

## McMillan, Michael, EMNRD

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**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, November 28, 2018 10:28 AM  
**To:** 'Seth McMillan'; Brooks, David K, EMNRD  
**Cc:** David Ortiz  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

Seth:  
Make sure that Devon really wants that interval, because based on the Well file log tops, the interval Devon is asking for is in the Wolfcamp not Bone Spring

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**From:** Seth McMillan <SMcMillan@montand.com>  
**Sent:** Wednesday, November 28, 2018 10:26 AM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>; Brooks, David K, EMNRD <DavidK.Brooks@state.nm.us>  
**Cc:** David Ortiz <DOrtiz@montand.com>; Kautz, Paul, EMNRD <paul.kautz@state.nm.us>; Sharp, Karen, EMNRD <Karen.Sharp@state.nm.us>  
**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

OK, that's helpful. Thanks.

---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Wednesday, November 28, 2018 10:24 AM  
**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>; Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>; Sharp, Karen, EMNRD <[Karen.Sharp@state.nm.us](mailto:Karen.Sharp@state.nm.us)>  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

No  
The Log that the geologist used was a BTA Oil Producer Grama Ridge Federal 8817 JVP Well No. 1 API 30-025-30686.

This has to be clarified before the Division will approve pooling order.

Another idea is to use the BTA Well; instead of the Pogo Well for depth severance description

Mike

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**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>  
**Sent:** Wednesday, November 28, 2018 10:19 AM  
**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>; Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>; Sharp, Karen, EMNRD <[Karen.Sharp@state.nm.us](mailto:Karen.Sharp@state.nm.us)>  
**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Mike -- I thought the log attached to the Shaw affidavit showed the appropriate interval, but, in any case, I will have Kenton follow up per your request.

---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Wednesday, November 28, 2018 10:02 AM  
**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>; Kautz, Paul, EMNRD <[paul.kautz@state.nm.us](mailto:paul.kautz@state.nm.us)>; Sharp, Karen, EMNRD <[Karen.Sharp@state.nm.us](mailto:Karen.Sharp@state.nm.us)>  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

Seth:  
The OCD does not have a log through the interval you described. The log is through the Morrow/ Upper Miss Section (quick look at the log-I could very easily be off on that description). API 30-025-25944

If Devon wants to use that interval, it must supply a copy of the log that contains the interval in question to the Hobbs District Office .

I included Paul Kautz and Karen Sharp in the e-mail to ensure that Devon supplies a log to them.

Mike

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>  
**Sent:** Wednesday, November 28, 2018 9:39 AM  
**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Huzzah! Thanks for your patience. Will do.



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---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Wednesday, November 28, 2018 9:38 AM  
**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

Yes

Send it as an affidavit so it can be placed the case file

Mike

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>  
**Sent:** Wednesday, November 28, 2018 9:35 AM  
**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Mike,

Sorry again for the confusion and delay. Let me know if the language below does the trick. The "Pogo Producing Company State L-922 2 well" is specifically identified in our geologist's stratigraphic cross-section (third well from the left):

Applicant seeks to drill the Proposed Well to a depth sufficient to test the Third Bone Spring Sand, defined as the stratigraphic equivalent of 11,465' to 11,784' beneath Kelly Bushing elevation of 3,743 feet, as interpreted on the Gamma Ray log for the Pogo Producing Company State L-922 2 well (API No. 30-025-25944-0000) located 1,780 feet from the South line and 1,980 feet from the East line of Section 28, Township 21 South, Range 34 East, Lea County, New Mexico.

Thanks,  
Seth



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---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Tuesday, November 27, 2018 12:41 PM  
**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

Seth:

I want the description of the depth severance to be tied to an existing well nearby that if someone not familiar with the area can easily figure out.

An example from Mewbourne Cases 20092 states the depth severance as below (pay attention to the italicized portion)

Applicant seeks to drill the Proposed Well to a depth sufficient to test **the Second Bone Spring Sand, defined as the stratigraphic equivalent of 7,800 to 8,164 feet beneath Kelly Bushing elevation of 3,393 feet, as found the BHC Acoustilog for the Chisos, Ltd. State HL Well No. 1 located 660 feet from the South line and 1.980 feet from the West Line (Unit N) of Section 11, Township 19 South, Range 29 East, NMPM, Eddy County New Mexico**

From this description, a landman or engineer could easily figure the depth severance.

In your case, Apache knows exactly the vertical boundaries of the depth severance

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>

**Sent:** Tuesday, November 27, 2018 12:32 PM

**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>

**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>

**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Mike – I have confirmed with Devon that the depth severance description for the Chiles 28-21 State Com 1H well (i.e., the only well proposed at this time for this HSU, and therefore the well that defines the HSU) is **from the top of the 3<sup>rd</sup> Bone Spring Sand to the top of the Wolfcamp**. To be clear, there are no variations in ownership by depth. Devon seeks to limit this new HSU to the 3rd BSS due to the existing 1-mile 2nd BSS well in Sec. 21, where Devon owns 100%. Thanks.



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---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]

**Sent:** Monday, November 26, 2018 3:22 PM

**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>

**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>

**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

Can you give me the depth severance description that is tied to a well for this application?

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>

**Sent:** Monday, November 26, 2018 3:19 PM

**To:** Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>; McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>

**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>

**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Ask, and you shall receive! The three attached affidavits will be filed this afternoon. You can toss what I'd previously sent you this morning as Devon Exhibit 5. That ownership breakdown is now attached to the Supplemental Affidavit of Katie Dean. Thanks.



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---

**From:** Brooks, David K, EMNRD [<mailto:DavidK.Brooks@state.nm.us>]

**Sent:** Monday, November 26, 2018 11:46 AM

**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>

**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>

**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

A supplemental affidavit would be nice!

David Brooks

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>

**Sent:** Monday, November 26, 2018 11:44 AM

**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>

**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>

**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Examiner McMillan,

Please see the attached email from Katie Dean confirming that there are no overrides in the entire Bone Spring interval. Please let me know if you would like this information in the form of a supplemental affidavit.

Thanks,  
Seth



Seth C. McMillan  
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P. O. Box 2307  
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---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Monday, November 26, 2018 11:06 AM  
**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

What about the entire Bone Spring interval, not just the 2<sup>nd</sup> and 3<sup>rd</sup>?

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>  
**Sent:** Monday, November 26, 2018 10:48 AM  
**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** [EXT] RE: Case No. 20085: Devon/Chiles well - supplemental materials

Examiner McMillan,

As reflected in Exhibit B to Katie Dean's affidavit (Devon's Exhibit 1), Devon found no overrides in the HSU.

Thanks,  
Seth



Seth C. McMillan  
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Montgomery & Andrews, P.A.  
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**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Monday, November 26, 2018 10:31 AM  
**To:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** RE: Case No. 20085: Devon/Chiles well - supplemental materials

I am still not clear about overrides throughout the horizontal spacing unit.  
Were they all notified?  
Were there no overrides at all?

Mike

---

**From:** Seth McMillan <[SMcMillan@montand.com](mailto:SMcMillan@montand.com)>  
**Sent:** Monday, November 26, 2018 10:17 AM  
**To:** McMillan, Michael, EMNRD <[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)>; Brooks, David K, EMNRD <[DavidK.Brooks@state.nm.us](mailto:DavidK.Brooks@state.nm.us)>  
**Cc:** Murphy, Kathleen A, EMNRD <[KathleenA.Murphy@state.nm.us](mailto:KathleenA.Murphy@state.nm.us)>; David Ortiz <[DOrtiz@montand.com](mailto:DOrtiz@montand.com)>  
**Subject:** [EXT] Case No. 20085: Devon/Chiles well - supplemental materials

Examiner McMillan,

Please find attached the following supplemental materials, to be filed today in Case No. 20085, per your request:

1. Devon Exhibit 5 – a visual breakdown showing WI ownership throughout Sections 21 and 28, including ownership in the existing 2BS wellbore. Please let us know if you need anything more from Devon in this regard.
2. Devon Exhibit 6 – Amended Affidavit of Geologist Kenton Shaw, showing the ssTVD of wells in the vicinity, and showing the specific locations of the wells shown in Mr. Shaw's A-A' cross-section. This affidavit is intended to replace Devon's previously-submitted Exhibit 2.
3. Devon Exhibit 7 – Amended Affidavit of Engineer Sheldon Moos, substituting the word "barrier" for the word "baffle." This change was suggested by the Examiner, but was also of course found by Mr. Moos to hold true on the geologic evidence. This affidavit is intended to replace Devon's previously-submitted Exhibit 3.

Please let me know if you need anything else in order to take this case under advisement.

Thanks,

Seth



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