	led											
API#														
DE\	rator Nai /ON EN MPANY	IERGY F	PRODUC	CTION	N		erty N			FED	COI	M		Well Number 621H
Kick (	Off Point	(KOP)												
UL	Section	Township	Range	Lot	Feet		From N	1/S	Feet		From	n E/W	County	
Latitu	ıde				Longitu	ıde							NAD	
First <sup>-</sup>	Гake Poir	nt (FTP)												
UL M	Section 2	Township 24S	Range 29E	Lot	Feet 100		From N		Feet		From	n E/W ST	County	
Latitu			1-0-		Longitu 103.9				1			<u>- ·                                     </u>	NAD 83	
Last T	ake Poin	t (LTP)												
UL D	Section 35	Township 23S	Range 29E	Lot	Feet 100		n N/S RTH	Feet		From E		Count		
Latitu 32.2	ude 268318	6			Longitu 103.9		529					NAD <b>83</b>		
Is this	s well the	defining v	vell for th	e Horiz	zontal S <sub>l</sub>	pacing	g Unit?			]				
Is this	s well an	infill well?												
	ll is yes p ng Unit.	lease prov	ide API if	availak	ole, Ope	rator I	Name	and v	vell nı	umber	for [	Definir	ng well fo	r Horizontal
API #														
Ope	rator Nai	me:	1			Prop	erty N	lame	:					Well Number
														<u> </u>

KZ 06/29/2018

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

<u>District III</u> 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

12 Dedicated Acres

639.36

13 Joint or Infill

<sup>14</sup> Consolidation Code

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

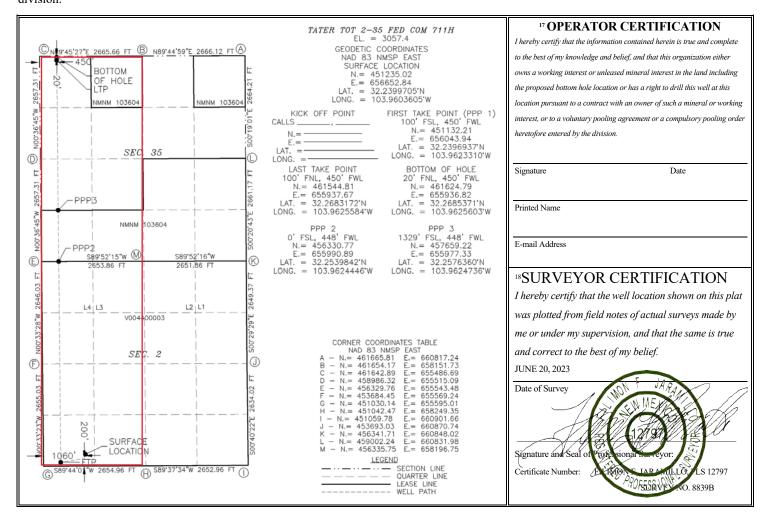
<sup>1</sup> API Numbe	er	<sup>2</sup> Pool Code					
		98220	PURPLE SAGE; WOLFCAM	IP (GAS)			
<sup>4</sup> Property Code		<sup>5</sup> Pr	operty Name	<sup>6</sup> Well Number			
		TATER TOT 2-35 FED COM					
<sup>7</sup> OGRID No.		8 O <sub>I</sub>	<sup>9</sup> Elevation				
6137		DEVON ENERGY PRO	ODUCTION COMPANY, L.P.	3057.4			

#### <sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
M	2	24 S	29 E		200 SOUTH 1060		WEST	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			
D	35	23 S	29 E		20	NORTH	450	WEST	EDDY			

15 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.



Inten	t	As Dril	led										
API #	ŧ												
DE\	rator Nai VON EN MPANY	NERGY F	PRODU	CTION	N	Property TATER			FED C	СОМ			Well Number 711H
Kick (	Off Point	(KOP)											
UL	Section	Township	Range	Lot	Feet	From	N/S	Feet	ſ	rom E/	/W	County	
Latit	ude				Longitu	ıde						NAD	
First Tul	· · · · · · · · · · · · · · · · · · ·						N/S JTH	Feet 450	· · · · · · · · · · · · · · · · · · ·			County EDDY	
Latit				Longitu			1.00				NAD 83		
Last 1 UL D	Take Poin  Section  35	t (LTP)  Township 23S	Range 29E	Lot	Feet 100	From N/S NORTH	Fee 450		From E/ WEST		ounty DDY		
Latit			29E		Longitu			,	WEST		IAD	<u> </u>	
		e defining v	vell for th	ne Hori	zontal S <sub>l</sub>	pacing Uni	t? [		]				
	ng Unit.	lease prov	ide API if	availak	ole, Ope	rator Nam	e and	well n	umber f	or Def	finin	g well fo	r Horizontal
						l	<b>N</b> 1						LAZ HA:
Ope	erator Nai	me:				Property	Name	e:					Well Number
						•							KZ 06/29/201

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

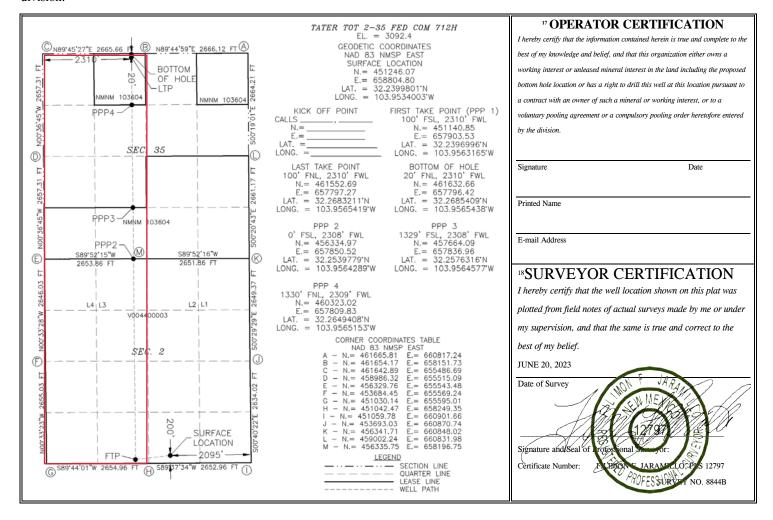
<sup>1</sup> API Numbe	er	<sup>2</sup> Pool Code						
		98220	PURPLE SAGE; WOLFCAMP (GAS)					
<sup>4</sup> Property Code		<sup>5</sup> Pr	<sup>6</sup> Well Number					
		TATER TOT 2-35 FED COM						
<sup>7</sup> OGRID No.		8 O <sub>I</sub>	perator Name	<sup>9</sup> Elevation				
6137		DEVON ENERGY PRO	DDUCTION COMPANY, L.P.	3092.4				

#### Surface Location

	Sailage Location											
UL or lot no.	Section	Township	Range	Lot Idn Feet from the North/South line		North/South line	Feet from the	East/West line	County			
О	2	24 S	29 E		200	SOUTH	2095	EAST	EDDY			
	<sup>11</sup> 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			
C	35	23 S	29 E		20	NORTH	2310	WEST	EDDY			

12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 639.36

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.



Intent	t	As Dril	led										
API#			]										
DEV	rator Nar /ON EN MPANY	IERGY P	RODU	CTION	N	Propert TATER			FED	COI	M		Well Number 712H
Kick C	Off Point	(KOP)											
UL	Section	Township	Range	Lot	Feet	Fro	m N/S	Feet	t	From	ı E/W	County	
Latitu	l ide				Longitu	ıde						NAD	
First T	Take Poin	t (FTP)	Range	Lot	Feet	Fro	m N/S	Feet	t	From	ı E/W	County	
N	2	24S	29E		100	SOUTH 2310 WE			WES	ST			
132.2	iae 239699	6			Longitu 103.9	<sup>1de</sup> 956316	5					NAD 83	
Last T UL C	Section	t (LTP)  Township 23S	Range 29E	Lot	Feet 100	From N/			From E		Count		
Latitu 32.2	ide 268321	1			Longitu 103.9	ude NAD 9565419 83							
		defining v infill well?	vell for th	e Hori:	zontal S <sub>l</sub>	pacing Ur	it?						
	l is yes pl ng Unit.	ease provi	ide API if	availak	ole, Ope	rator Nan	ne and	well n	number	for [	Definir	ng well fo	r Horizontal
Opei	rator Nar	ne:				Propert	y Name	2:					Well Number

KZ 06/29/2018

# OWNERSHIP BREAKDOWN Tater Tot 2-35 Fed Com 621H, 711H, & 712H

W/2 of Section 35, T23S-R29E & Lots 3 & 4, S/2NW/4, and SW/4 of Section 2, T24S-R29E, Eddy County, New Mexico,
Wolfcamp Formation

Section 35		
Section 2		

Tract 1:					
V0-0440-3					
(319.36 acres)					



Tract 2: NMNM 103604 (120 acres)



Tract 3: NMNM 124616 (200 acres)



#### TRACT 1 OWNERSHIP (W/2 of Section 2, being 319.36 acres):

Owner	Net Acres	Tract WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	252.73	.79136023	Committed
OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046	66.63	.20863977	Uncommitted
Total:	319.36	1.00	

#### TRACT 2 OWNERSHIP (S/2SW/4 & NE/4NW/4 of Section 35, being 120 acres):

Owner	Net Acres	Tract WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	105.72	.880975	Committed
Allar Development LLC P.O.Box 1567 Graham, TX 76450	13.8	.11500	Committed
Highland (Texas) Energy Company Inc. 11886 Greenville Ave., Suite 106 Dallas, TX 75243	0.48	.004025	Committed
Total:	120.00	1.00	

#### TRACT 3 OWNERSHIP (NW/4NW/4, S/2NW/4, N/2NW/4 of Section 35, being 200 acres):

Owner	Net Acres	Unit WI	Status	
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	200.00	1.00000	Committed	
 Total:	200.00	1.00		

#### **Overriding Royalty Interest seeking to Compulsory Pool:**

#### **ORRI Owners (Tract 1)**

Tap Rock Minerals, LP

#### **ORRI Owners (Tract 2)**

Cornerstone Family Trust LJA Charitable Investments, LLC The Allar Company Strategic Energy Company Fund IV, LP LaNell Joy Honeyman, SSP Leslie Robert Honeyman Trust, Joy Honeyman, Trustee

#### **ORRI Owners (Tract 3)**

None

#### **Record Title Owners**

Devon Energy Production Company L.P. Echo Production Inc.

# <u>Unit Recapitulation-Wolfcamp- 639.36 AC HSU</u> Tater Tot 2-35 Fed Com 621H, 711H, & 712H W/2 of Section 35, T23S-R29E & Lots 3 & 4, S/2NW/4, and SW/4 of Section 2, T24S-R29E, Eddy County, New Mexico, Wolfcamp Formation

Owner	Interest
Devon Energy Production Company, L.P.	87.344501%
Allar Development LLC	2.158408%
Highland (Texas) Energy Company, Inc.	0.07554%
OXY USA Inc.	10.421546%
TOTAL	100.0000000%

Uncommitted Working Interest Owners seeking to Compulsory Pool

#### **Pooling List Recapitulation: Full List of Uncommitted Parties/Persons to be Pooled:**

Cornerstone Family Trust  LJA Charitable Investments, LLC  The Allar Company  Strategic Energy Company Fund IV, LP  LaNell Joy Honeyman, SSP  ORRI  ORRI  ORRI  ORRI  ORRI  ORRI  ORRI  ORRI	OXY U.S.A. Inc.	WI
Cornerstone Family Trust ORRI LJA Charitable Investments, LLC ORRI The Allar Company ORRI Strategic Energy Company Fund IV, LP ORRI LaNell Joy Honeyman, SSP ORRI	Echo Production Inc.	RT
LJA Charitable Investments, LLC The Allar Company Strategic Energy Company Fund IV, LP LaNell Joy Honeyman, SSP ORRI	Tap Rock Minerals, LP	ORRI
The Allar Company  Strategic Energy Company Fund IV, LP  LaNell Joy Honeyman, SSP  ORRI  ORRI	Cornerstone Family Trust	ORRI
Strategic Energy Company Fund IV, LP  LaNell Joy Honeyman, SSP  ORRI  ORRI	LJA Charitable Investments, LLC	ORRI
LaNell Joy Honeyman, SSP ORRI	The Allar Company	ORRI
	Strategic Energy Company Fund IV, LP	ORRI
Leslie Robert Honeyman Trust, Joy Honeyman, Trustee ORRI	LaNell Joy Honeyman, SSP	ORRI
	Leslie Robert Honeyman Trust, Joy Honeyman, Trustee	ORRI

Devon Energy Corporation 333 W. Sheridan Avenue Oklahoma City, OK 73102 405 235 3611 Phone www.devonenergy.com



June 13, 2023

#### Sent via Priority Mail

Working Interest Owners Listed on Attached Exhibit "A"

RE: Tater Tot 2-35 State Fed Com 621H, 711H and 712H

Sections 2-24S-29E & 35-23S-29E

Eddy County, New Mexico

Dear Working Interest Owner,

Devon Energy Production Company, L.P. ("Devon"), as Operator, proposes to drill, complete, and equip the following horizontal wells in the Wolfcamp formation:

- Tater Tot 2-35 State Fed Com 621H as a horizontal well to an approximate landing TVD of 10,253', bottom hole TVD of 10,253', and approximate TMD of 20,253' into the Wolfcamp formation at an approximate SHL of 200' FSL & 1090' FWL of Section 2-24S-29E, or at a legal location in Unit M, and an approximate BHL of 20' FNL & 1070' FWL of Section 35-23S-29E, or at a legal location in Unit D, Eddy County, New Mexico (collectively with all three proposed wells, the "Wells"). Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$4,568,013.31 and total completed well costs of \$11,710,566.48.
- Tater Tot 2-35 State Fed Com 712H as a horizontal well to an approximate landing TVD of 10,525', bottom hole TVD of 10,558', and approximate TMD of 20,558' into the Wolfcamp formation at an approximate SHL of 200' FSL & 2095' FEL of Section 2-24S-29E, or at a legal location in Unit O, and an approximate BHL of 20' FNL & 2310' FWL of Section 35-23S-29E, or at a legal location in Unit C, Eddy County, New Mexico (collectively with all three proposed wells, the "Wells"). Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$4,441,914.89 and total completed well costs of \$10,303,505.19.
- Tater Tot 2-35 State Fed Com 711H as a horizontal well to an approximate landing TVD of 10,457', bottom hole TVD of 10,439', and approximate TMD of 20,439' into the Wolfcamp formation at an approximate SHL of 200' FSL & 1060' FWL of Section 2-24S-29E, or at a legal location in Unit M, and an approximate BHL of 20' FNL & 450' FWL of Section 35-23S-29E, or at a legal location in Unit D, Eddy County, New Mexico (collectively with all three proposed wells, the "Wells"). Enclosed for your review is Devon's Authority for Expenditure indicating drilling costs of \$4,456,795.41 and total completed well costs of \$11,599,348.58.

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



Tater Tot 2-35 State Fed Com 621H, 712H and 711H June 13, 2023 Page No. 2

Devon is proposing to drill the Wells under the terms of the modified 2015 AAPL form of Operating Agreement ("JOA") which contains the following general provisions:

- Devon named as Operator
- Contract Area: All of Sections 2-24S-29E & 35-23S-29E
- 100% / 300% Non-Consenting Penalty
- \$8000/\$800 Drilling and Producing Overhead Rates

If you wish to participate in the operation, please indicate in the space provided below, along with a signed AFE, and deliver to my attention at the letterhead address or by email at aaron.young@dvn.com, and Devon will provide the completed JOA for your review. If your election is to participate, a cash call invoice will be sent following receipt of a timely election.

If you do not wish to participate in the proposed operation, Devon would like to negotiate a voluntary agreement that includes your interest.

If an agreement is not 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 into a spacing unit for the proposed wells.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Aaron Young

Sr. Staff Landman

Tater Tot 2-35 State Fed Com 621H, 712H and 711H June 13, 2023 Page No. 3

Tater Tot 2-35 State Fed Com 621H
I/we elect to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 621H well. A signed AFE is returned herewith.
I/we elect <u>not</u> to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com well.
Tater Tot 2-35 State Fed Com 712H
I/we elect to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 712H well. A signed AFE is returned herewith.
I/we elect <u>not</u> to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 712H well.
Tater Tot 2-35 State Fed Com 711H
I/we elect to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 711H well. A signed AFE is returned herewith.
I/we elect <u>not</u> to participate in the drilling and completion of the Tater Tot 2-35 State Fed Com 711H well.
Company / Individual:
By:
Name:
Title:
Date:

# Exhibit "A" Working Interest Owners

OXY USA Inc. Occidental Petroleum 5 Greenway Plaza, Suite 110 Houston, Texas 77046

THE ALLAR COMPANY P.O. Box 1567 Graham, Texas 76450

ALLAR DEVELOPMENT LLC P.O. Box 1567 Graham, Texas 76450

Highland (Texas) Energy Company 11886 Greenville Avenue, Suite 106 Dallas, Texas 75243



AFE # XX-126527.01

Well Name: TATER TOT 2-35 STATE FED COM 621H

Cost Center Number: 1093827301 Legal Description: SEC 2-24S-29E

Revision:

AFE Date: State:

e: 5/30/2023 NM

County/Parish: EDDY

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

#### **DRILL AND COMPLETE**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	CHEMICALS - OTHER	0.00	142,710.00	0.00	142,710.00
	DYED LIQUID FUELS	110,016.54	369,245.00	0.00	479,261.54
	GASEOUS FUELS	0.00	131,437.00	0.00	131,437.00
	DISPOSAL - SOLIDS	108,051.96	5,328.00	0.00	113,379.96
	DISP-SALTWATER & OTH	0.00	13,587.00	0.00	13,587.00
	DISP VIA PIPELINE SW	0.00	106,500.00	0.00	106,500.00
	FLUIDS - WATER	22,756.40	15,794.00	0.00	38,550.40
	RECYC TREAT&PROC-H20	0.00	296,218.00	0.00	296,218.00
	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
	ROAD&SITE PREP M&S	31,166.67	0.00	0.00	31,166.67
	ROAD&SITE PREP SVC	62,333.33	118,748.00	0.00	181,081.33
	& C SERVICES	0.00	244,466.25	0.00	244,466.25
	COMM SVCS - WAN	3,274.30	0.00	0.00	3,274.30
	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
	RTOC - GEOSTEERING	9,004.33	0.00	0.00	9,004.33
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	289,190.00	0.00	289,190.00
	MATERIALS & SUPPLIES	8,022.04	0.00	0.00	8,022.04
	PULLING&SWABBING SVC	0.00	6,750.00	0.00	6,750.00
	SNUBBG&COIL TUBG SVC	0.00	125,735.00	0.00	125,735.00
	TRCKG&HL-SOLID&FLUID	81,366.40	0.00	0.00	81,366.40
	TRUCKING&HAUL OF EQP	39,782.77	85,214.25	0.00	124,997.02
	CONSLT & PROJECT SVC	107,724.53	86,403.00	0.00	194,127.53
	SAFETY SERVICES	33,725.31	3,138.00	0.00	36,863.31
	SOLIDS CONTROL SRVCS	63,194.03	0.00	0.00	63,194.03
	STIMULATION SERVICES	0.00	1,218,952.00	0.00	1,218,952.00
	PROPPANT PURCHASE	0.00	903,917.00	0.00	903,917.00
	CASING & TUBULAR SVC	96,428.19	0.00	0.00	96,428.19
	CEMENTING SERVICES	185,000.00	0.00	0.00	185,000.00
6310280	DAYWORK COSTS	569,450.00	0.00	0.00	569,450.00
	DIRECTIONAL SERVICES	260,961.86	0.00	0.00	260,961.86
	DRILL BITS	93,153.89	0.00	0.00	93,153.89
6310330	DRILL&COMP FLUID&SVC	283,554.54	16,836.00	0.00	300,390.54
6310370	MOB & DEMOBILIZATION	550,000.00	0.00	0.00	550,000.00
	OPEN HOLE EVALUATION	21,282.96	0.00	0.00	21,282.96
	TSTNG-WELL, PL & OTH	0.00	134,557.00	0.00	134,557.00
	MISC PUMPING SERVICE	0.00	52,108.00	0.00	52,108.00
	EQPMNT SVC-SRF RNTL	138,339.25	227,272.00	0.00	365,611.25
	EQUIP SVC - DOWNHOLE	77,600.95	35,043.00	0.00	112,643.95
	WELDING SERVICES	2,292.01	0.00	0.00	2,292.01
	WATER TRANSFER	0.00	49,883.00	0.00	49,883.00
	CONSTRUCTION SVC	0.00	279,404.63	0.00	279,404.63
	LEGAL FEES	1,000.00	0.00	0.00	1,000.00



AFE # XX-126527.01

Well Name: TATER TOT 2-35 STATE FED COM 621H Cost Center Number: 1093827301

Legal Description: SEC 2-24S-29E

Revision:

AFE Date:

5/30/2023

State: County/Parish: NM EDDY

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6550100	MISCS COSTS & SERVS	0.00	9,905.30	0.00	9,905.30
6550110	MISCELLANEOUS SVC	34,216.45	0.00	0.00	34,216.45
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00
6630110	CAPITAL OVERHEAD	9,168.05	76,553.21	0.00	85,721.26
6740340	TAXES OTHER	0.00	32,088.36	0.00	32,088.36
	Total Intangibles	3,018,366.76	5,086,303.00	0.00	8,104,669.76

	Tangible	Drilling	Completion	Dry Hole	Total
Code	Description	Costs	Costs	Costs	Costs
6120110	I&C EQUIPMENT	0.00	279,662.81	0.00	279,662.81
6120120	MEASUREMENT EQUIP	0.00	59,409.00	0.00	59,409.00
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	531,134.35	0.00	531,134.35
6300220	STORAGE VESSEL&TANKS	0.00	193,830.00	0.00	193,830.00
6300230	PUMPS - SURFACE	0.00	29,686.88	0.00	29,686.88
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	130,918.00	0.00	130,918.00
6310460	WELLHEAD EQUIPMENT	38,000.00	169,180.00	0.00	207,180.00
6310530	SURFACE CASING	26,735.00	0.00	0.00	26,735.00
6310540	INTERMEDIATE CASING	610,523.12	0.00	0.00	610,523.12
6310550	PRODUCTION CASING	820,902.00	0.00	0.00	820,902.00
6310580	CASING COMPONENTS	28,486.43	0.00	0.00	28,486.43
6330100	PIPE,FIT,FLANG,CPLNG	0.00	621,179.13	0.00	621,179.13
	Total Tangibles	1,549,646.55	2,056,250.17	0.00	3,605,896.72

TOTAL ESTIMATED COST 4,500,013.31 7,142,553.17 0.00 11,710,500.40	TOTAL ESTIMATED COST	4,568,013.31	7,142,553.17	0.00	11,710,566.48
-------------------------------------------------------------------	----------------------	--------------	--------------	------	---------------

# WORKING INTEREST OWNER APPROVAL Company Name: Signature: Print Name: Title: Date: Email:

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



AFE # XX-126529.01

Well Name: TATER TOT 2-35 STATE FED COM 711H

Cost Center Number: 1093827501 Legal Description: SEC 2-24S-29E

Revision:

AFE Date: State: 5/30/2023

County/Parish:

NM EDDY

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

#### **DRILL AND COMPLETE**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	CHEMICALS - OTHER	0.00	142,710.00	0.00	142,710.00
	DYED LIQUID FUELS	124,863.43	369,245.00	0.00	494,108.43
	GASEOUS FUELS	0.00	131,437.00	0.00	131,437.00
	DISPOSAL - SOLIDS	122,633.73	5,328.00	0.00	127,961.73
	DISP-SALTWATER & OTH	0.00	13,587.00	0.00	13,587.00
	DISP VIA PIPELINE SW	0.00	106,500.00	0.00	106,500.00
	FLUIDS - WATER	25,827.41	15,794.00	0.00	41,621.41
	RECYC TREAT&PROC-H20	0.00	296,218.00	0.00	296,218.00
	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
	ROAD&SITE PREP M&S	31,166.67	0.00	0.00	31,166.67
	ROAD&SITE PREP SVC	62,333.33	118,748.00	0.00	181,081.33
	& C SERVICES	0.00	244,466.25	0.00	244,466.25
	COMM SVCS - WAN	3,716.17	0.00	0.00	3,716.17
	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
	RTOC - GEOSTEERING	10,219.48	0.00	0.00	10,219.48
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	289,190.00	0.00	289,190.00
	MATERIALS & SUPPLIES	9,104.63	0.00	0.00	9,104.63
	PULLING&SWABBING SVC	0.00	6,750.00	0.00	6,750.00
	SNUBBG&COIL TUBG SVC	0.00	125,735.00	0.00	125,735.00
	TRCKG&HL-SOLID&FLUID	92,346.91	0.00	0.00	92,346.91
	TRUCKING&HAUL OF EQP	45,151.51	85.214.25	0.00	130,365.76
	CONSLT & PROJECT SVC	122,262.11	86,403.00	0.00	208,665.11
	SAFETY SERVICES	38,276.59	3,138.00	0.00	41,414.59
	SOLIDS CONTROL SRVCS	71,722.15	0.00	0.00	71,722.15
	STIMULATION SERVICES	0.00	1,218,952.00	0.00	1,218,952.00
	PROPPANT PURCHASE	0.00	903,917.00	0.00	903,917.00
	CASING & TUBULAR SVC	109,441.31	0.00	0.00	109,441.31
	CEMENTING SERVICES	185,000.00	0.00	0.00	185,000.00
	DAYWORK COSTS	721,000.00	0.00	0.00	721,000.00
	DIRECTIONAL SERVICES	296,179.03	0.00	0.00	296,179.03
	DRILL BITS	105,725.14	0.00	0.00	105,725.14
6310330	DRILL&COMP FLUID&SVC	321,820.63	16,836.00	0.00	338,656.63
6310370	MOB & DEMOBILIZATION	45,000.00	0.00	0.00	45,000.00
6310380	OPEN HOLE EVALUATION	24,155.13	0.00	0.00	24,155.13
	TSTNG-WELL, PL & OTH	0.00	134,557.00	0.00	134,557.00
	MISC PUMPING SERVICE	0.00	52,108.00	0.00	52,108.00
	EQPMNT SVC-SRF RNTL	157,008.33	227,272.00	0.00	384,280.33
	EQUIP SVC - DOWNHOLE	88,073.31	35,043.00	0.00	123,116.31
	WELDING SERVICES	2,601.32	0.00	0.00	2,601.32
	WATER TRANSFER	0.00	49,883.00	0.00	49,883.00
	CONSTRUCTION SVC	0.00	279,404.63	0.00	279,404.63
	LEGAL FEES	1,000.00	0.00	0.00	1,000.00



Drilling

Costs

0.00

0.00

0.00

38,834.01

10,405.29

2,881,367.62

AFE # XX-126529.01

Well Name: TATER TOT 2-35 STATE FED COM 711H Cost Center Number: 1093827501

Intangible

Description

**Total Intangibles** 

Legal Description: SEC 2-24S-29E

6550100 MISCS COSTS & SERVS

6550110 MISCELLANEOUS SVC

6630110 CAPITAL OVERHEAD

6740340 TAXES OTHER

6550120 OTHER ROUSTABOUT SER

**TOTAL ESTIMATED COST** 

Revision:

Code

AFE Date:

76,553.21

32,088.36

5,086,303.00

7,142,553.17

5/30/2023

State: County/Parish: NM EDDY

 
 Completion Costs
 Dry Hole Costs
 Total Costs

 9,905.30
 0.00
 9,905.30

 0.00
 0.00
 38,834.01

 5,000.00
 0.00
 5,000.00

0.00

0.00

0.00

0.00

86,958.50

32,088.36

7,967,670.62

11,599,348.58

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	I&C EQUIPMENT	0.00	279,662.81	0.00	279,662.81
6120120	MEASUREMENT EQUIP	0.00	59,409.00	0.00	59,409.00
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	531,134.35	0.00	531,134.35
6300220	STORAGE VESSEL&TANKS	0.00	193,830.00	0.00	193,830.00
6300230	PUMPS - SURFACE	0.00	29,686.88	0.00	29,686.88
6310130	ARTIFICIAL LIFT EQP	0.00	30,000.00	0.00	30,000.00
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	130,918.00	0.00	130,918.00
6310460	WELLHEAD EQUIPMENT	38,000.00	169,180.00	0.00	207,180.00
6310530	SURFACE CASING	26,735.00	0.00	0.00	26,735.00
6310540	INTERMEDIATE CASING	624,752.08	0.00	0.00	624,752.08
6310550	PRODUCTION CASING	828,610.00	0.00	0.00	828,610.00
6310580	CASING COMPONENTS	32,330.71	0.00	0.00	32,330.71
6330100	PIPE,FIT,FLANG,CPLNG	0.00	621,179.13	0.00	621,179.13
	Total Tangibles	1,575,427.79	2,056,250.17	0.00	3,631,677.96

WORKING INTEREST OWNER APPROVAL				
Company Name:				
Signature:	Print Name:			
Title:				
Date:				
Email:				

4,456,795.41

Costs on this form are estimates only. Working Interest Owners should not consider these estimates Released to Imagings 1940 1940 1940 Physical Ph

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



#### **Authorization for Expenditure**

AFE # XX-132724.01

Well Name: TATER TOT 2-35 STATE FED COM 712H

Cost Center Number: 1094040401 Legal Description: SEC 2-24S-29E

Revision:

AFE Date: State: 5/30/2023 NM

County/Parish: EDDY

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

#### DRILL AND COMPLETE

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
	CHEMICALS - OTHER	0.00	142,710.00	0.00	142,710.00
	DYED LIQUID FUELS	122,094.79	369,245.00	0.00	491,339.79
	GASEOUS FUELS	0.00	131,437.00	0.00	131,437.00
	DISPOSAL - SOLIDS	119.914.53	5,328.00	0.00	125,242.53
	DISP-SALTWATER & OTH	0.00	13,587.00	0.00	13,587.00
	DISP VIA PIPELINE SW	0.00	106,500.00	0.00	106,500.00
	FLUIDS - WATER	25,254.73	15,794.00	0.00	41,048.73
	RECYC TREAT&PROC-H20	0.00	296,218.00	0.00	296,218.00
	PERMIT SURVEY&TITLE	10,000.00	0.00	0.00	10,000.00
	RIGHT OF WAY	4,500.00	0.00	0.00	4,500.00
	ROAD&SITE PREP M&S	26,166.67	0.00	0.00	26,166.67
	ROAD&SITE PREP SVC	52,333.33	40,648.00	0.00	92,981.33
	& C SERVICES	0.00	88,588.75	0.00	88,588.75
	COMM SVCS - WAN	3,633.77	0.00	0.00	3,633.77
	RTOC - ENGINEERING	0.00	4,320.00	0.00	4,320.00
	RTOC - GEOSTEERING	9,992.88	0.00	0.00	9,992.88
	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
	CH LOG PERFRTG&WL SV	0.00	289,190.00	0.00	289,190.00
	MATERIALS & SUPPLIES	8,902.75	0.00	0.00	8,902.75
	PULLING&SWABBING SVC	0.00	6,750.00	0.00	6,750.00
	SNUBBG&COIL TUBG SVC	0.00	125,735.00	0.00	125,735.00
	TRCKG&HL-SOLID&FLUID	90,299.27	0.00	0.00	90,299.27
	TRUCKING&HAUL OF EQP	44,150.35	42,170.50	0.00	86,320.85
	CONSLT & PROJECT SVC	119,551.15	86,403.00	0.00	205,954.15
	SAFETY SERVICES	37,427.87	3,138.00	0.00	40,565.87
	SOLIDS CONTROL SRVCS	70,131.83	0.00	0.00	70,131.83
	STIMULATION SERVICES	0.00	1,218,952.00	0.00	1,218,952.00
	PROPPANT PURCHASE	0.00	903,917.00	0.00	903,917.00
	CASING & TUBULAR SVC	107,014.63	0.00	0.00	107,014.63
6310250	CEMENTING SERVICES	185,000.00	0.00	0.00	185,000.00
6310280	DAYWORK COSTS	762,200.00	0.00	0.00	762,200.00
6310300	DIRECTIONAL SERVICES	289,611.75	0.00	0.00	289,611.75
6310310	DRILL BITS	103,380.86	0.00	0.00	103,380.86
6310330	DRILL&COMP FLUID&SVC	314,684.79	16,836.00	0.00	331,520.79
6310370	MOB & DEMOBILIZATION	45,000.00	0.00	0.00	45,000.00
6310380	OPEN HOLE EVALUATION	23,619.53	0.00	0.00	23,619.53
6310480	TSTNG-WELL, PL & OTH	0.00	134,557.00	0.00	134,557.00
6310600	MISC PUMPING SERVICE	0.00	52,108.00	0.00	52,108.00
	EQPMNT SVC-SRF RNTL	153,526.93	227,272.00	0.00	380,798.93
	EQUIP SVC - DOWNHOLE	86,120.43	35,043.00	0.00	121,163.43
	WELDING SERVICES	2,543.64	0.00	0.00	2,543.64
	WATER TRANSFER	0.00	49,883.00	0.00	49,883.00
6350100	CONSTRUCTION SVC	0.00	167,771.85	0.00	167,771.85
	LEGAL FEES	1,000.00	0.00	0.00	1,000.00



#### **Authorization for Expenditure**

AFE # XX-132724.01

Well Name: TATER TOT 2-35 STATE FED COM 712H Cost Center Number: 1094040401

Legal Description: SEC 2-24S-29E

Revision:

AFE Date:

5/30/2023

State: County/Parish: NM EDDY

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs	
6550100	MISCS COSTS & SERVS	0.00	9,905.30	0.00	9,905.30	
6550110	MISCELLANEOUS SVC	37,972.93	0.00	0.00	37,972.93	
6550120	OTHER ROUSTABOUT SER	0.00	5,000.00	0.00	5,000.00	
6630110	CAPITAL OVERHEAD	10,174.57	41,055.53	0.00	51,230.10	
6740340	TAXES OTHER	0.00	32,088.36	0.00	32,088.36	
	Total Intangibles	2,867,203.98	4,662,151.29	0.00	7,529,355.27	

0.4.	Tangible	Drilling	Completion	Dry Hole Costs	Total
Code	Description	Costs	Costs Costs		Costs
6120110	I&C EQUIPMENT	0.00	114,201.43	0.00	114,201.43
6120120	MEASUREMENT EQUIP	0.00	27,876.98	0.00	27,876.98
6150110	LOG PERFORATG&WL EQP	0.00	11,250.00	0.00	11,250.00
6300150	SEPARATOR EQUIPMENT	0.00	328,268.70	0.00	328,268.70
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	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	130,918.00	0.00	130,918.00
6310460	WELLHEAD EQUIPMENT	38,000.00	169,180.00	0.00	207,180.00
6310530	SURFACE CASING	26,735.00	0.00	0.00	26,735.00
6310540	INTERMEDIATE CASING	624,752.08	0.00	0.00	624,752.08
6310550	PRODUCTION CASING	828,610.00	0.00	0.00	828,610.00
6310580	CASING COMPONENTS	31,613.83	0.00	0.00	31,613.83
6330100	PIPE,FIT,FLANG,CPLNG	0.00	312,572.65	0.00	312,572.65
	Total Tangibles	1,574,710.91	1,199,439.01	0.00	2,774,149.92

TOTAL ESTIMATED COST	4,441,914.89	5,861,590.30	0.00	10,303,505.19

# WORKING INTEREST OWNER APPROVAL Company Name: Signature: Print Name: Title: Date: Email:

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

## Chronology of Contact with Uncommitted Working Interests Tater Tot Fed Com 332H, 334H, 621H, 622H, 624H, 711H, 712H, & 713H

Week of 6/13/2023, Devon sent initial well proposal letter, AFEs and terms to the proposed Operating Agreement

Week of 7/13/2023, follow up correspondence with uncommitted working interest owner. Sent proposed Operating Agreement form.

Week of 8/23/2023, follow up correspondence with uncommitted working interest owner. Continue to discuss proposed Operating Agreement form.

Week of 9/5/2023, follow up correspondence with uncommitted working interest owner. Discussed estimated development timing. Informed Devon was targeting October 5<sup>th</sup> hearing date.

Week of 9/11/2023, follow up correspondence with uncommitted working interest owner. Answered questions as to development plans.

Week of 9/27/2023, follow up correspondence with uncommitted working interest owner



### **TAB 3**

Case No. 23789

Exhibit B: Self-Affirmed Statement of Sarah Jancuska, Geologist

Exhibit B-1:

Structure Map Stratigraphic Cross Section Exhibit B-2:

# 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 Nos. 23786-23789

#### SELF-AFFIRMED STATEMENT OF SARAH JANCUSKA

Sarah Jancuska, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Sarah Jancuska and I am employed by Devon Energy Production Company, L.P. ("Devon") as a geologist.
- 2. I have NOT previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have NOT been accepted by the Division and made a matter of record. Attached is my resume showing my educational background and work experience, and I respectfully request that I be accepted as an expert witness in petroleum geology.
- 3. I am familiar with the application filed by Devon in this case, and I have conducted a geologic study of the lands in the subject area.
- 4. This self-affirmed statement 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 Wolfcamp top with contour interval of 50 ft. The unit being pooled is outlined by red rectangle, with the approximate location and orientation of the initial wells noted with red arrows. The structure map shows that there is



a regional down-dip to the East. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval. Existing offsetting Wolfcamp development in this area is also depicted.

- 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. The cross-section demonstrates reasonable continuity of the target zone. The well logs on the cross-section give a representative sample of the Upper Wolfcamp. I chose the logs from these wells to create the cross section because they penetrate the targeted intervals, are of good quality and are representative of the geology in the subject area.
  - 7. The landing zone is highlighted by light, grey shading.
- 8. My geologic study indicates the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute more or less equally to production from the wells.
- 9. In my opinion, approval of Devon's application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 10. **Devon Exhibits B-1 through B-2** were either prepared by me or compiled under my direction and supervision.

[Signature page follows]

Signature page of Self-Affirmed Statement of Sarah Jancuska:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case No. 23786, 23787, 23788, and 23789, 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.

Sarah Jancuska Sarah Jancuska

10/02/2023

Date Signed

#### Sarah N. Jancuska

Oklahoma City, OK 73104 703-851-1516; sarah.jancuska@dvn.com

#### **Internal Experience**

#### Devon Energy, Oklahoma City, OK

Geologist II, Asset Geologist - Delaware Basin March 2022 - Present

 Performs asset geologist duties that include well log correlation, regional mapping, identification of resource in place, planning and execution, and reservoir characterization studies for entire stratigraphic column of Potato Asset

Geologist I, Subsurface August 2021 – March 2022

- Core description, facies analysis and reservoir characterization of the Middle Bakken member, Williston Basin ND
- Helped organized an inchology (trace fossils) class with an outside instructor

WellCon Geologist II, III, Jan 2018 - August 2021

- Collaborate with BU Geologists and Engineers to land and geosteer wells using StarSteer in the Permian, Anadarko Powder River, and Eagle Ford basins using SES/Starsteer and Petra/Kingdom
- Contributed to the team exceeding our 95% in zone goal every year since joining the team

#### **External Experience**

#### TD Geosteering, Denver, CO

Geologist, August 2017 – Jan 2018

 Remotely provide real-time reservoir navigation using in-house, physics based methods to accurately model the subsurface

#### Virginia Tech, Magallanes Basin, southern Chile

Research Assistant, January 2015 - March 2015; January 2016 - March 2016

- Measured sedimentologic sections, mapped stratigraphic and structural features, logged and documented field observations, used a Trimble GPS to collect high-resolution spatial data, and collected samples for laboratory analysis
- Contributed to construction of outcrop-based 3D geologic models (in Petrel) that are used by sponsoring companies to investigate and constrain reservoir heterogeneity in deep-water systems

#### ConocoPhillips Co., Houston, TX

Geoscience Intern, May 2015 – August 2015

- Identified 30 potential recomplete opportunities and new areas for development in the Granite Wash Play in the Anadarko Basin
- Utilized PETRA for well log correlations and creating structure, isopach and net pay maps
- Integrated geologic and well performance data to build a refined well inventory evaluation
- Collaborated with the team's petrophysicist, reservoir engineer, and geologists

#### Virginia Tech, Blacksburg, VA

Teaching Assistant, August 2014 - December 2014

GEOS 3204 Sedimentology-Stratigraphy

#### Nomac Services Geo LLC / Chesapeake Operating Inc, Oklahoma City, OK

Geosteerer III, July 2014

Geosteerer - Team Lead, February 2014 - June 2014

Geosteerer, February 2012 – February 2014

- Mentored and advised team members on all aspects of the job
- Successfully steered 530 wells (Eagle Ford, Miss Lime, STACK, Marcellus, Utica, Niobrara, Permian, Hanynesville, Barnett)

Sarah Jancuska 1

- Analyzed real time MWD data, nearby wells, and seismic-reflection data to determine the wellbore's location in relation to the target zone and made adjustments as needed
- Communicated essential information to drilling engineers and operations geologists

*Horizon Well Logging LLC*, Multiple Field Sites in WV, PA, ND, MT *Field Geologist*, January 2011 – February 2012

- Monitored gas onsite and maintained gas equipment; analyzed lithology samples and identified formations; prepared and edited mud logs for operations geologists
- Trained and mentored new hires on site
- Completed the yearlong Field Geologist Development Program (FGDP)

#### U.S. Bentonite Processing Inc, Casper, WY

Geologist, July 2010 - December 2011

- Tested and analyzed field samples against API spec 13A, sections 9, 10 and 11
- Worked with the exploration department sampling and mapping material drilled at potential sites

#### **Education**

Virginia Polytechnic Institute and State University (Virginia Tech), Blacksburg, VA Master of Science, Geosciences: December 2016

**LaSalle University**, Philadelphia, PA Bachelor of Science, Geology & Environmental Science: May 2010

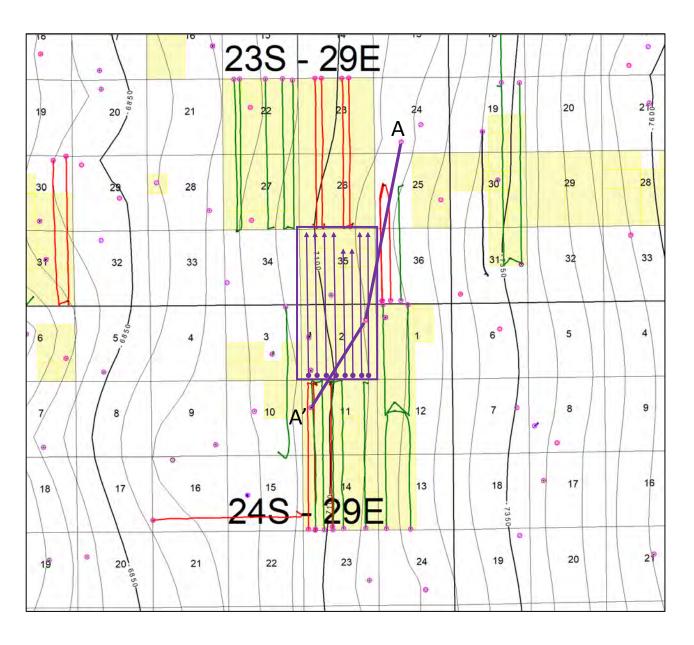
#### **Professional Societies**

Society for Sedimentary Geology (SEPM), September 2014 – Present American Association of Petroleum Geologists (AAPG), August 2014 – Present

Sarah Jancuska 2

#### WFMP Cross Section A - A'





# Structure Map WFMP (Top of WFMP)

CI = 50 Feet

#### **Horizontal Locations:**

Tater Tot 2-35 Fed Com 711H
Tater Tot 2-35 Fed Com 621H
Tater Tot 2-35 Fed Com 332H
Tater Tot 2-35 Fed Com 712H
Tater Tot 2-35 Fed Com 622H
Tater Tot 2-35 Fed Com 334H
Tater Tot 2-35 Fed Com 713H
Tater Tot 2-35 Fed Com 624H

Producing Horizontal Wells

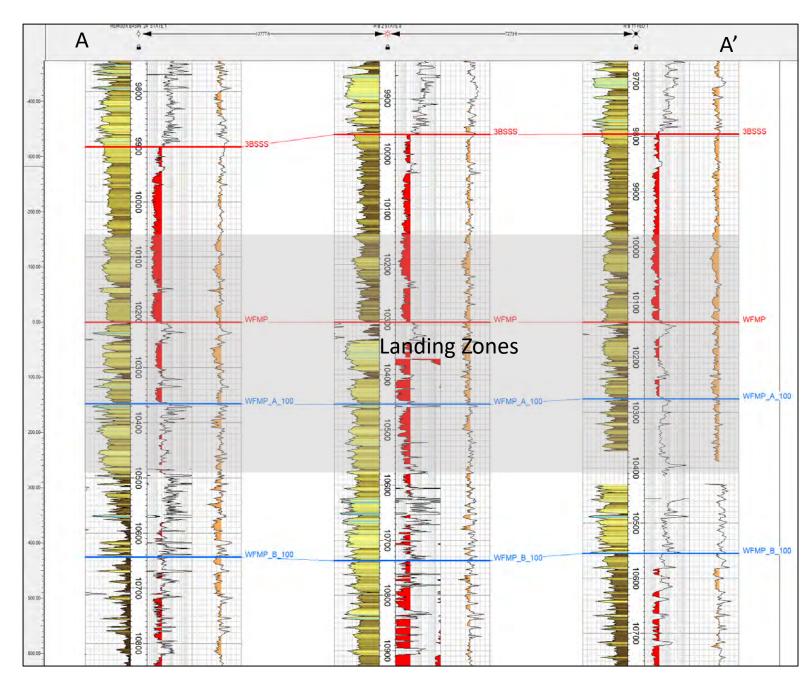
BHL

**)** FTP

Control Points

B-1

# Stratigraphic Cross Section A – A' WFMP





## **TAB 4**

Case No. 23789

Exhibit C: Self-Affirmed Statement of Notice, Darin C. Savage

Exhibit C-1: Notice Letter Exhibit C-2: Mailing List

Exhibit C-3: Affidavit of Publication

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

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 23789

#### **SELF-AFFIRMED STATEMENT OF NOTICE**

I, Darin C. Savage, attorney and authorized representative of Devon Energy Production Company, L.P. ("Devon"), the Applicant herein, being first duly sworn, upon oath, states the following:

- 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 September 13, 2023, to all uncommitted mineral owners sought to be pooled in this proceeding. *See* Exhibit C-2, attached hereto. Copies of notice letters 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 September 19, 2023. *See* Exhibit C-3.

[Signature page 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. 23789 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

10/3/2023

Date Signed



#### ABADIE I SCHILL PC

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

September 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 Compulsory Pooling, Eddy County, New Mexico

Tater Tot 2-35 Fed Com 621H Well (Case No. 23789) Tater Tot 2-35 Fed Com 711H Well (Case No. 23789)

Tater Tot 2-35 Fed Com 712H Well (Case No. 23789)

Case No. 23789:

Dear Interest Owners:

This letter is to advise you that Devon Energy Production Company, L.P. ("Devon"), has filed the enclosed application, Case No. 23789 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. 23789, Devon seeks to pool the Purple Sage; Wolfcamp formation, designated as a gas pool, underlying a standard 639.56-acre, more or less, spacing and proration unit comprised of the W/2 of Section 35, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico. The proposed wells to be dedicated to the horizontal spacing unit are the **Tater Tot 2-35 Fed Com 621H Well**, the **Tater Tot 2-35 Fed Com 711H Well** and the **Tater Tot 2-35 Fed Com 712H Well**.

A hearing has been requested before a Division Examiner on October 5, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

EXHIBIT C-1

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. For information about remote access and status of the case, you can visit the Division's website at: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> 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 Prehearing 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 Aaron Young at (405) 228-2850 or at aaron.young@dvn.com.

Sincerely,

Darin C. Savage

Attorney for Devon Energy Production Company, L.P.

Mail Activity Report - CertifiedPro.net Mailed from 9/10/2023 to 9/16/2023 User Name: abadieschill Generated: 9/26/2023 10:15:26 AM												
USPS Article Number	Ownership	Reference Number	Date Mailed	Name 1	Name 2	Address 1	Address 2	City	State	Zip	Mailing Status	Service Options
9314869904300112028880	WI	4188.51	9/13/23	Highland (Texas) Energy Company Inc.		11886 Greenville Ave.	Suite 106	Dallas	TX	75243	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028897	WI	4188.51	9/13/23	OXY USA Inc.		5 Greenway Plaza	Suite 110	Houston	TX	77046	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028903	ORRI	4188.51	9/13/23	LeNell Joy Honeyman, SSP		406 Skywood Circle		Midland	TX	79705	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028910	ORRI	4188.51	9/13/23	Leslie Robert Honeyman Trust,	LaNell Joy Honeyman, Trustee	406 Skywood Circle		Midland	TX	79705	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300112028927	ORRI	4188.51	9/13/23	Tap Rock Minerals, LP		523 Park Point Drive	Suite 200	Golden	CO	80401	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028934	ORRI	4188.51	9/13/23	Cornerstone Family Trust		P.O. Box 558		Peyton	CO	80831	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028941	ORRI	4188.51	9/13/23	LJA Charitable Investments, LLC		P.O. Box 331363		Houston	TX	77233	Mailed	Return Receipt - Electronic, Certified Mail
9314869904300112028958	WI / ORRI	4188.51	9/13/23	The Allar Company		P.O. Box 1567		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028965	ORRI	4188.51	9/13/23	Strategic Energy Income Fund IV, LP		2350 North Forest Road		Getzville	NY	14063	To be Returned	Return Receipt - Electronic, Certified Mail
9314869904300112028972	RT	4188.51	9/13/23	Echo Production, Inc.		P.O. Box 1210		Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail
9314869904300112028989	RI	4188.51	9/13/23	Bureau of Land Management		620 E. Greene St		Carlsbad	NM	88220	Delivered	Return Receipt - Electronic, Certified Mail





**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 0112 0289 89.

Item Details

**Status:** Delivered to Agent for Final Delivery

Status Date / Time: September 18, 2023, 12:38 p.m.

Location: CARLSBAD, NM 88220

Postal Product: First-Class Mail<sup>®</sup>
Extra Services: Certified Mail<sup>™</sup>

Return Receipt Electronic

Recipient Name: Bureau of Land Management

Shipment Details

Weight: 5.0oz

Recipient Signature

Signature of Recipient: (Authorized Agent)

Address of Recipient:

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

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Sincerely, United States Postal Service® 475 L'Enfant Plaza SW Washington, D.C. 20260-0004

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



**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 0112 0289 72.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: September 18, 2023, 09:56 a.m.

Location:GRAHAM, TX 76450Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Echo Production Inc

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: PO BOX 1210

City, State ZIP Code: GRAHAM, TX 76450-1210

Recipient Signature

Signature of Recipient:

Sterepling

PO BOX 1210

Address of Recipient:

3RAHAM, TX 76450-1210

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**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 0112 0289 58.

Item Details

Status: Delivered, Individual Picked Up at Post Office

Status Date / Time: September 18, 2023, 10:39 a.m.

Location:GRAHAM, TX 76450Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: The Allar Company

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: PO BOX 1567

City, State ZIP Code: GRAHAM, TX 76450-7567

Recipient Signature

Signature of Recipient:

Steve Dennyl

Address of Recipient:

5918 112v

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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 0112 0289 34.

#### Item Details

Status: Delivered

Status Date / Time: September 16, 2023, 11:05 a.m.

Location:PEYTON, CO 80831Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Cornerstone Family Trust

Shipment Details

Weight: 5.0oz

**Destination Delivery Address** 

Street Address: PO BOX 558

City, State ZIP Code: PEYTON, CO 80831-0558

#### Recipient Signature

Signature of Recipient:

Princed John It Tlows

Delivery Address P.O. Box 55%

Address of Recipient:

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



September 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 0112 0288 97.

#### Item Details

**Status:** Delivered to Agent for Final Delivery

Status Date / Time: September 19, 2023, 12:07 p.m.

**Location:** HOUSTON, TX 77046

Postal Product: First-Class Mail<sup>®</sup>
Extra Services: Certified Mail<sup>™</sup>

Return Receipt Electronic

Recipient Name: OXY USA Inc

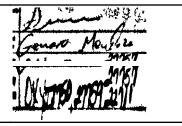
Shipment Details

Weight: 5.0oz

#### Recipient Signature

Signature of Recipient: (Authorized Agent)

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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**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 0112 0288 80**.

#### Item Details

Status: Delivered to Agent for Final Delivery
Status Date / Time: September 18, 2023, 10:39 a.m.

Location:DALLAS, TX 75243Postal Product:First-Class Mail®Extra Services:Certified Mail™

Return Receipt Electronic

Recipient Name: Highland Texas Energy Company Inc

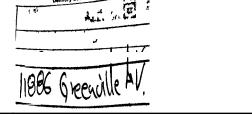
Shipment Details

Weight: 5.0oz

#### Recipient Signature

Signature of Recipient: (Authorized Agent)

Address of Recipient:



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

## Carlsbad Current Argus.

## Affidavit of Publication Ad # 0005827773 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:

09/19/2023

Subscribed and sworn before me this September 29,

2023:

Stole of Wi, County of Brown

NOTARY PUBLIC

My commission expires

CASE No. 23789; 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 HIGHLAND (TEXAS) ENERGY COMPANY INC.; OXY USA INC.; LENELL JOY HONEYMAN, SSP; LESLIE ROBERT HONEYMAN TRUST; LANELL JOY HONEYMAN, TRUSTEE; TAP ROCK MINERALS, LP; CORNERSTONE FAMILY TRUST; LIA CHARITABLE INVESTMENTS, LLC; THE ALLAR COMPANY; STRATEGIC ENERGY INCOME FUNDI IV, LP; AND ECHO PRODUCTION, INC. — of Devon Energy Production Company, L.P.'s application for approval of 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 October 5, 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 pooling all uncommitted mineral interests in the Purple Sage; Wolfcamp formation, designated as a gas pool, underlying a standard 639-56-acre, more or less, spacing and proration unit comprised of the W/2 of Section 35, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, and Lot 3 (NE/4 NW/4 equivalent), Lot 4 (NW/4 NW/4 equivalent), the S/2 NW/4, and the SW/4 of Section 2. Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and Lot 3 (NE/4 NW/4 equivalent) of Section 35; Tater Tot 2-35 Fed Com 711H Well, a gas well, to be drilled fro bottom hole location in Unit C (NE/4 NW/4 equivalent) of Section 35. The wells are unorthodox, and the take points and completed intervals do not comply with the setback requirements under the Special Division Rules in Order No. R-14262 for the Purple Sage Wolfcamp; however, Devon has applied for and received administrative approval for the non-standard locations; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 8.8 miles southeast of Loving, New Mexico.

#5827773, Current Argus, September 19, 2023

RYAN SPELLER Notary Public State of Wisconsin

Ad # 0005827773

PO #:

# of Affidavits: 1

This is not an invoice

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