

NSL

Application

RECEIVED: 02/08/21	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL2103959420
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Devon Energy Production Company, L.P. **OGRID Number:** 6137
Well Name: Cobber 21-33 Fed Com #3H Well - AMENDED APPLICATION **API:** 30-025-46920
Pool: Jabalina; Wolfcamp, Southwest **Pool Code:** 96776

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☒ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

- 3) CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kaitlyn A. Luck

Print or Type Name

Signature

February 5, 2021

Date

505-954-7286

Phone Number

kaluck@hollandhart.com

e-mail Address



February 5, 2021

VIA ONLINE FILING

Adrienne Sandoval, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Amended Application of Devon Energy Production, LP, for administrative approval of an unorthodox well location for its Cobber 21-33 Fed Com #3H Well in the W/2 of Sections 21, 28, and 33, Township 26 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Dear Ms. Sandoval:

Devon Energy Production, LP (“Devon”) (OGRID No. 6137) seeks administrative approval of an unorthodox well location for its **Cobber 21-33 Fed Com #3H Well** (API No. 30-025-46920) to be completed within the Jabalina; Wolfcamp, Southwest Pool (96776) underlying the W/2 of Sections 21, 28, and 33, Township 26 South, Range 34 East, N.M.P.M., Lea County, New Mexico, as follows:

- Surface hole location: 234’ and 1,562’ FWL (Unit C) of Section 21
- Bottom hole location: 20’ FSL, and 2,480’ FWL (Lot 3) of Section 33
- First take point: 479’ FNL, and 2,370’ FWL (Unit C) of Section 21
- Last take point: 158’ FSL, and 2,282’ FWL (Lot 3) of Section 33

Since this acreage is governed by the Division’s statewide rules, the completed interval for the **Cobber 21-33 Fed Com #3H Well** is unorthodox because the completed interval is closer than the standard offsets to the eastern boundary of the spacing unit in Sections 21, 28, and 33. The **Cobber 21-33 Fed Com #3H Well** encroaches on the adjoining spacing unit located in the E/2 of Sections 21, 28, and 33. Approval of the unorthodox completed interval will allow Devon to use its preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Exhibit A is a Well Location and Acreage Dedication Plat (Form C-102), which shows that the completed interval of the proposed **Cobber 21-33 Fed Com #3H Well** encroaches on the drilling and spacing unit to the east in the E/2 of Sections 21, 28, and 33.

Exhibit B is a land plat for Sections 21, 28, and 33 that shows the proposed **Cobber 21-33 Fed Com #3H Well** in relation to the adjoining spacing unit to the east in Sections 21, 28, and 33.

The working interest ownership is identical between the subject spacing unit and the spacing unit to the east in the E/2 of Sections 21, 28, and 33, however, there is diverse ownership as between overriding royalty interest owners. **Exhibit C** includes a list of the affected parties, which are only overriding royalty interest owners, a copy of this application that was sent by certified mail to the affected parties advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the application, and proof of mailing. Since federal lands are involved, the Bureau of Land Management was provided notice.

Exhibit D is a statement from Devon's petroleum engineer confirming that Devon's requested unorthodox location is necessary to optimize well spacing, thereby preventing waste.

Finally, **Exhibit E** reflects that this well and spacing unit has been pooled under the terms of Order R-21162 (Case No. 21036).

Your attention to this matter is appreciated.

Sincerely,



Kaitlyn A. Luck
ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. FIRST ST., ARTESIA, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

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

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
OGRID No.	Operator Name	Elevation
6137	COBBER 21-33 FED COM	3H
	DEVON ENERGY PRODUCTION COMPANY, L.P.	3313.4'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	21	26-S	34-E		234	NORTH	1562	WEST	LEA

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
LOT 3	33	26-S	34-E		37	SOUTH	2278	WEST	LEA

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

<p>COBBER 21-33 FED COM 3H ELEV: 3313.4' LAT: 32.035538 LON: 103.478320 N: 377715.99 E: 806283.50</p> <p>KICK OFF POINT 115' FNL 2336' FWL SEC. 21 LAT: 32.035870 LON: 103.475821 N: 377842.61 E: 807056.80</p> <p>FIRST TAKE POINT 479' FNL 2370' FWL SEC. 21 LAT: 32.034867 LON: 103.475712 N: 377478.16 E: 807093.61</p> <p>LAST TAKE POINT 158' FSL 2282' FWL SEC. 33 LAT: 32.000709 LON: 103.475970 N: 365051.14 E: 807112.35</p> <p>BOTTOM OF HOLE LAT: 32.000376 LON: 103.475983 N: 364930.20 E: 807109.29</p> <p><small>Note: All bearings recited herein are based on the New Mexico State Plane Coordinate System, NAD 83, New Mexico East Zone 3001, US Survey Feet, all distances are grid.</small></p>	<p>The diagram shows a survey plat for sections 21, 28, and 33. Section 21 is at the top, section 28 is in the middle, and section 33 is at the bottom. The plat includes well locations (3H SHL, KOP, FTP, BHL) and various corner points with their coordinates (N, E, S, W bearings and distances). The plat is divided into lots 1, 2, 3, and 4.</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>7/2019 Date of Survey</p> <p>Signature & Seal of Professional Surveyor</p> <p> B. L. LAMAN NEW MEXICO 22404 PROFESSIONAL SURVEYOR</p> <p>12/28/20</p> <p>Certificate No. 22404 B.L. LAMAN DRAWN BY: CM</p>
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EXHIBIT A

Intent ☐ As Drilled ☒

API #			
Operator Name: DEVON ENERGY PRODUCTION COMPANY, LP.		Property Name: COBBER 21-33 FED COM	Well Number 3H

Kick Off Point (KOP)

UL C	Section 21	Township 26-S	Range 34-E	Lot	Feet 115	From N/S NORTH	Feet 2336	From E/W WEST	County LEA
Latitude 32.035870					Longitude 103.475821				NAD 83

First Take Point (FTP)

UL C	Section 21	Township 26-S	Range 34-E	Lot	Feet 479	From N/S NORTH	Feet 2370	From E/W WEST	County LEA
Latitude 32.034867					Longitude 103.475712				NAD 83

Last Take Point (LTP)

UL	Section 33	Township 26-S	Range 34-E	Lot 3	Feet 158	From N/S SOUTH	Feet 2282	From E/W WEST	County LEA
Latitude 32.000709					Longitude 103.475970				NAD 83

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

Is this well an infill well? ☐

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

API #			
Operator Name:		Property Name:	Well Number

KZ 06/29/2018

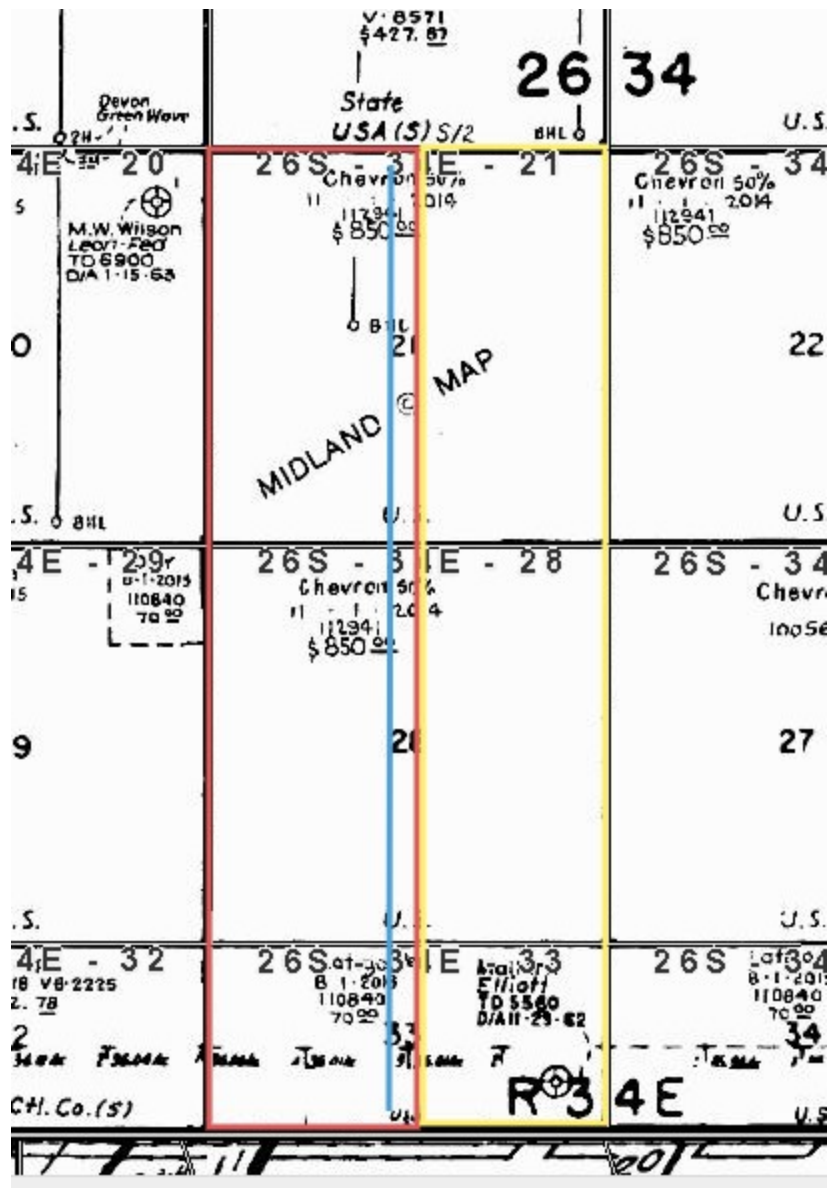


EXHIBIT B

Name	Interest Type	Street	City	State	Postal Code
CORNERSTONE FAMILY TRUST JOHN KYLE THOMA SUCC TTEE	OR	PO BOX 558	PEYTON	Colorado	80831
HIGHLAND TEXAS ENERGY COMPANY	OR	11886 GREENVILLE AVE STE 106	DALLAS	Texas	75243
CONSTITUTION RESOURCES II LP	OR	2901 VIA FORTUNA STE 600	AUSTIN	Texas	78746-7710
APOLLO INVESTMENTS LTD % PEAT, MARWICK & MITCHELL	OR	P O BOX 438	ROADTOWN TORTOLA		VG1110
ALLAR COMPANY	OR	PO BOX 1567	GRAHAM	Texas	76450-1567
ALLAR DEVELOPMENT LLC	OR	PO BOX 1567	GRAHAM	Texas	76450-7567
CROWNROCK MINERALS LP	OR	PO BOX 51933	MIDLAND	Texas	79710
STRATEGIC ENERGY INCOME FUND IV LP	OR	1521 N COOPER STREET STE 400	ARLINGTON	Texas	76011
SHEPHERD ROYALTY LLC	OR	5949 SHERRY LN STE 1175	DALLAS	Texas	75225
ONRR ROYALTY MANAGEMENT PROGRAM	RI	PO BOX 25627	DENVER	Colorado	80225-0627
FORTUNA III PERMIAN LLC	WI	2 GREENWAY PLAZA STE 240	HOUSTON	Texas	77046
ALLAR DEVELOPMENT LLC	WI	PO BOX 1567	GRAHAM	Texas	76450-7567
SRR PERMIAN LLC	WI	1751 RIVER RUN STE 200	FORT WORTH	Texas	76107
CHIEF CAPITAL O&G II LLC	WI	8111 WESTCHESTER STE 900	DALLAS	Texas	75225
DEVON ENERGY PROD CO LP	WI	333 W SHERIDAN AVE	OKLAHOMA CITY	Oklahoma	73102-5015
CHEVRON U S A INC	WI	1400 Smith Street	HOUSTON	Texas	77002

EXHIBIT C



Kaitlyn A. Luck
Phone (505) 954-7286
KALuck@hollandhart.com

February 5, 2021

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL AFFECTED PARTIES

Re: Amended Application of Devon Energy Production, LP, for administrative approval of an unorthodox well location for its Cobber 21-33 Fed Com #3H Well in the W/2 of Sections 21, 28, and 33, Township 26 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Ladies and Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date with the applicant and the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection is received within this twenty-day period, this application may be approved administratively by the Division.

If you have any questions about this application, please contact the following:

Tim Prout
Devon Energy
(432) 552-6113
Tim.Prout@devon.com

Sincerely,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

MailD										
ParentID	ate	ToName	DeliveryAddress	AddressLine2	City	ST	Zip	MailClass	USPS#	Label Reference
31309	02/05/2021	Cornerstone Family Trust	PO Box 558	John Kyle Thoma Succ Ttee	Peyton	CO	80831-0558	Certified with Return Receipt (Signature)	941481189876 5899465996	69965 - Devon - Cobber 3H NSL - Notice List - 1
31309	02/05/2021	Highland Texas Energy Company	11886 Greenville Ave Ste 106		Dallas	TX	75243-3569	Certified with Return Receipt (Signature)	941481189876 5899465941	69965 - Devon - Cobber 3H NSL - Notice List - 2
31309	02/05/2021	Constitution Resources II LP	2901 Via Fortuna Ste 600		Austin	TX	78746-7710	Certified with Return Receipt (Signature)	941481189876 5899465989	69965 - Devon - Cobber 3H NSL - Notice List - 3
31309	02/05/2021	Allar Company	PO Box 1567		Graham	TX	76450-7567	Certified with Return Receipt (Signature)	941481189876 5899465934	69965 - Devon - Cobber 3H NSL - Notice List - 4
31309	02/05/2021	Allar Development LLC	PO Box 1567		Graham	TX	76450-7567	Certified with Return Receipt (Signature)	941481189876 5899465651	69965 - Devon - Cobber 3H NSL - Notice List - 5
31309	02/05/2021	Crownrock Minerals LP	PO Box 51933		Midland	TX	79710-1933	Certified with Return Receipt (Signature)	941481189876 5899465668	69965 - Devon - Cobber 3H NSL - Notice List - 6
31309	02/05/2021	Strategic Energy Income Fund IV LP	1521 N Cooper St Ste 400		Arlington	TX	76011-5537	Certified with Return Receipt (Signature)	941481189876 5899465620	69965 - Devon - Cobber 3H NSL - Notice List - 7
31309	02/05/2021	Shepherd Royalty LLC	5949 Sherry Ln Ste 1175		Dallas	TX	75225-8075	Certified with Return Receipt (Signature)	941481189876 5899465606	69965 - Devon - Cobber 3H NSL - Notice List - 8
31309	02/05/2021	ONRR Royalty Management Program	PO Box 25627		Denver	CO	80225-0627	Certified with Return Receipt (Signature)	941481189876 5899465644	69965 - Devon - Cobber 3H NSL - Notice List - 9
31309	02/05/2021	Fortuna Ili Permian LLC	2 Greenway Plz Ste 240		Houston	TX	77046-0298	Certified with Return Receipt (Signature)	941481189876 5899465682	69965 - Devon - Cobber 3H NSL - Notice List - 10

MailD										
ParentID	ate	ToName	DeliveryAddress	AddressLine2	City	ST	Zip	MailClass	USPS#	Label Reference
31309	02/05/2021	Allar Development LLC	PO Box 1567		Graham	TX	76450-7567	Certified with Return Receipt (Signature)	941481189876 5899465637	69965 - Devon - Cobber 3H NSL - Notice List - 11
31309	02/05/2021	SRR Permian LLC	1751 River Run Ste 200		Fort Worth	TX	76107-6670	Certified with Return Receipt (Signature)	941481189876 5899465675	69965 - Devon - Cobber 3H NSL - Notice List - 12
31309	02/05/2021	Chief Capital O&G II LLC	8111 Westchester Dr Ste 900		Dallas	TX	75225-6146	Certified with Return Receipt (Signature)	941481189876 5899465118	69965 - Devon - Cobber 3H NSL - Notice List - 13
31309	02/05/2021	Devon Energy Prod Co LP	333 W Sheridan Ave		Oklahoma City	OK	73102-5010	Certified with Return Receipt (Signature)	941481189876 5899465163	69965 - Devon - Cobber 3H NSL - Notice List - 14
31309	02/05/2021	Chevron U S A Inc	1400 Smith St		Houston	TX	77002-7327	Certified with Return Receipt (Signature)	941481189876 5899465125	69965 - Devon - Cobber 3H NSL - Notice List - 15
31309	02/05/2021	Leonard Lowe	1220 S St Francis Dr		Santa Fe	NM	87505-4225	Certified with Return Receipt (Signature)	941481189876 5899465194	69965 - Devon - Cobber 3H NSL - Notice List - 16
31309	02/05/2021	Bureau of Land Management	301 Dinosaur Trl		Santa Fe	NM	87508-1560	Certified with Return Receipt (Signature)	941481189876 5899465149	69965 - Devon - Cobber 3H NSL - Notice List - 18

ORIGIN ID: DENA (720) 974-5623
MIKE CILETTI

6747 E 50TH AVE

COMMERCE CITY, CO 80022 US
SIGN: MIKE CILETTI

SHIP DATE: 05FEB21
ACTWGT: 0.50 LB
CAD: 250541310/INET4340

BILL SENDER
NO EEI 30.37(a)

TO PEAT MAVERICK & MITCHELL
APOLLO INVESTMENTS LTD
PO BOX 438

ROADTOWN VG1110
7209745623 REF:

INV: PO: 15381 DEPT:

(NG)

56DJ1/B69B/FE4A



J211121011902uv

TRK# 7728 1400 6060
0430

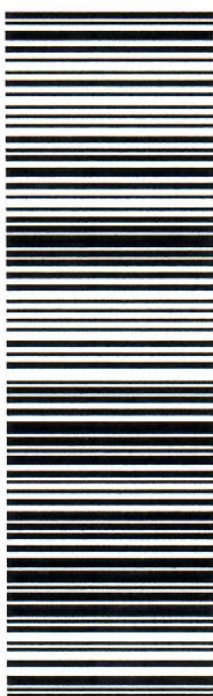
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Refer to the Convention to determine the claims period for your shipment. The right to damages against us shall be extinguished unless an action is brought within two years, as set forth in the Convention. FedEx is not obligated to act on any claim until all transportation charges have been paid. The claim amount may not be deducted from the transportation charges. If the recipient accepts the shipment without noting any damage on the delivery record, FedEx will assume the shipment was delivered in good condition. In order for us to consider a claim for damage, the contents, original shipping carton and packing must be made available to us for inspection. **MANDATORY LAW.** Insofar as any provision contained or referred to in this Air Waybill may be contrary to any applicable international treaties, laws, government regulations, orders or requirements such provisions shall remain in effect as a part of our agreement to the extent that it is not overridden. The invalidity or unenforceability of any provisions shall not affect any other part of this Air Waybill. Unless otherwise indicated, **FEDERAL EXPRESS CORPORATION**, 2005 Corporate Avenue, Memphis, TN 38132, USA, is the first carrier of this shipment. Email address located at www.fedex.com.

Carla S. Garcia

From: Mike Ciletti <Mike.Ciletti@wizbangsolutions.com>
Sent: Friday, February 5, 2021 5:24 PM
To: Carla S. Garcia
Subject: FW: FedEx Shipment 772814006060. This shipment was tendered to FedEx Express

External Email

FYI

From: TrackingUpdates@fedex.com <TrackingUpdates@fedex.com>
Sent: Friday, February 5, 2021 5:21 PM
To: Mike Ciletti <Mike.Ciletti@wizbangsolutions.com>
Subject: FedEx Shipment 772814006060. This shipment was tendered to FedEx Express



Hi. This shipment was
tendered to FedEx Express
on Fri 2/05/2021.

Adult Signature Required

Estimated delivery date

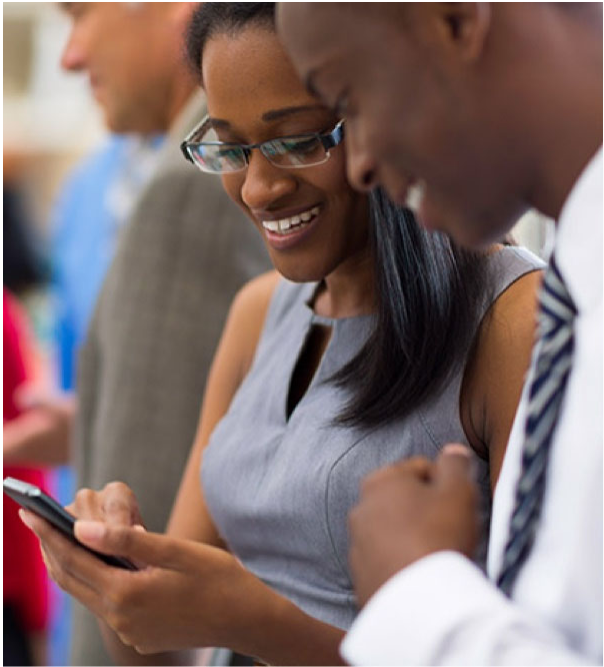
Tue, 02/09/2021
by 6:00pm



PICKED UP
DENVER, CO

MANAGE DELIVERY

TRACKING NUMBER	772814006060
FROM	Mike Ciletti 6747 E 50th Ave Commerce City, CO, US, 80022
TO	Apollo Investments Ltd PEAT Maverick & Mitchell PO Box 438 Roadtown, VG, VG1110
PURCHASE ORDER NUMBER	15381
SHIP DATE	Fri 2/05/2021 05:20 PM
PACKAGING TYPE	FedEx Envelope
ORIGIN	Commerce City, CO, 80022
DESTINATION	Roadtown, , VG, VG1110
SPECIAL HANDLING	Deliver Weekday Adult Signature Required
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx International Priority



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Thank you for your business.

January 13, 2021

Mr. Leonard Lowe
New Mexico Oil Conservation Division
1220 South Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Nonstandard Locations
Engineering Statement
Devon Energy Production Company, L.P.
Cobber 21-33 Fed Com 3H well
Sections 21, 28, & 33-26S-34E
Lea County, New Mexico

Dear Mr. Lowe:

Devon Energy Production Company, L.P. respectfully requests administrative approval of a non-standard location for the Cobber 21-33 3H well referenced above by decreasing the first take point(s) from 330 feet to 270 feet. It is Devon's responsibility as a prudent operator to maximize lateral length and to minimize reserves left in the ground. Decreasing the first take point will increase the wells overall effective lateral length by 60 feet, thereby increasing ultimate recovery of reserves and preventing waste of natural resources.

Sincerely,



Scott Baker
Reservoir Engineer, Delaware Basin

EXHIBIT D

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
DEVON ENERGY PRODUCTION COMPANY, L.P.**

**CASE NO. 21036
ORDER NO. R-21162**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on February 6, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Devon Energy Production Company, L.P. ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

EXHIBIT E

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the described depth(s) and location(s) in the Unit.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the Surface Location or Bottom Hole Location of a well is changed from the location described in Exhibit A, Operator shall submit an amended Exhibit A, which the Division shall append to this Order.
19. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location before commencing production of the well.

20. The Operator shall commence drilling the initial well within one (1) year after the date of this Order; and (b) for an infill well, no later than thirty (30) days after completion of the well.
21. Operator shall comply with the infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC.
22. This Order shall terminate automatically if Operator fails to comply with Paragraphs 20 or 21.
23. Operator shall submit to OCD and each owner of a working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs") no later than: (a) for an initial well, no later than thirty (30) days after the date of this Order; (b) for an infill well proposed by Operator, no later than (30) days after the later of the initial notice period pursuant to 19.15.13.10(B) NMAC or the extension granted by the OCD Director pursuant 19.15.13.10(D) NMAC; or (c) for an infill well proposed by an owner of a Pooled Working Interest, no later than thirty (30) days after expiration of the last action required by 19.15.13.11 NMAC.
24. No later than thirty (30) days after Operator submits the Estimated Well Costs , the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
25. No later than within one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
26. No later than sixty (60) days after the later of the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well

Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

27. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
28. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to OCD and each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless OCD or an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If OCD or an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
30. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to OCD and each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978,

Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



ADRIENNE SANDOVAL
DIRECTOR
AS/kms

Date: February 26, 2020

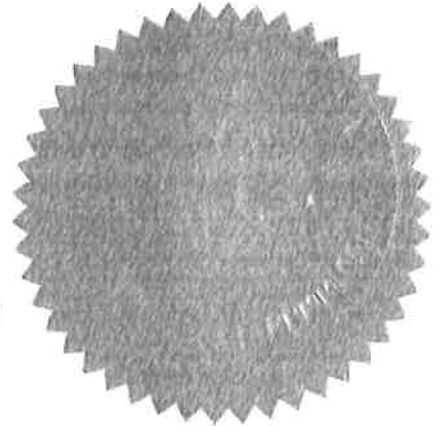


Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21036	APPLICANT'S RESPONSE
Date April 6, 2020	
Applicant	Devon Energy
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Michael Feldewert
	Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/ Intervenors:	None
Well Family	Cobber 21-33 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas) :	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	Brinninstool; Wolfcamp, West Pool [96689]
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	792-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	792-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2 of Sections 21, 28, and 33, 26S, 34E, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	

Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	E/2 W/2
Proximity Defining Well: if yes, description	Cobber 21-33 Fed Com #IOH
Applicant's Ownership in Each Tract	A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	A-4 (C-102 plats)
	<p>Cobber 21-33 Fed Com #2H Well (API pending): SHL: 234 FNL and 616 FWL (Unit D) of Section 21, 26S, 34E BHL: 20 FSL and 360 FWL (Lot 4) of Section 33, 26S, 34E</p> <p>Completion Target: Wolfcamp 300 at approx. 13,575 feet TVD Well Orientation: North to South Completion Location expected to be Standard</p>
	<p>Cobber 21-33 Fed Com #3H Well (API pending): SHL: 234 FNL and 1562 FWL (Unit C) of Section 21, 26S, 34E BHL: 20 FSL and 2310 FWL (Lot 3) of Section 33, 26S, 34E</p> <p>Completion Target: Wolfcamp 110 at approx. 12,863 feet TVD Well Orientation: North to South Completion Location expected to be Standard</p>
	<p>Cobber 21-33 Fed Com #4H Well (API pending): SHL: 234 FNL and 1532 FWL (Unit C) of Section 21, 26S, 34E BHL: 20 FSL and 1660 FWL (Lot 3) of Section 33, 26S, 34E</p> <p>Completion Target: Wolfcamp Y at approx 12,768 feet TVD Well Orientation: North to South Completion Location expected to be Standard</p>
	<p>Cobber 21-33 Fed Com #10H Well (API pending): SHL: 234 FNL and 646 FWL (Unit D) of Section 21, 26S, 34E BHL: 20 FSL and 1010 FWL (Lot 4) of Section 33, 26S, 34E</p> <p>Completion Target: Wolfcamp 130 at approx. 12,863 feet TVD Well Orientation: North to South Completion Location expected to be Standard</p>
Horizontal Well First and Last Take Points	A-4 (C-102 plats)

Completion Target (Formation, TVD and MD)	See above and A-5
AFE Capex and Operating Costs	
Drilling Supervision/ Month \$	\$7,000
Production Supervision/Month\$	\$700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	A-3
Tract List (including lease numbers and owners)	A-3

Pooled Parties (including ownership type)	A-3
Unlocatable Parties to be Pooled	A-3 and Exhibit C
Ownership Dept h Severance (including percentage above & below	N/A
Joinder	
Sample Copy of Proposal Letter	A-5
List of Interest Owners (ie Exhibit A of JOA)	A-3
Chronology of Contact with Non-Joined Working Interests	A-6
Overhead Rates In Proposal Letter	A-5
Cost Estimate to Drill and Complete	A-5
Cost Estimate to Equip Well	A-5
Cost Estimate for Production Facilities	A-5
Geology	
Summary (including special considerations)	Exhibit B

Spacing Unit Schematic	A-3
Gunbarrel/Lateral Trajectory Schematic	B-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	B-3
Depth Severance Discussion	Exhibit B (n/a)
Forms, Figures and Tables	
C-102	A-4
Tracts	A-3
Summary of Interests, Unit Recapitulation (Tracts)	A-3
General Location Map (including basin)	B-1
Well Bore Location Map	B-1
Structure Contour Map - Subsea Depth	B-1
Cross Section Location Map (including wells)	B-1
Cross Section (including Landing Zone)	B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Feldewert
Signed Name (Attorney or Party Representative):	
Date:	02/06/2020