

**BEFORE THE OIL CONSERVATION COMMISSION
EXAMINER HEARING SEPTEMBER 05, 2019**

CASE NOS. 20729, 20730 AND 20731

*PAPAS FRITAS 27-22 FED COM 333H WELL
PAPAS FRITAS 27-22 FED COM 332H WELL
PAPAS FRITAS 27-22 FED COM 331H WELL*

EDDY COUNTY, NEW MEXICO



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

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

CASE NOS. 20729, 20730 & 20731

**AFFIDAVIT OF VERL BROWN
IN SUPPORT OF CASE NOS. 20729, 20730 AND 20731**

Verl Brown, of lawful age and being first duly sworn, declares as follows:

1. My name is Verl Brown. I work for Devon Energy Production Company, L.P. ("Devon") as a Landman.

2. I have not previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. I graduated from the University of Tulsa with a Bachelor's Degree in Energy Management in 2011, and I graduated from Oklahoma City University School of Law with a Juris Doctor in 2017. Since June 2011, I have worked as a landman in New Mexico and Oklahoma. My curriculum vitae is attached hereto as **Devon Exhibit No. A-1**. I seek to have my credentials as an expert petroleum landman accepted and made a matter of public record.

3. I am familiar with the applications filed by Devon in **Case Nos. 20729, 20730, and 20731**, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties has indicated opposition to these pooling applications, and therefore I do not expect any opposition at the hearing.

CASE NO. 20729

5. In this case, Devon is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 640-acre standard horizontal spacing unit comprised of the

E/2 of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

6. Devon seeks to dedicate the above horizontal spacing unit to proposed **Papas Fritas 27-22 Fed Com 333H well** to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 27 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 22. The completed interval for the **Papas Fritas 27-22 Fed Com 333H well** will remain within 330 feet of the quarter-section line separating the W/2 E/2 from the E/2 E/2 of Sections 22 and 27 to allow inclusion of offset acreage into a standard 640-acre horizontal well spacing unit.

7. Devon has prepared a draft Form C-102 to file with the Division for this proposed well that is attached hereto as **Devon Exhibit A-2**. The first and last take points for this well are shown on the C-102. Devon has been advised by the District Office that this horizontal spacing unit is located in two pools: the Laguna Salado; Bone Spring Pool (Pool Code 96721), and the Laguna Salado; Bone Spring, South (Pool Code 96857).

8. There are no depth severances in the Bone Spring formation underlying this acreage.

9. **Devon Exhibit A-3** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal land. This exhibit shows the interest owners that Devon seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit. Exhibit A-3 also identifies the tracts of land within the proposed horizontal spacing unit that are encompassed with the Laguna Salado; Bone Spring Pool (Pool Code 96721), and the tracts of land within the Laguna Salado; Bone Spring, South (Pool Code 96857).

10. Devon is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-3.

11. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Devon Exhibit A-4**. The costs reflected in the AFE are consistent with what Devon and other operators have incurred for drilling similar horizontal wells in the area.

CASE NO. 20730

12. In this case, Devon is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre standard horizontal spacing unit comprised of the E/2 W/2 of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

13. Devon seeks to dedicate the above horizontal spacing unit to the proposed **Papas Fritas 27-22 Fed Com 332H well** to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 27 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 22. The completed interval for the **Papas Fritas 27-22 Fed Com 332H well** will remain within the standard setback as required by the statewide rules for horizontal oil wells.

14. Devon has prepared a draft Form C-102 to file with the Division for the proposed well that is attached hereto as **Devon Exhibit A-5**. The first and last take points for the well are shown on the C-102. Devon has been advised by the District Office that this horizontal spacing unit is located in two pools: the Laguna Salado; Bone Spring Pool (Pool Code 96721), and the Laguna Salado; Bone Spring, South (Pool Code 96857).

15. There are no depth severances in the Bone Spring formation underlying this acreage.

16. **Devon Exhibit A-6** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal land. This exhibit shows the interest owners that Devon seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit. Exhibit A-6 also identifies the tracts of land within the proposed horizontal spacing unit that are encompassed with the Laguna Salado; Bone Spring Pool (Pool Code 96721), and the tracts of land within the Laguna Salado; Bone Spring, South (Pool Code 96857).

17. Devon is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-6.

18. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Devon Exhibit A-7**. The costs reflected in the AFE are consistent with what Devon and other operators have incurred for drilling similar horizontal wells in the area.

CASE NO. 20731

19. In this case, Devon is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre standard horizontal spacing unit comprised of the W/2 W/2 of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico.

20. Devon seeks to dedicate the above horizontal spacing unit to the proposed **Papas Fritas 27-22 Fed Com 331H well** to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. The completed interval for the **Papas Fritas 27-22 Fed Com 331H well** will remain within the standard setback as required by the statewide rules for horizontal oil wells.

21. Devon has prepared a draft Form C-102 to file with the Division for the proposed well that is attached hereto as **Devon Exhibit A-8**. The first and last take points for the well are shown on the C-102. Devon has been advised by the District Office that this horizontal spacing unit is located in two pools: the Laguna Salado; Bone Spring Pool (Pool Code 96721), and the Laguna Salado; Bone Spring, South (Pool Code 96857).

22. There are no depth severances in the Bone Spring formation underlying this acreage.

23. **Devon Exhibit A-9** identifies the tracts of land comprising the proposed horizontal spacing unit that includes federal land. This exhibit shows the interest owners that Devon seeks to pool and provides a unit recapitulation, showing the percentage of ownership interests in the proposed spacing unit. Exhibit A-9 also identifies the tracts of land within the proposed horizontal spacing unit that are encompassed with the Laguna Salado; Bone Spring Pool (Pool Code 96721), and the tracts of land within the Laguna Salado; Bone Spring, South (Pool Code 96857).

24. Devon is seeking to pool both working interest owners and overriding royalty interest owners identified on Exhibit A-9.

25. A copy of the well proposal letter for the well, along with the corresponding AFE, is attached as **Devon Exhibit A-10**. The costs reflected in the AFE are consistent with what Devon and other operators have incurred for drilling similar horizontal wells in the area.

26. Devon has been able to locate contact information for all of the parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners in **Case Nos. 20729, 20730, and 20731**.

27. In **Case Nos. 20729, 20730, and 20731**, Devon seeks approval of overhead and administrative costs at \$8,000/month while drilling and \$800/month while producing. These costs

are consistent with what Devon and other operators are charging in this area for these types of wells. Devon respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in these cases.

28. For **Case Nos. 20729, 20730, and 20731**, I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners. In compiling these addresses, Devon conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches.

29. **Devon Exhibit A-1 through A-10** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Verl Brown
VERL BROWN

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 28th day of August 2019 by Verl Brown.

Rachel Gerlach
NOTARY PUBLIC

My Commission Expires:

6/22/23



VERL BROWN, JD , CPL

(405) 519-9359
333 West Sheridan Avenue
Oklahoma City, OK 73102
Verl.Brown@dvn.com

EDUCATION: University of Oklahoma, Oklahoma City, OK
Masters of Business Administration
Estimated Date of Graduation: May 2021

Oklahoma City University School of Law, Oklahoma City, OK
Juris Doctor
Member of the Oklahoma Bar Association
Date of Graduation: May 2017

The University of Tulsa, Tulsa, OK
Bachelor of Science in Business Administration, Major in Energy Management
Graduated with Honors: Cum Laude
Date of Graduation: May 2011

EXPERIENCE:

Devon Energy, Oklahoma City, Oklahoma, May 2011-- Current

Senior Landman – Delaware Basin

January 2019-Current

Senior Landman – Anadarko Basin

June 2011-January 2019

- Land Due Diligence Lead for the Anadarko Basin – Linn Divestiture (\$2.3B), White Star Petroleum Divestiture (\$200MM), and Undisclosed Buyer – TX Panhandle Divestiture (\$310MM)
- Co-Land Due Diligence Lead, Anadarko Basin – Felix Acquisition (\$2.5B)
- Team Facilitator of the SE STACK Appraisal Team where I was in charge of a team of engineers, geologists and landmen focused on creating a long-term development strategy for Devon's position in the SE STACK
- Wrote Devon's corporate wide Divestiture Due Diligence Protocol that was disseminated to all land professionals and is used for all large divestiture due diligence projects
- Acquired oil and gas leases, farmouts, trade agreements, wellbore assignments, term assignments, etc.
- Acted as a formal mentor for a less experienced professionals
- Admitted as an expert witness at the Oklahoma Corporation Commission
- Negotiated, drafted, and closed assignments and letter agreements for oil and gas leasehold interest

Devon Energy, Oklahoma City, Oklahoma, May 2010 – August 2010

Land Intern

- Exposure to Proposing Wells, Leasing, and State Regulations
- Researched Lease Jeopardizes
- Ran Title and Completed Due Diligence for a PSA

HONORS/ACTIVITIES

Professional

- Member of the AAPL (American Association of Petroleum Landmen)
- Member of the OCAPL (Oklahoma City Association of Petroleum Landmen)
- Certified Professional Landman (CPL)
- Passed the Oklahoma Bar Exam July 2017
- Contributor to the AAPL Landman Magazine – Wrote the Oklahoma Field Report April 2018-February 2019

Oklahoma City University School of Law

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A1

Submitted by: Devon Energy Production

Hearing Date: September 05, 2019

Case Nos 20729, 20730 & 20731

- Cali Awards: Income Taxation, Oil and Gas Tax Law, Oil and Gas Contracts, and Oil and Gas Regulation
- Oklahoma Mineral Lawyers Society Award
- Oklahoma Bar Association's Energy and Natural Resources Scholarship Recipient
- Dean's List

University of Tulsa

- Graduated from the University of Tulsa with Honors: Cum Laude
- The University of Tulsa Dean's Honor Roll (GPA above 3.5)
- The University of Tulsa President's Honor Roll (GPA 4.0)
- OERB Petroleum Scholar
- Member of Football Team at University of Tulsa

District I1625 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

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PAPAS FRITAS 27-22 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 331H ⁹ Elevation 3021.6'

¹⁰ Surface Location

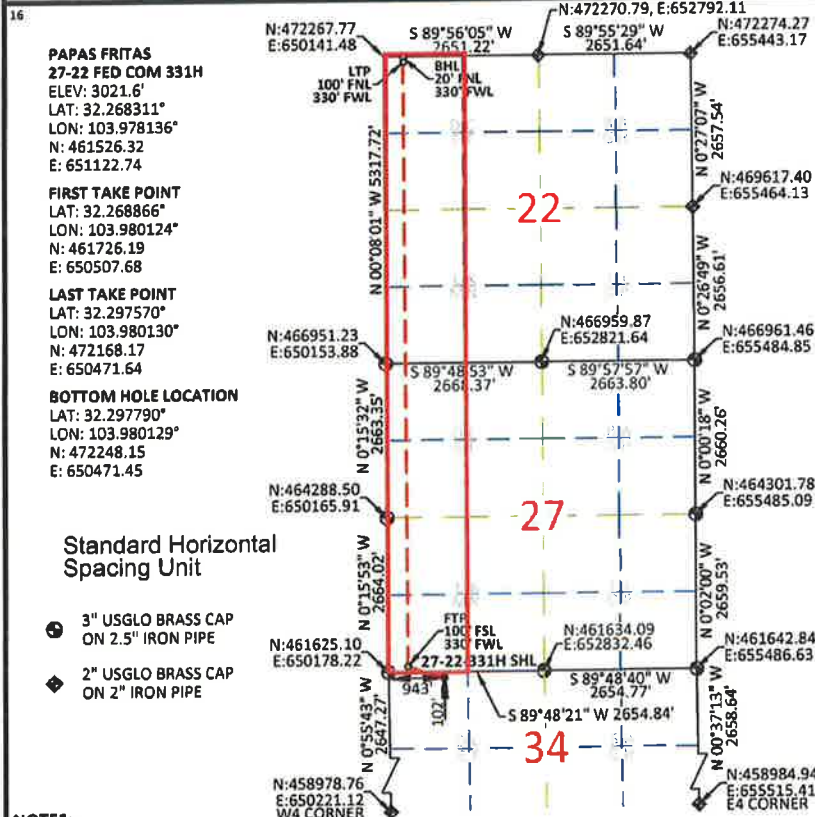
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	23-S	29-E	102	102	NORTH	943	WEST	EDDY

¹¹ 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	22	23-S	29-E	20	20	NORTH	330	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated
or a non-standard unit has been approved by the division.

**NOTES:**

- BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.373, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷ OPERATOR CERTIFICATION

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

Signature _____ Date _____

Printed Name _____

E-mail Address _____

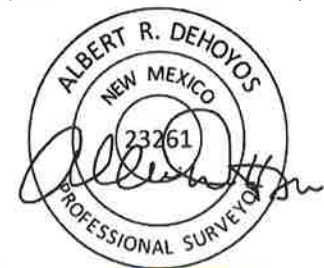
¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/06/2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate No. 23261 Albert Dehoyos
Drawn by: TMW Checked by: ARD Date: 04/29/2019

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. A2

Submitted by: Devon Energy Production

Hearing Date: September 05, 2019

Case Nos 20729, 20730 & 20731

Intent ☐ As Drilled ☐

API #

Operator Name:
DEVON ENERGY PRODUCTION COMPANY, L.P.

Property Name:
PAPAS FRITAS 27-22 FED COM

Well Number
331H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude			NAD	

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
M	27	23-S	29-E		100	SOUTH	330	WEST	EDDY
Latitude 32.268866°					Longitude -103.980124°			NAD 83	

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
D	22	23-S	29-E		100	NORTH	330	WEST	EDDY
Latitude 32.297570°					Longitude -103.980130°			NAD 83	

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

Is this well an infill well? ☐ N

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

API #

Operator Name:

Property Name:

Well Number

KZ 06/29/2018

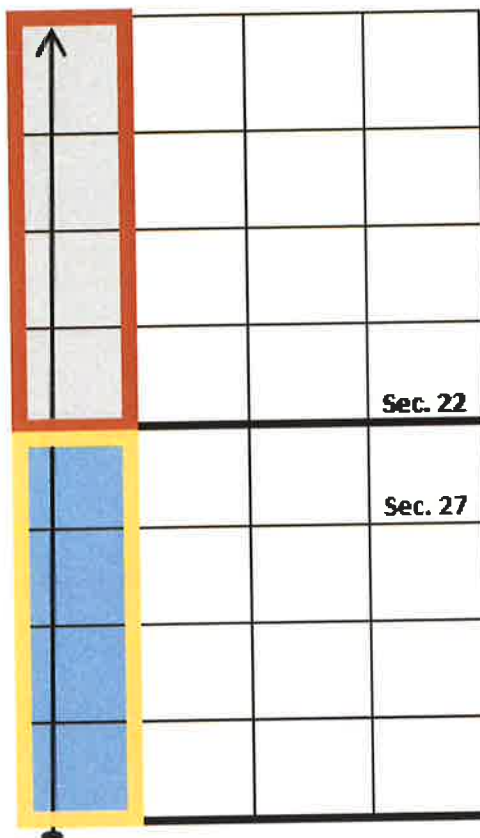
OWNERSHIP BREAKDOWN
Papas Fritas 27-22 Fed Com 331H

W/2 W/2 of Section 22 & W/2 W/2 of Section 27, T-23-S, R-29-E, Eddy County, New Mexico,
 Bone Spring Formation

Tract 1:
 NMNM 66425
 (160 acres)



Tract 2:
 NMNM 105557
 (160 acres)



**Laguna Salado: Bone
 Spring Pool (Pool
 Code 96721)**



**Laguna Salado: Bone
 Spring, South (Pool
 Code 96857)**

**TRACT 1 OWNERSHIP (Laguna Salado: Bone Spring Pool (Pool Code 96721) W/2W/2 of Section 22-
 T23S-R29E, being 160 acres):**

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	92.75	.5796875	Committed
OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046-0521	20	.125	Uncommitted
Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002	47.25	.2953125	Uncommitted
Total:	160.0	1.00	

TRACT 2 OWNERSHIP (Laguna Salado: Bone Spring, South (Pool Code 96857)W/2W/2 of Section 27-T23S-R29E, being 160 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	140.956	.8809975	Committed
The Allar Company P.O. Box 1567 Graham, TX 76450	18.4	.115	Uncommitted
Highland (Texas) Energy 7557 Rambler Road, Suite 918 Dallas, TX 75218	.644	.004025	Uncommitted
Total:	160.000	1.00	

Overriding Royalty Interest seeking to Compulsory Pool:

ORRI Owners (Tract 1) (Laguna Salado: Bone Spring Pool (Pool Code 96721))

LaNell Joy Honeyman
406 Skywood Circle
Midland, TX 79705

LaNell Joy Honeyman, as Trustee of the of the
Leslie Robert Honeyman Trust
406 Skywood Circle
Midland, TX 79705

Lenox Mineral Title Holdings, Inc., solely in its
capacity as nominee holder of legal title as agent
for the benefit of Lenox Mineral, LLC
1707 1/2 Post Oak Boulevard, #171
Houston, TX 77056

Michael D. Hayes
3608 Meadowridge Lane
Midland, TX 79707

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

ORRI Owners (Tract 2) (Laguna Salado: Bone Spring, South (Pool Code 96857))

The Allar Company
P.O. Box 1567
Graham, TX 76450

Crownrock Minerals, L.P
P.O. Box 51938
Midland, TX 79710

Highland (Texas) Energy
7557 Rambler Road, Suite 918
Dallas, TX 75218

Limpinbear Family Partnership, Ltd.
410 17th Street, Suite 1150
Denver, CO 80202

Maribeth Naughton as Trustee of the
Morse Family Security Trust
410 17th Street, Suite 1150
Denver, CO 80202

Unit Recapitulation-Bone Spring- 320 AC HSU

Papas Fritas 27-22 Fed Com 331H

W/2 W/2 of Section 22 & W/2 W/2 of Section 27, T-23-S, R-29-E, Eddy County, New Mexico

Owner	Interest
Devon Energy Production Company, L.P.	73.033125%
OXY USA Inc.	6.250000%
Chevron U.S.A. Inc.	14.765625%
The Allar Company	5.750000%
Highland (Texas) Energy	0.201250%
TOTAL	100.000000%

Uncommitted Working Interest Owners seeking to Compulsory Pool



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 228 8804 Phone
www.devonenergy.com

June 18, 2019

Working Interest Owners (See Attached List)

Re: Papas Fritas 27-22 FED COM 331H, 332H, 333H, 621H,
622H, 623H, 711H, 712H, and 713H Well Proposals
Section 22 & 27, Township 23 South, Range 29 East
Eddy County, New Mexico (the "Wells")

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Wells located in Sections 22 & 27 23S-29E, Eddy County, New Mexico. Accordingly, enclosed are the AFEs for the following wells:

- Papas Fritas 27-22 FED COM 331H to be drilled from a surface hole location ("SHL") of 102' FNL x 943' FWL of Section 34-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 9,900' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 332H to be drilled from a surface hole location ("SHL") of 152' FSL x 1822' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 9,970' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 333H to be drilled from a surface hole location ("SHL") of 150' FSL x 822' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,040' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 621H to be drilled from a surface hole location ("SHL") of 102' FNL x 993' FWL of Section 34-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,120' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 622H to be drilled from a surface hole location ("SHL") of 152' FSL x 1762' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,180' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 623H to be drilled from a surface hole location ("SHL") of 150' FSL x 762' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,240' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 711H to be drilled from a surface hole location ("SHL") of 102' FNL x 968' FWL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 990' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,200' subsurface in the Wolfcamp Formation.

- Papas Fritas 27-22 FED COM 712H to be drilled from a surface hole location ("SHL") of 152' FSL x 1792' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2310' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,270' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 713H to be drilled from a surface hole location ("SHL") of 150' FSL x 792' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 990' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,310' subsurface in the Wolfcamp Formation.

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

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

If you have any questions or concerns regarding this proposal, please contact me at (405) 228-8804 or verl.brown@devon.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Verl Brown
Landman

Enclosures

Please elect one of the following and return to sender:

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 331H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 331H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 332H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 332H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 333H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 333H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 621H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 621H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 622H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 622H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 623H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 623H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 711H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 711H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 712H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 712H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 713H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 713H

By: _____

Name: _____

Title: _____

Date: _____

**Working Interest Owners: Papas Fritas 27-22 Fed Com 331H, 332H, 333H, 621H,
622H, 623H, 711H, 712H, and 713H**

The Allar Company
P.O. Box 1567
Graham, TX 76450

Highland (Texas) Energy Company
7557 Rambler Road, Suite 918
Dallas, TX 75218

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

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

TLW Investments, L.L.C.
1001 Fannin, Suite 2020
Houston, TX 77002



Authorization for Expenditure

AFE # XX-133290.01

Well Name: PAPAS FRITAS 27-22 FED COM 331H

Cost Center Number: 1094051901

Legal Description: SEC 27-23S-29E & 22-23S-29E

Revision: ☐

AFE Date: 06/18/2019

State: NM

County/Parish: EDDY

Explanation and Justification:

DRILL & COMPLETE THE PAPAS FRITAS 27-22 FED COM 331H AS A 3RD BONE SPRING WELL.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	193,073.67	0.00	193,073.67
6060100	DYED LIQUID FUELS	135,959.58	346,009.08	0.00	481,968.66
6060130	GASEOUS FUELS	62,467.92	0.00	0.00	62,467.92
6080100	DISPOSAL - SOLIDS	102,390.24	1,050.00	0.00	103,440.24
6080110	DISP-SALTWATER & OTH	0.00	9,450.00	0.00	9,450.00
6090100	FLUIDS - WATER	60,900.00	500,888.64	0.00	561,788.64
6100100	PERMIT SURVEY&TITLE	40,000.00	4,044.94	0.00	44,044.94
6100110	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	100,000.00	40,723.03	0.00	140,723.03
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130130	COMM SERVICE - SCADA	0.00	112,921.35	0.00	112,921.35
6130170	COMM SVCS - WAN	6,430.52	0.00	0.00	6,430.52
6130360	RTOC - ENGINEERING	0.00	10,500.00	0.00	10,500.00
6130370	RTOC - GEOSTEERING	28,404.00	0.00	0.00	28,404.00
6150100	CH LOG PERFRTG&WL SV	0.00	304,421.25	0.00	304,421.25
6160100	MATERIALS & SUPPLIES	734.92	0.00	0.00	734.92
6170110	SNUBBG&COIL TUBG SVC	0.00	255,861.83	0.00	255,861.83
6190100	TRCKG&HL-SOLID&FLUID	55,118.75	0.00	0.00	55,118.75
6190110	TRUCKING&HAUL OF EQP	54,000.00	15,750.00	0.00	69,750.00
6200130	CONSLT & PROJECT SVC	176,380.00	94,853.84	0.00	271,233.84
6230120	SAFETY SERVICES	60,630.63	0.00	0.00	60,630.63
6300270	SOLIDS CONTROL SRVCS	117,586.67	0.00	0.00	117,586.67
6310120	STIMULATION SERVICES	0.00	1,037,222.70	0.00	1,037,222.70
6310190	PROPPANT PURCHASE	0.00	643,837.89	0.00	643,837.89
6310200	CASING & TUBULAR SVC	67,600.00	0.00	0.00	67,600.00
6310250	CEMENTING SERVICES	255,000.00	0.00	0.00	255,000.00
6310280	DAYWORK COSTS	734,916.67	0.00	0.00	734,916.67
6310300	DIRECTIONAL SERVICES	355,887.50	0.00	0.00	355,887.50
6310310	DRILL BITS	135,200.00	0.00	0.00	135,200.00
6310330	DRILL&COMP FLUID&SVC	395,920.00	2,100.00	0.00	398,020.00
6310370	MOB & DEMOBILIZATION	22,000.00	0.00	0.00	22,000.00
6310380	OPEN HOLE EVALUATION	24,129.31	0.00	0.00	24,129.31
6310480	TSTNG-WELL, PL & OTH	0.00	51,496.22	0.00	51,496.22
6310600	MISC PUMPING SERVICE	0.00	83,711.09	0.00	83,711.09
6320100	EQPMNT SVC-SRF RNTL	143,492.48	161,098.83	0.00	304,591.31
6320110	EQUIP SVC - DOWNHOLE	79,690.00	0.00	0.00	79,690.00
6320160	WELDING SERVICES	1,750.00	0.00	0.00	1,750.00
6320190	WATER TRANSFER	0.00	150,832.24	0.00	150,832.24
6350100	CONSTRUCTION SVC	0.00	164,224.72	0.00	164,224.72
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
6550100	MISCS COSTS & SERVS	0.00	58,538.00	0.00	58,538.00
6550110	MISCELLANEOUS SVC	25,900.00	0.00	0.00	25,900.00
6630110	CAPITAL OVERHEAD	11,023.75	29,006.74	0.00	40,030.49
6740340	TAXES OTHER	394.28	0.00	0.00	394.28

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



Authorization for Expenditure

AFE # XX-133290.01

Well Name: PAPAS FRITAS 27-22 FED COM 331H

Cost Center Number: 1094051901

Legal Description: SEC 27-23S-29E & 22-23S-29E

Revision: ☐

AFE Date: 06/18/2019

State: NM

County/Parish: EDDY

	Total Intangibles	3,288,907.22	4,271,616.06	0.00	7,560,523.28
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Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6130120	COMM DEVICES - SCADA	0.00	24,194.94	0.00	24,194.94
6230130	SAFETY EQUIPMENT	3,674.58	0.00	0.00	3,674.58
6300210	TREATER FWKO EQUIP	0.00	476,189.10	0.00	476,189.10
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310460	WELLHEAD EQUIPMENT	33,100.00	26,460.00	0.00	59,560.00
6310530	SURFACE CASING	33,000.00	0.00	0.00	33,000.00
6310540	INTERMEDIATE CASING	291,223.20	0.00	0.00	291,223.20
6310550	PRODUCTION CASING	407,949.00	0.00	0.00	407,949.00
6310580	CASING COMPONENTS	40,900.00	0.00	0.00	40,900.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	161,315.17	0.00	161,315.17
	Total Tangibles	859,846.78	688,139.21	0.00	1,547,985.99

TOTAL ESTIMATED COST	4,148,754.00	4,959,755.27	0.00	9,108,509.27
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

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

District I1625 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

Submit one copy to
appropriate District Office

☐ AMENDED REPORT
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96857	³ POOL NAME LAGUNA SALADO: BONE SPRING, SOUTH
⁴ Property Code	⁵ Property Name PAPAS FRITAS 27-22 FED COM	⁶ Well Number 332H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3042.8'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	27	23-S	29-E		152	SOUTH	1822	EAST	EDDY

¹¹ 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	22	23-S	29-E		20	NORTH	2178	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16

**PAPAS FRITAS
27-22 FED COM 332H**
ELEV: 3042.8'
LAT: 32.269009°
LON: 103.969909°
N: 461788.80
E: 653664.94

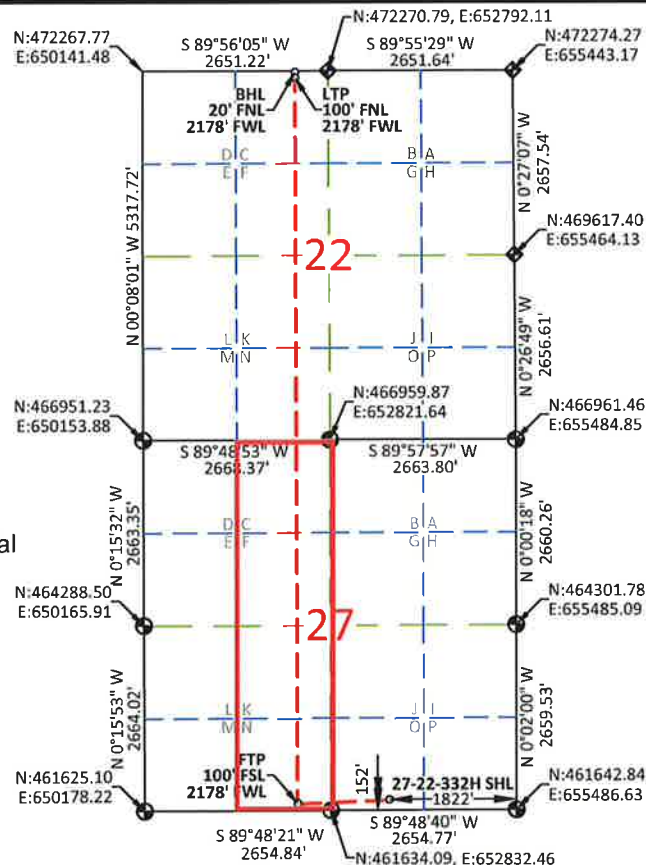
FIRST TAKE POINT
LAT: 32.268867°
LON: 103.974147°
N: 461732.45
E: 652355.27

LAST TAKE POINT
LAT: 32.297559°
LON: 103.974150°
N: 472170.27
E: 652319.23

BOTTOM HOLE LOCATION
LAT: 32.297778°
LON: 103.974150°
N: 472250.25
E: 652319.04

**Standard Horizontal
Spacing Unit**

- 3" USGLO BRASS CAP
ON 2.5" IRON PIPE
- ◆ 2" USGLO BRASS CAP
ON 2" IRON PIPE

**NOTES:**

- BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.373, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEOID 12B.

¹⁷ OPERATOR CERTIFICATION

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

Erin Workman 06/14/19
Signature Date

Erin Workman

Printed Name

Erin.workman@devon.com

E-mail Address

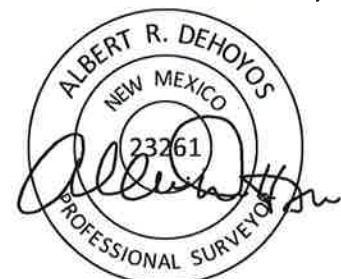
¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/06/2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate No. 23261

Albert Dehoyos

Drawn by: TMW

Checked by: ARD

Date: 04/29/2019

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit one copy to
appropriate District Office☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number	² Pool Code 96721	³ Pool Name LAGUNA SALADO
⁴ Property Code	⁵ Property Name PAPAS FRITAS 27-22 FED COM	⁶ Well Number 332H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3042.8'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	27	23-S	29-E		152	SOUTH	1822	EAST	EDDY

¹¹ 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	22	23-S	29-E		20	NORTH	2178	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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16

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27-22 FED COM 332H**
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LON: 103.969909°
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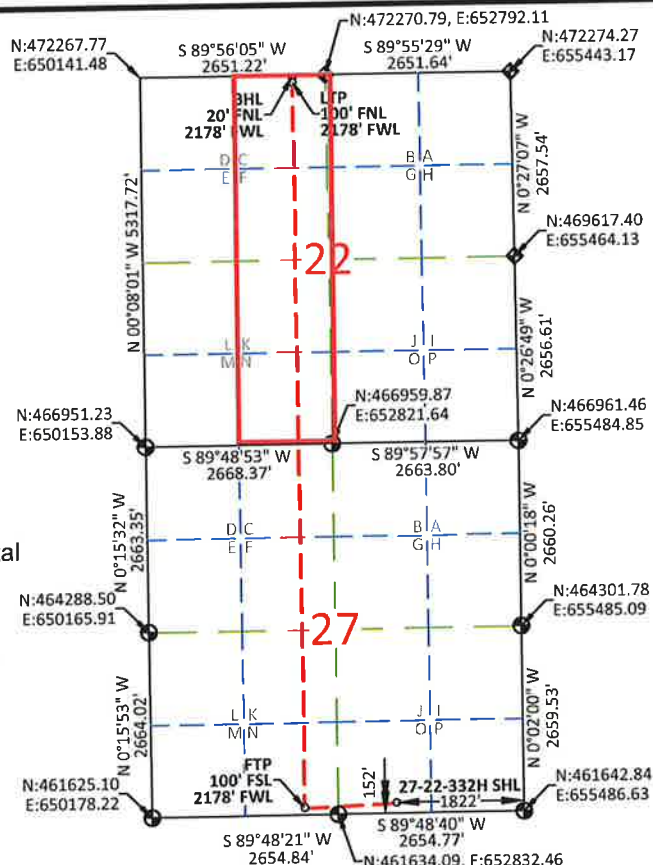
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LAT: 32.297778°
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E: 652319.04

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ON 2.5" IRON PIPE
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ON 2" IRON PIPE

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- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

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Erin Workman 06/14/19
Signature Date

Printed Name
Erin Workman

Erin.workman@dvn.com
E-mail Address

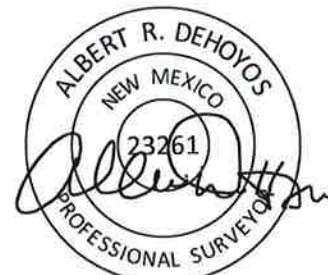
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03/06/2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate No. 23261

Albert Dehoyos

Drawn by: TMW

Checked by: ARD

Date: 04/29/2019

Intent ☒As Drilled ☐

API #

Operator Name:

DEVON ENERGY PRODUCTION COMPANY, L.P.

Property Name:

PAPAS FRITAS 27-22 FED COM

Well Number

332H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	27	23S	29E		50	SOUTH	2178	WEST	EDDY
Latitude					Longitude				NAD
32.268741					-103.974051				83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
N	27	23-S	29-E		100	SOUTH	2178	WEST	EDDY
Latitude					Longitude				NAD
32.268867°					-103.974147°				83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	22	23-S	29-E		100	NORTH	2178	WEST	EDDY
Latitude					Longitude				NAD
32.297559°					-103.974150°				83

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

☒

Is this well an infill well?

☐

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

API #

Operator Name:

Property Name:

Well Number

KZ 06/29/2018

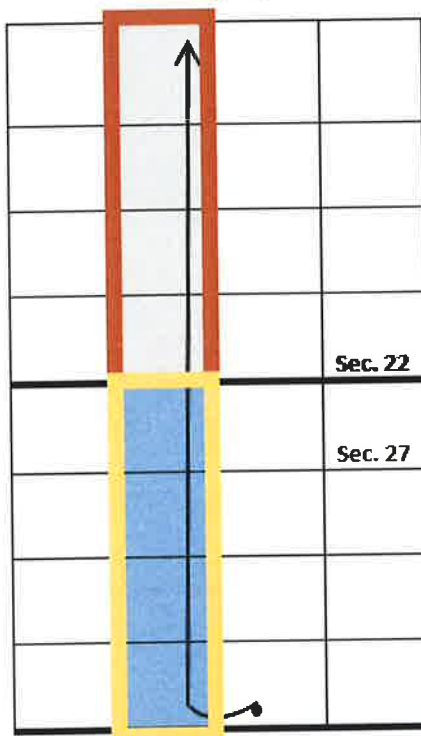
**OWNERSHIP BREAKDOWN
Papás Fritas 27-22 Fed Com 332H**

E/2 W/2 of Section 22 & E/2 W/2 of Section 27, T-23-S, R-29-E, Eddy County, New Mexico,
Bone Spring Formation

Tract 1:
NMNM 66425
(160 acres)



Tract 2:
NMNM 105557
(160 acres)



**Laguna Salado: Bone Spring
Pool (Pool Code 96721)**

**Laguna Salado: Bone Spring,
South (Pool Code 96857)**

TRACT 1 OWNERSHIP (Laguna Salado: Bone Spring Pool (Pool Code 96721) (E/2W/2 of Section 22-T23S-R29E, being 160 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	92.75	.5796875	Committed
OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046-0521	20	.125	Uncommitted
Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002	46.25	.2734375	Uncommitted
TWL Investments, L.L.C. P.O. Box 301535 Dallas, TX 75303-1535	1.0	.021875	Uncommitted
Total:	160.0	1.00	

TRACT 2 OWNERSHIP (Laguna Salado: Bone Spring, South (Pool Code 96857) E/2W/2 of Section 27-T23S-R29E, being 160 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	141.556	.8941	Committed
The Allar Company P.O. Box 1567 Graham, TX 76450	17.8	.1018750	Uncommitted
Highland (Texas) Energy 7557 Rambler Road, Suite 918 Dallas, TX 75218	.644	.004025	Uncommitted
Total:	160.000	1.00	

Overriding Royalty Interest seeking to Compulsory Pool:

ORRI Owners (Tract 1) (Laguna Salado: Bone Spring Pool (Pool Code 96721))

LaNell Joy Honeyman
406 Skywood Circle
Midland, TX 79705

LaNell Joy Honeyman, as Trustee of the of the
Leslie Robert Honeyman Trust
406 Skywood Circle
Midland, TX 79705

Lenox Mineral Title Holdings, Inc., solely in its
capacity as nominee holder of legal title as agent
for the benefit of Lenox Mineral, LLC
1707 1/2 Post Oak Boulevard, #171
Houston, TX 77056

Michael D. Hayes
3608 Meadowridge Lane
Midland, TX 79707

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

ORRI Owners (Tract 2) (Laguna Salado: Bone Spring, South (Pool Code 96857))

The Allar Company
P.O. Box 1567
Graham, TX 76450

Crownrock Minerals, L.P
P.O. Box 51938

Midland, TX 79710

Highland (Texas) Energy
7557 Rambler Road, Suite 918
Dallas, TX 75218

Limpinbear Family Partnership, Ltd.
410 17th Street, Suite 1150
Denver, CO 80202

Maribeth Naughton as Trustee of the
Morse Family Security Trust
410 17th Street, Suite 1150
Denver, CO 80202

Unit Recapitulation-Bone Spring- 320 AC HSU

Papas Fritas 27-22 Fed Com 332H
E/2 W/2 of Section 22 & E/2 W/2 of Section 27, T-23-S, R-29-E, Eddy County, New Mexico

Owner	Interest
Devon Energy Production Company, L.P.	73.220625%
OXY USA Inc.	6.250000%
Chevron U.S.A. Inc.	14.453125%
The Allar Company	5.562500%
TLW investments, L.L.C.	.312500%
Highland (Texas) Energy	0.201250%
TOTAL	100.0000000%

Uncommitted Working Interest Owners seeking to Compulsory Pool



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 228 8804 Phone
www.devonenergy.com

June 18, 2019

Working Interest Owners (See Attached List)

Re: Papas Fritas 27-22 FED COM 331H, 332H, 333H, 621H,
622H, 623H, 711H, 712H, and 713H Well Proposals
Section 22 & 27, Township 23 South, Range 29 East
Eddy County, New Mexico (the "Wells")

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Wells located in Sections 22 & 27 T23S-29E, Eddy County, New Mexico. Accordingly, enclosed are the AFEs for the following wells:

- Papas Fritas 27-22 FED COM 331H to be drilled from a surface hole location ("SHL") of 102' FNL x 943' FWL of Section 34-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 9,900' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 332H to be drilled from a surface hole location ("SHL") of 152' FSL x 1822' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 9,970' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 333H to be drilled from a surface hole location ("SHL") of 150' FSL x 822' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,040' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 621H to be drilled from a surface hole location ("SHL") of 102' FNL x 993' FWL of Section 34-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,120' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 622H to be drilled from a surface hole location ("SHL") of 152' FSL x 1762' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,180' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 623H to be drilled from a surface hole location ("SHL") of 150' FSL x 762' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,240' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 711H to be drilled from a surface hole location ("SHL") of 102' FNL x 968' FWL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 990' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,200' subsurface in the Wolfcamp Formation.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. A7

Submitted by: Devon Energy Production
Hearing Date: September 05, 2019
Case Nos 20729, 20730 & 20731

- Papas Fritas 27-22 FED COM 712H to be drilled from a surface hole location ("SHL") of 152' FSL x 1792' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2310' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,270' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 713H to be drilled from a surface hole location ("SHL") of 150' FSL x 792' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 990' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,310' subsurface in the Wolfcamp Formation.

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

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

If you have any questions or concerns regarding this proposal, please contact me at (405) 228-8804 or verl.brown@devon.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Verl Brown
Landman

Enclosures

Please elect one of the following and return to sender:

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 331H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 331H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 332H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 332H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 333H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 333H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 621H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 621H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 622H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 622H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 623H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 623H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 711H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 711H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 712H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 712H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 713H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 713H

By: _____

Name: _____

Title: _____

Date: _____

**Working Interest Owners: Papas Fritas 27-22 Fed Com 331H, 332H, 333H, 621H,
622H, 623H, 711H, 712H, and 713H**

The Allar Company
P.O. Box 1567
Graham, TX 76450

Highland (Texas) Energy Company
7557 Rambler Road, Suite 918
Dallas, TX 75218

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

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

TLW Investments, L.L.C.
1001 Fannin, Suite 2020
Houston, TX 77002



Authorization for Expenditure

AFE # XX-133291.01

Well Name: PAPAS FRITAS 27-22 FED COM 332H

Cost Center Number: 1094052001

Legal Description: SEC 27-23S-29E & 22-23S-29E

Revision: ☐

AFE Date: 6/18/2019

State: NM

County/Parish: EDDY

Explanation and Justification:

DRILL & COMPLETE THE PAPAS FRITAS 27-22 FED COM 332H AS A 3RD BONE SPRING WELL.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	193,073.67	0.00	193,073.67
6060100	DYED LIQUID FUELS	135,959.58	346,009.08	0.00	481,968.66
6060130	GASEOUS FUELS	62,467.92	0.00	0.00	62,467.92
6080100	DISPOSAL - SOLIDS	102,390.24	1,050.00	0.00	103,440.24
6080110	DISP-SALTWATER & OTH	0.00	9,450.00	0.00	9,450.00
6090100	FLUIDS - WATER	60,900.00	500,888.64	0.00	561,788.64
6100100	PERMIT SURVEY&TITLE	40,000.00	4,044.94	0.00	44,044.94
6100110	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	100,000.00	40,723.03	0.00	140,723.03
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130130	COMM SERVICE - SCADA	0.00	112,921.35	0.00	112,921.35
6130170	COMM SVCS - WAN	6,430.52	0.00	0.00	6,430.52
6130360	RTOC - ENGINEERING	0.00	10,500.00	0.00	10,500.00
6130370	RTOC - GEOSTEERING	28,404.00	0.00	0.00	28,404.00
6150100	CH LOG PERFRTG&WL SV	0.00	304,421.25	0.00	304,421.25
6160100	MATERIALS & SUPPLIES	734.92	0.00	0.00	734.92
6170110	SNUBBG&COIL TUBG SVC	0.00	255,861.83	0.00	255,861.83
6190100	TRCKG&HL-SOLID&FLUID	55,118.75	0.00	0.00	55,118.75
6190110	TRUCKING&HAUL OF EQP	54,000.00	15,750.00	0.00	69,750.00
6200130	CONSLT & PROJECT SVC	176,380.00	94,853.84	0.00	271,233.84
6230120	SAFETY SERVICES	60,630.63	0.00	0.00	60,630.63
6300270	SOLIDS CONTROL SRVCS	117,586.67	0.00	0.00	117,586.67
6310120	STIMULATION SERVICES	0.00	1,037,222.70	0.00	1,037,222.70
6310190	PROPPANT PURCHASE	0.00	643,837.89	0.00	643,837.89
6310200	CASING & TUBULAR SVC	67,600.00	0.00	0.00	67,600.00
6310250	CEMENTING SERVICES	255,000.00	0.00	0.00	255,000.00
6310280	DAYWORK COSTS	734,916.67	0.00	0.00	734,916.67
6310300	DIRECTIONAL SERVICES	355,887.50	0.00	0.00	355,887.50
6310310	DRILL BITS	135,200.00	0.00	0.00	135,200.00
6310330	DRILL&COMP FLUID&SVC	395,920.00	2,100.00	0.00	398,020.00
6310370	MOB & DEMOBILIZATION	22,000.00	0.00	0.00	22,000.00
6310380	OPEN HOLE EVALUATION	24,129.31	0.00	0.00	24,129.31
6310480	TESTNG-WELL, PL & OTH	0.00	51,496.22	0.00	51,496.22
6310600	MISC PUMPING SERVICE	0.00	83,711.09	0.00	83,711.09
6320100	EQPMNT SVC-SRF RNTL	143,492.48	161,098.83	0.00	304,591.31
6320110	EQUIP SVC - DOWNHOLE	79,690.00	0.00	0.00	79,690.00
6320160	WELDING SERVICES	1,750.00	0.00	0.00	1,750.00
6320190	WATER TRANSFER	0.00	150,832.24	0.00	150,832.24
6350100	CONSTRUCTION SVC	0.00	164,224.72	0.00	164,224.72
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
6550100	MISCS COSTS & SERVS	0.00	58,538.00	0.00	58,538.00
6550110	MISCELLANEOUS SVC	25,900.00	0.00	0.00	25,900.00
6630110	CAPITAL OVERHEAD	11,023.75	29,006.74	0.00	40,030.49
6740340	TAXES OTHER	394.28	0.00	0.00	394.28

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



Authorization for Expenditure

AFE # XX-133291.01

Well Name: PAPAS FRITAS 27-22 FED COM 332H

Cost Center Number: 1094052001

Legal Description: SEC 27-23S-29E & 22-23S-29E

Revision: ☐

AFE Date: 6/18/2019

State: NM

County/Parish: EDDY

	Total Intangibles	3,288,907.22	4,271,616.06	0.00	7,560,523.28
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Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6130120	COMM DEVICES - SCADA	0.00	24,194.94	0.00	24,194.94
6230130	SAFETY EQUIPMENT	3,674.58	0.00	0.00	3,674.58
6300210	TREATER FWKO EQUIP	0.00	476,169.10	0.00	476,169.10
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310480	WELLHEAD EQUIPMENT	33,100.00	26,460.00	0.00	59,560.00
6310530	SURFACE CASING	33,000.00	0.00	0.00	33,000.00
6310540	INTERMEDIATE CASING	291,223.20	0.00	0.00	291,223.20
6310550	PRODUCTION CASING	407,949.00	0.00	0.00	407,949.00
6310580	CASING COMPONENTS	40,900.00	0.00	0.00	40,900.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	161,315.17	0.00	161,315.17
	Total Tangibles	859,846.78	688,139.21	0.00	1,547,985.99

TOTAL ESTIMATED COST	4,148,754.00	4,959,755.27	0.00	9,108,509.27
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

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

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

Submit one copy to
appropriate District Office☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number	² Pool Code 96857	³ Pool Name LAGUNA SALADO; BONE SPRING, SOUTH
⁴ Property Code	⁵ Property Name PAPAS FRITAS 27-22 FED COM	⁶ Well Number 333H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3067.5'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	27	23-S	29-E		150	SOUTH	822	EAST	EDDY

¹¹ 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
A	22	23-S	29-E		20	NORTH	1254	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16

**PAPAS FRITAS
27-22 FED COM 333H**

ELEV: 3067.5'
LAT: 32.269004°
LON: 103.966674°
N: 461790.26
E: 654664.72

FIRST TAKE POINT

LAT: 32.268866°
LON: 103.968072°
N: 461738.69
E: 654232.85

LAST TAKE POINT

LAT: 32.297548°
LON: 103.968095°
N: 472172.65
E: 654190.21

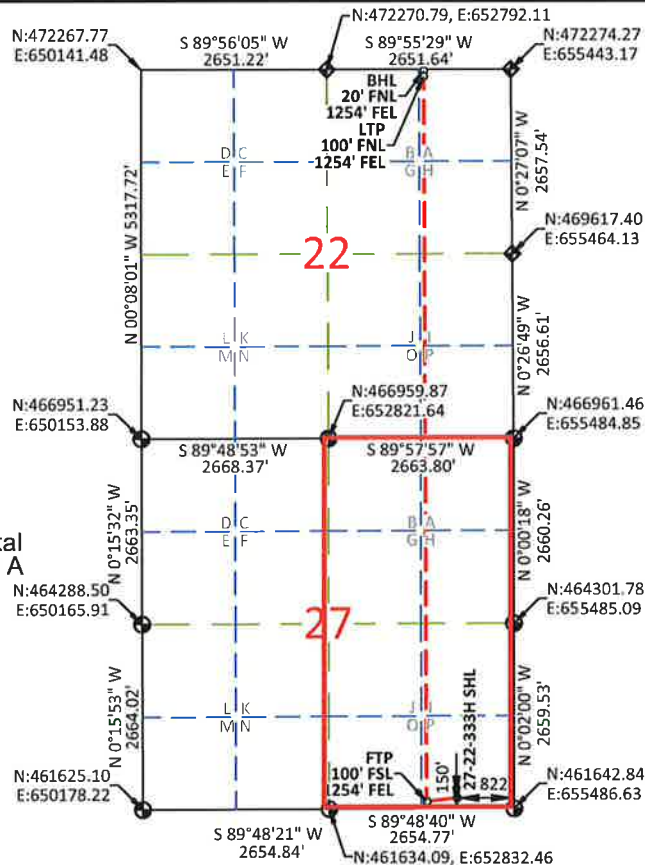
BOTTOM HOLE LOCATION

LAT: 32.297768°
LON: 103.968096°
N: 472252.63
E: 654189.57

**Standard Horizontal
Spacing Unit With A
Proximity Tract**

3" USGLO BRASS CAP
ON 2.5" IRON PIPE

2" USGLO BRASS CAP
ON 2" IRON PIPE

**NOTES:**

- BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.373, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷ OPERATOR CERTIFICATION

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

Erin Workman 06/14/19
Signature Date

Printed Name

Erin.workman@dvn.com

E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/06/2019

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate No. 23261

Albert Dehoyos

Drawn by: TMW | Checked by: ARD | Date: 05/22/2019

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
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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

¹ API Number	² Pool Code 96721	³ Pool Name LAGUNA SALADO
⁴ Property Code	⁵ Property Name PAPAS FRITAS 27-22 FED COM	⁶ Well Number 333H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3067.5'

¹⁰Surface Location

UL or lot no. P	Section 27	Township 23-S	Range 29-E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 822	East/West line EAST	County EDDY
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¹¹Bottom Hole Location If Different From Surface

UL or lot no. A	Section 22	Township 23-S	Range 29-E	Lot Idn	Feet from the 20	North/South line NORTH	Feet from the 1254	East/West line EAST	County EDDY
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¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	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.

16

**PAPAS FRITAS
27-22 FED COM 333H**
ELEV: 3067.5'
LAT: 32.269004°
LON: 103.966674°
N: 461790.26
E: 654664.72

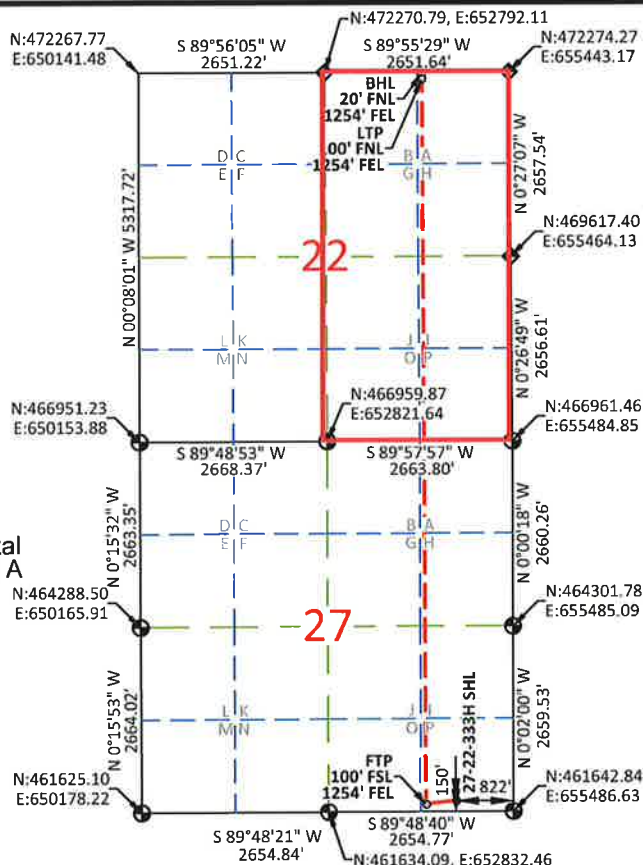
FIRST TAKE POINT
LAT: 32.268866°
LON: 103.968072°
N: 461738.69
E: 654232.85

LAST TAKE POINT
LAT: 32.297548°
LON: 103.968095°
N: 472172.65
E: 654190.21

BOTTOM HOLE LOCATION
LAT: 32.297768°
LON: 103.968096°
N: 472252.63
E: 654189.57

Standard Horizontal
Spacing Unit With A
Proximity Tract

- 3" USGLO BRASS CAP
ON 2.5" IRON PIPE
- 2" USGLO BRASS CAP
ON 2" IRON PIPE



NOTES:

- BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 456034.443, EAST: 653560.641, ELEVATION: 3101.373, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
- DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000220979
- ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷OPERATOR CERTIFICATION

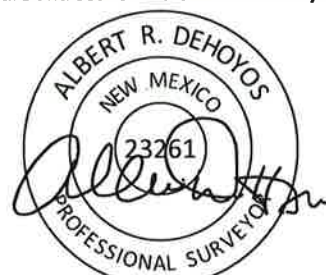
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this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

Erin Workman 06/14/19
Signature Date
Erin Workman
Printed Name
Erin.workman@dvn.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

03/06/2019
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate No. 23261 Albert Dehoyos
Drawn by: TMW Checked by: ARD Date: 05/22/2019

Intent ☒As Drilled ☐

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: PAPAS FRITAS 27-22 FED COM	Well Number 333H

Kick Off Point (KOP)

UL	Section 27	Township 23S	Range 29E	Lot	Feet 50	From N/S SOUTH	Feet 1254	From E/W EAST	County EDDY
Latitude 32.268733					Longitude -103.968073				NAD 83

First Take Point (FTP)

UL P	Section 27	Township 23-S	Range 29-E	Lot	Feet 100	From N/S SOUTH	Feet 1254	From E/W EAST	County EDDY
Latitude 32.268866°					Longitude -103.968072°				NAD 83

Last Take Point (LTP)

UL A	Section 22	Township 23-S	Range 29-E	Lot	Feet 100	From N/S NORTH	Feet 1254	From E/W EAST	County EDDY
Latitude 32.297548°					Longitude -103.968095°				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☒Is this well an infill well? ☐

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

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

OWNERSHIP BREAKDOWN

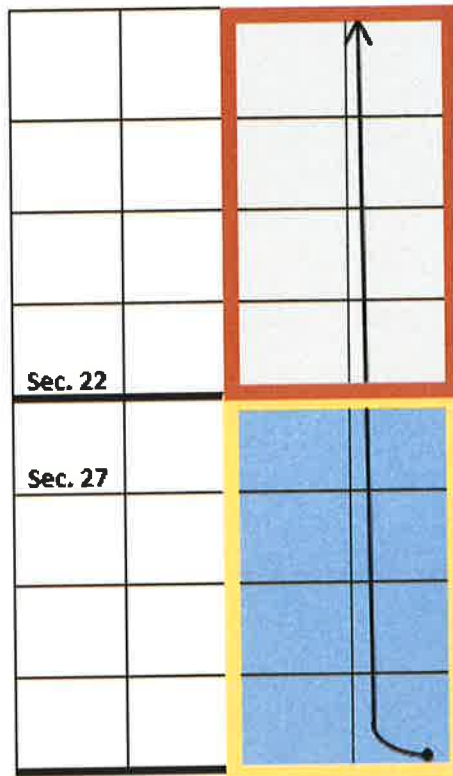
Papas Fritas 27-22 Fed Com 333H

E/2 of Section 22 & E/2 of Section 27, T-23-S, R-29-E, Eddy County, New Mexico,
Bone Spring Formation

Tract 1:
NMNM 66425
(320 acres)



Tract 2:
NMNM 105557
(320 acres)



**Laguna Salado: Bone Spring
Pool (Pool Code 96721)**

**Laguna Salado: Bone
Spring, South (Pool Code
96857)**

TRACT 1 OWNERSHIP (Laguna Salado: Bone Spring Pool (Pool Code 96721) E/2 of Section 22-T23S-R29E, being 320 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	185.5	.57968750	Committed
OXY USA Inc. 5 Greenway Plaza, Suite 110 Houston, TX 77046-0521	40	.125	Uncommitted
Chevron U.S.A. Inc. 1400 Smith Street Houston, TX 77002	94.5	.29531250	Uncommitted
Total:	320.0	1.00	

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A9

Submitted by: Devon Energy Production

Hearing Date: September 05, 2019

Case Nos 20729, 20730 & 20731

TRACT 2 OWNERSHIP (Laguna Salado: Bone Spring, South (Pool Code 96857)E/2 of Section 27-T23S-R29E, being 320 acres):

Owner	Net Acres	Unit WI	Status
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	283.112	.88472500	Committed
The Allar Company P.O. Box 1567 Graham, TX 76450	35.600	.11125000	Uncommitted
Highland (Texas) Energy 7557 Rambler Road, Suite 918 Dallas, TX 75218	1.288	.00402500	Uncommitted
Total:	320.000	1.00	

Overriding Royalty Interest seeking to Compulsory Pool:

ORRI Owners (Tract 1) (Laguna Salado: Bone Spring Pool (Pool Code 96721))

LaNell Joy Honeyman
406 Skywood Circle
Midland, TX 79705

LaNell Joy Honeyman, as Trustee of the of the
Leslie Robert Honeyman Trust
406 Skywood Circle
Midland, TX 79705

Lenox Mineral Title Holdings, Inc., solely in its
capacity as nominee holder of legal title as agent
for the benefit of Lenox Mineral, LLC
1707 1/2 Post Oak Boulevard, #171
Houston, TX 77056

Michael D. Hayes
3608 Meadowridge Lane
Midland, TX 79707

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

ORRI Owners (Tract 2) (Laguna Salado: Bone Spring, South (Pool Code 96857))

The Allar Company
P.O. Box 1567
Graham, TX 76450

Crownrock Minerals, L.P
P.O. Box 51938
Midland, TX 79710

Highland (Texas) Energy
7557 Rambler Road, Suite 918
Dallas, TX 75218

Limpinbear Family Partnership, Ltd.
410 17th Street, Suite 1150
Denver, CO 80202

Maribeth Naughton as Trustee of the
Morse Family Security Trust
410 17th Street, Suite 1150
Denver, CO 80202

Unit Recapitulation- Bone Spring – 640 AC HSU

Papas Fritas 27-22 Fed Com 333H
E/2 of Section 22 & E/2 of Section 27, T-23-S, R-29-E, Eddy County, New Mexico

Owner	Interest
Devon Energy Production Company, L.P.	73.2206250%
OXY USA Inc.	6.2500000%
Chevron U.S.A. Inc.	14.7656250%
The Allar Company	5.5625000%
Highland (Texas) Energy	0.2012500%
TOTAL	100.0000000%

Uncommitted Working Interest Owners seeking to Compulsory Pool



Devon Energy Production Company, L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

405 228 8804 Phone
www.devonenergy.com

June 18, 2019

Working Interest Owners (See Attached List)

Re: Papas Fritas 27-22 FED COM 331H, 332H, 333H, 621H,
622H, 623H, 711H, 712H, and 713H Well Proposals
Section 22 & 27, Township 23 South, Range 29 East
Eddy County, New Mexico (the "Wells")

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to drill the Wells located in Sections 22 & 27 23S-29E, Eddy County, New Mexico. Accordingly, enclosed are the AFEs for the following wells:

- Papas Fritas 27-22 FED COM 331H to be drilled from a surface hole location ("SHL") of 102' FNL x 943' FWL of Section 34-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 9,900' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 332H to be drilled from a surface hole location ("SHL") of 152' FSL x 1822' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 9,970' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 333H to be drilled from a surface hole location ("SHL") of 150' FSL x 822' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,040' subsurface in the Bone Spring Formation.
- Papas Fritas 27-22 FED COM 621H to be drilled from a surface hole location ("SHL") of 102' FNL x 993' FWL of Section 34-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 1254' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,120' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 622H to be drilled from a surface hole location ("SHL") of 152' FSL x 1762' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2178' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,180' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 623H to be drilled from a surface hole location ("SHL") of 150' FSL x 762' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 330' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,240' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 711H to be drilled from a surface hole location ("SHL") of 102' FNL x 968' FWL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 990' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,200' subsurface in the Wolfcamp Formation.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A10

Submitted by: Devon Energy Production

Hearing Date: September 05, 2019

Case Nos 20729, 20730 & 20731

June 18, 2019

Page 2

- Papas Fritas 27-22 FED COM 712H to be drilled from a surface hole location ("SHL") of 152' FSL x 1792' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 2310' FWL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,270' subsurface in the Wolfcamp Formation.
- Papas Fritas 27-22 FED COM 713H to be drilled from a surface hole location ("SHL") of 150' FSL x 792' FEL of Section 27-T23S-R29E to a bottom hole location ("BHL") of 20' FNL x 990' FEL of Section 22-T23S-R29E. The proposed well will be drilled to an approximate true vertical depth ("TVD") of 10,310' subsurface in the Wolfcamp Formation.

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

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

If you have any questions or concerns regarding this proposal, please contact me at (405) 228-8804 or verl.brown@devon.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Verl Brown
Landman

Enclosures

Please elect one of the following and return to sender:

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 331H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 331H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 332H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 332H

June 18, 2019

Page 3

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 333H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 333H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 621H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 621H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 622H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 622H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 623H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 623H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 711H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 711H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 712H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 712H

_____ participate in the drilling of the Papas Fritas 27-22 FED COM 713H

_____ non-consent the drilling of the Papas Fritas 27-22 FED COM 713H

By: _____

Name: _____

Title: _____

Date: _____

**Working Interest Owners: Papas Fritas 27-22 Fed Com 331H, 332H, 333H, 621H,
622H, 623H, 711H, 712H, and 713H**

The Allar Company
P.O. Box 1567
Graham, TX 76450

Highland (Texas) Energy Company
7557 Rambler Road, Suite 918
Dallas, TX 75218

OXY USA Inc.
5 Greenway Plaza, Suite 110
Houston, TX 77046-0521

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

TLW Investments, L.L.C.
1001 Fannin, Suite 2020
Houston, TX 77002



Authorization for Expenditure

AFE # XX-133292.01

Well Name: PAPAS FRITAS 27-22 FED COM 333H

Cost Center Number: 1094052101

Legal Description: SEC 27-23S-29E & 22-23S-29E

Revision: ☐

AFE Date: 6/18/2019

State: NM

County/Parish: EDDY

Explanation and Justification:

DRILL & COMPLETE THE PAPAS FRITAS 27-22 FED COM 333H AS A 3RD BONE SPRING WELL.

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	193,073.87	0.00	193,073.87
6060100	DYED LIQUID FUELS	135,959.58	346,009.08	0.00	481,968.66
6060130	GASEOUS FUELS	62,467.92	0.00	0.00	62,467.92
6080100	DISPOSAL - SOLIDS	102,390.24	1,050.00	0.00	103,440.24
6080110	DISP-SALTWATER & OTH	0.00	9,450.00	0.00	9,450.00
6090100	FLUIDS - WATER	60,900.00	500,888.64	0.00	561,788.64
6100100	PERMIT SURVEY&TITLE	40,000.00	4,044.94	0.00	44,044.94
6100110	RIGHT OF WAY	5,000.00	0.00	0.00	5,000.00
6110130	ROAD&SITE PREP SVC	100,000.00	40,723.03	0.00	140,723.03
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6130130	COMM SERVICE - SCADA	0.00	112,921.35	0.00	112,921.35
6130170	COMM SVCS - WAN	6,430.52	0.00	0.00	6,430.52
6130360	RTOC - ENGINEERING	0.00	10,500.00	0.00	10,500.00
6130370	RTOC - GEOSTEERING	28,404.00	0.00	0.00	28,404.00
6150100	CH LOG PERFRTG&WL SV	0.00	304,421.25	0.00	304,421.25
6160100	MATERIALS & SUPPLIES	734.92	0.00	0.00	734.92
6170110	SNUBBG&COIL TUBG SVC	0.00	255,861.83	0.00	255,861.83
6190100	TRCKG&HL-SOLID&FLUID	55,118.75	0.00	0.00	55,118.75
6190110	TRUCKING&HAUL OF EQP	64,000.00	15,750.00	0.00	69,750.00
6200130	CONSLT & PROJECT SVC	176,380.00	94,853.84	0.00	271,233.84
6230120	SAFETY SERVICES	60,630.63	0.00	0.00	60,630.63
6300270	SOLIDS CONTROL SRVCS	117,586.67	0.00	0.00	117,586.67
6310120	STIMULATION SERVICES	0.00	1,037,222.70	0.00	1,037,222.70
6310190	PROPPANT PURCHASE	0.00	643,837.89	0.00	643,837.89
6310200	CASING & TUBULAR SVC	67,600.00	0.00	0.00	67,600.00
6310250	CEMENTING SERVICES	255,000.00	0.00	0.00	255,000.00
6310280	DAYWORK COSTS	734,916.67	0.00	0.00	734,916.67
6310300	DIRECTIONAL SERVICES	355,887.50	0.00	0.00	355,887.50
6310310	DRILL BITS	135,200.00	0.00	0.00	135,200.00
6310330	DRILL&COMP FLUID&SVC	395,920.00	2,100.00	0.00	398,020.00
6310370	MOB & DEMOBILIZATION	22,000.00	0.00	0.00	22,000.00
6310380	OPEN HOLE EVALUATION	24,129.31	0.00	0.00	24,129.31
6310480	TSTNG-WELL, PL & OTH	0.00	51,496.22	0.00	51,496.22
6310800	MISC PUMPING SERVICE	0.00	83,711.09	0.00	83,711.09
6320100	EQPMNT SVC-SRF RNTL	143,492.48	161,098.83	0.00	304,591.31
6320110	EQUIP SVC - DOWNHOLE	79,690.00	0.00	0.00	79,690.00
6320160	WELDING SERVICES	1,750.00	0.00	0.00	1,750.00
6320190	WATER TRANSFER	0.00	150,832.24	0.00	150,832.24
6350100	CONSTRUCTION SVC	0.00	164,224.72	0.00	164,224.72
6520100	LEGAL FEES	20,000.00	0.00	0.00	20,000.00
6550100	MISCS COSTS & SERVS	0.00	58,538.00	0.00	58,538.00
6550110	MISCELLANEOUS SVC	25,900.00	0.00	0.00	25,900.00
6630110	CAPITAL OVERHEAD	11,023.75	29,006.74	0.00	40,030.49
6740340	TAXES OTHER	394.28	0.00	0.00	394.28

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



Authorization for Expenditure

AFE # XX-133292.01

Well Name: PAPAS FRITAS 27-22 FED COM 333H

Cost Center Number: 1094052101

Legal Description: SEC 27-23S-29E & 22-23S-29E

Revision: ☐

AFE Date: 6/18/2019

State: NM

County/Parish: EDDY

	Total Intangibles	3,288,907.22	4,271,616.06	0.00	7,560,523.28
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Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
8130120	COMM DEVICES - SCADA	0.00	24,194.94	0.00	24,194.94
6230130	SAFETY EQUIPMENT	3,674.58	0.00	0.00	3,674.58
6300210	TREATER FWKO EQUIP	0.00	476,169.10	0.00	476,169.10
6310150	CASG-COND&DRIVE PIPE	50,000.00	0.00	0.00	50,000.00
6310460	WELLHEAD EQUIPMENT	33,100.00	26,460.00	0.00	59,560.00
6310530	SURFACE CASING	33,000.00	0.00	0.00	33,000.00
6310540	INTERMEDIATE CASING	291,223.20	0.00	0.00	291,223.20
6310550	PRODUCTION CASING	407,949.00	0.00	0.00	407,949.00
6310580	CASING COMPONENTS	40,900.00	0.00	0.00	40,900.00
6330100	PIPE, FIT, FLANG, CPLNG	0.00	161,315.17	0.00	161,315.17
	Total Tangibles	859,846.78	688,139.21	0.00	1,547,985.99

TOTAL ESTIMATED COST	4,148,754.00	4,959,755.27	0.00	9,108,509.27
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WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

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

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

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

CASE NOS. 20729, 20730 & 20731

AFFIDAVIT OF MIRANDA CHILDRESS
IN SUPPORT OF CASE NOS. 20729, 20730 AND 20731

Miranda Childress, of lawful age and being first duly sworn, declares as follows:

1. My name is Miranda Childress. I work for 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 matters. I graduated from Oklahoma State University with a Bachelor's Degree in geology in 2012, and master's degree in geology in 2015. Since April, 2015, I have worked as a geologist in Oklahoma and New Mexico. My curriculum vitae is attached hereto as **Devon Exhibit No. B-1**. I seek to have my credentials as an expert petroleum geologist accepted and made a matter of public record.
3. I am familiar with the applications filed by Devon in **Case Nos. 20729, 20730, and 20731**, and I have conducted a geologic study of the lands in the subject areas.
4. In these cases, Devon is targeting the Bone Spring formation.
5. **Devon Exhibit B-2** is a locator map. It shows the path of the proposed wellbores for the **Papas Fritas 27-22 Fed Com 331H well**, the **Papas Fritas 27-22 Fed Com 332H well**, and the **Papas Fritas 27-22 Fed Com 333H well**. Nearby existing producing Bone Spring wells are also shown on this exhibit.

6. **Devon Exhibit B-2** is also a subsea structure map that I prepared off the top of the Bone Spring formation with a contour interval of 25 feet. The proposed **Papas Fritas 27-22 Fed Com 331H well**, the **Papas Fritas 27-22 Fed Com 332H well**, and the **Papas Fritas 27-22 Fed Com 333H well** are depicted with red lines, and I have identified the first and last take points for the wells. The structure map shows the top of the Bone Spring is gently dipping to the east. The structure appears consistent across the proposed wellbore paths. I do not observe any faulting, pinchouts, or other geologic impediments to horizontal drilling.

7. **Devon Exhibit B-3** shows the location of the wells used to create the stratigraphic cross-section on **Devon Exhibit B-4**. These three wells from A to A' are representative of the geology in the area.

8. **Devon Exhibit B-4** is a stratigraphic cross-section that I prepared displaying open-hole logs run over the 3rd Bone Spring from three representative wells denoted from A to A'. For each well in the cross-section, the exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and marked. The logs in the cross-section demonstrate that the target interval, within the Bone Spring, is consistent in thickness, across the entire proposed spacing unit.

9. In my opinion, each tract comprising the proposed horizontal spacing units in **Case Nos. 20729, 20730, and 20731** will be productive and contribute more-or-less equally to production from the wellbore.

10. In my opinion, the granting of Devon's applications in these cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

11. **Devon Exhibits B-1 through B-4** were either prepared by me or compiled under my direction and supervision.



Miranda Childress

STATE OF OKLAHOMA)
)
COUNTY OF OKLAHOMA)

SUBSCRIBED and SWORN to before me this 28th day of August 2019 by
Miranda Childress.



NOTARY PUBLIC

My Commission Expires:

6/22/23



Miranda Childress

Work Address: Devon Energy Corporation, 333 West Sheridan Ave., Oklahoma City, OK 73102, miranda.childress@dvn.com

Home Address: 11435 Stonecrest, Guthrie, OK 73044, (405) 612-0804

Career Experience

Exploration Geologist, Delaware Basin	March, 2019 – Present
Exploration Geologist, Darcy Team	January, 2018 – March, 2019
Exploration Geologist, New Ventures, Permian Basin/Anadarko Basin	February, 2017 – Present
Exploration Geologist, Anadarko Basin, STACK	April, 2016 – February, 2017
Execution Geologist, Anadarko Basin, Sheetrock	February, 2016 – March, 2016
Exploration Geologist, Anadarko Basin, Granite Wash	April, 2015 – January, 2016
Internship, Devon Energy, Anadarko Basin	Summer, 2014

Education

Master of Science, Geology, Oklahoma State University	May, 2015
Thesis Title: High-resolution Sequence Stratigraphic Architecture	
Advisor: Michael Grammer	
Graduate GPA: 3.57	

Bachelor of Science, Geology, Oklahoma State University	December, 2012
Undergraduate GPA: 3.57 (major)/3.45 (cumulative)	

Publications and Presentations

Childress, M.N. and Grammer, G.M., 2018, Characteristics of Debris Flows and Outrunner Blocks: Evidence for Mississippian-age Deposition on a Distally Steepened Ramp: AAPG Memoir, Accepted, Mississippian Reservoirs of the Mid-Continent, USA.

Childress, M.N, Benton, A., Bowie, C., O'Brien, J., Pfau, K., Petrophysical properties of core from the Midland Basin using hyperspectral imaging and helical CT scan technology: DTC poster presentation, October, 2017, top poster award

Childress, M.N. and Grammer, G.M., 2015, High Resolution Sequence Stratigraphic Architecture of a Mid-Continent Mississippian Outcrop in Southwest Missouri: Shale Shaker, v. 66, no. 4, p. 206-234.

Childress, M.N. (presenter) and Grammer, G.M., "New Interpretations for the Deposition of Mississippian Limestones in the Mid-Continent: A reflection of sequence stratigraphy and associated migration of facies belts," AAPG Mid-Continent Section Meeting, October, 2015, Tulsa, OK.

Training

Deep Water Clastic Systems (N009)	July, 2019
Fluvial and Shallow Marine Reservoirs (N096)	April, 2019
Deepwater Reservoir Presence and Architecture (N302):	May, 2017
Permian Brushy Canyon Formation, Guadalupe and Delaware Mountains	
Play Fairway Analysis and Exploration Prospecting (N087)	March, 2017
Introduction to Applied Geomechanics	November, 2016
Carbonate Depositional Systems (N189)	October, 2016
Applied Subsurface Mapping (SCA)	April, 2016
Petroleum Generation and Migration (N084)	March, 2016
Risk Analysis for Petroleum Exploration (N089)	October, 2015
AAPG Well Log Analysis	September, 2015
Horizon Mud Logging	September, 2015
Practical Methods for Sequence Stratigraphic Prediction (N349)	April, 2015

Professional Memberships

Oklahoma City Geological Society	Fall 2012 – Present
American Association of Petroleum Geologists	Spring 2011 – Present

Community Involvement

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B1
Submitted by: Devon Energy Production
Hearing Date: September 05, 2019
Case Nos 20729, 20730 & 20731

Tech Trek (STEAM), Presenter
Devon Science Giants Grant Review, Committee Member
Morrison Elementary, Career Day
Heritage Elementary, STEM Career Day
Mark Twain Elementary, Tutor

June, 2016 – Present
November, 2016 – 2018
November, 2018
January, 2018
August, 2015 – 2017

Skills

Carbonate sedimentology and sequence stratigraphy, carbonate depositional systems, Petra, Kingdom, Star Steer, Stoner Engineering Software, strong written and oral communication skills

Exhibit B2

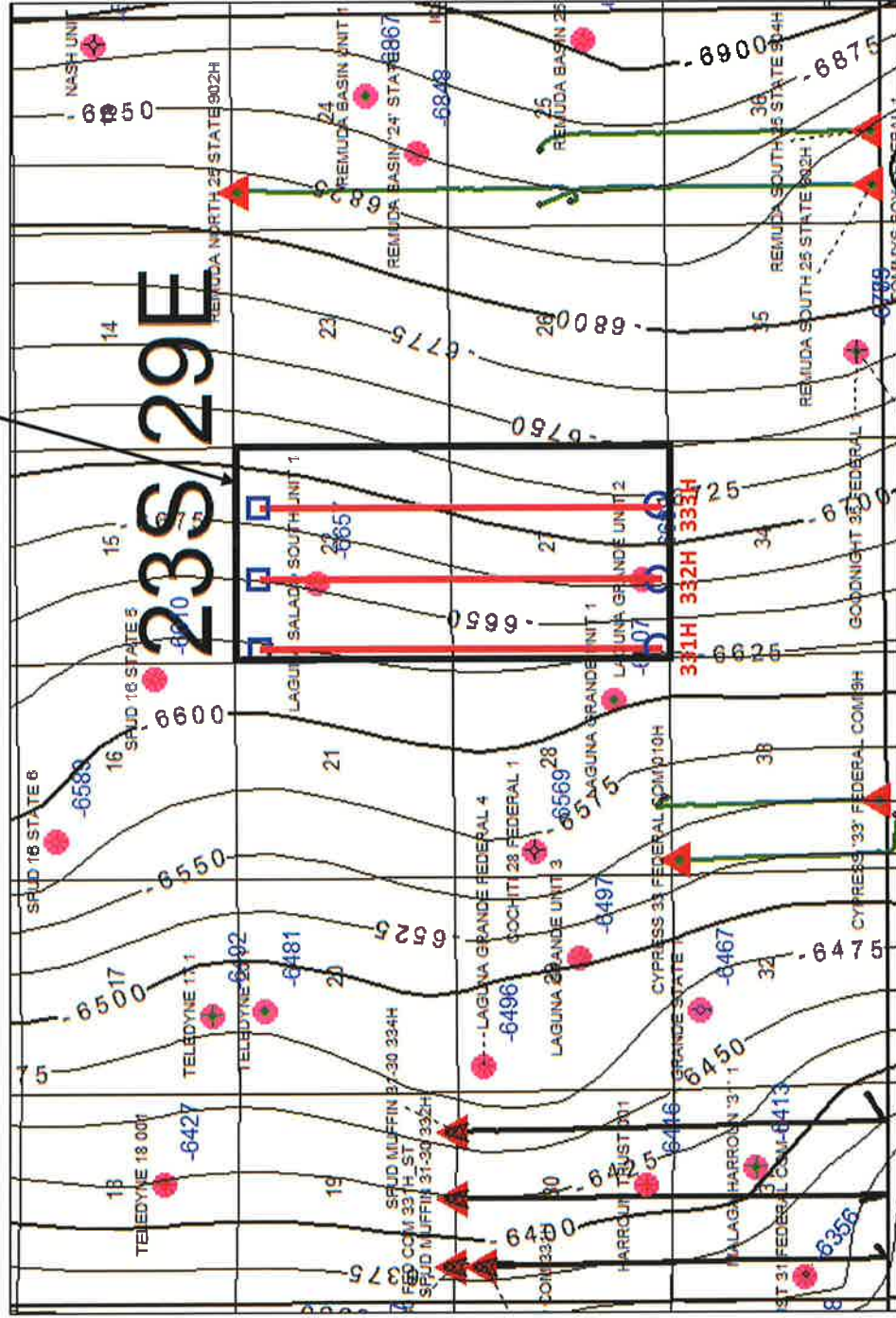
Case Nos. 20279, 20230, 20231

Structure Map: 3BSSS

Cl = 25 Feet

Devon Horizontal Locations:

PAPAS FRITAS 27-22 FED COM 331H
PAPAS FRITAS 27-22 FED COM 332H
PAPAS FRITAS 27-22 FED COM 333H



3BSSS Horizontal Wells
BHL
FTP
Control Points

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. B2

Submitted by: Devon Energy Production

Hearing Date: September 05, 2019

Case Nos 20729, 20730 & 20731

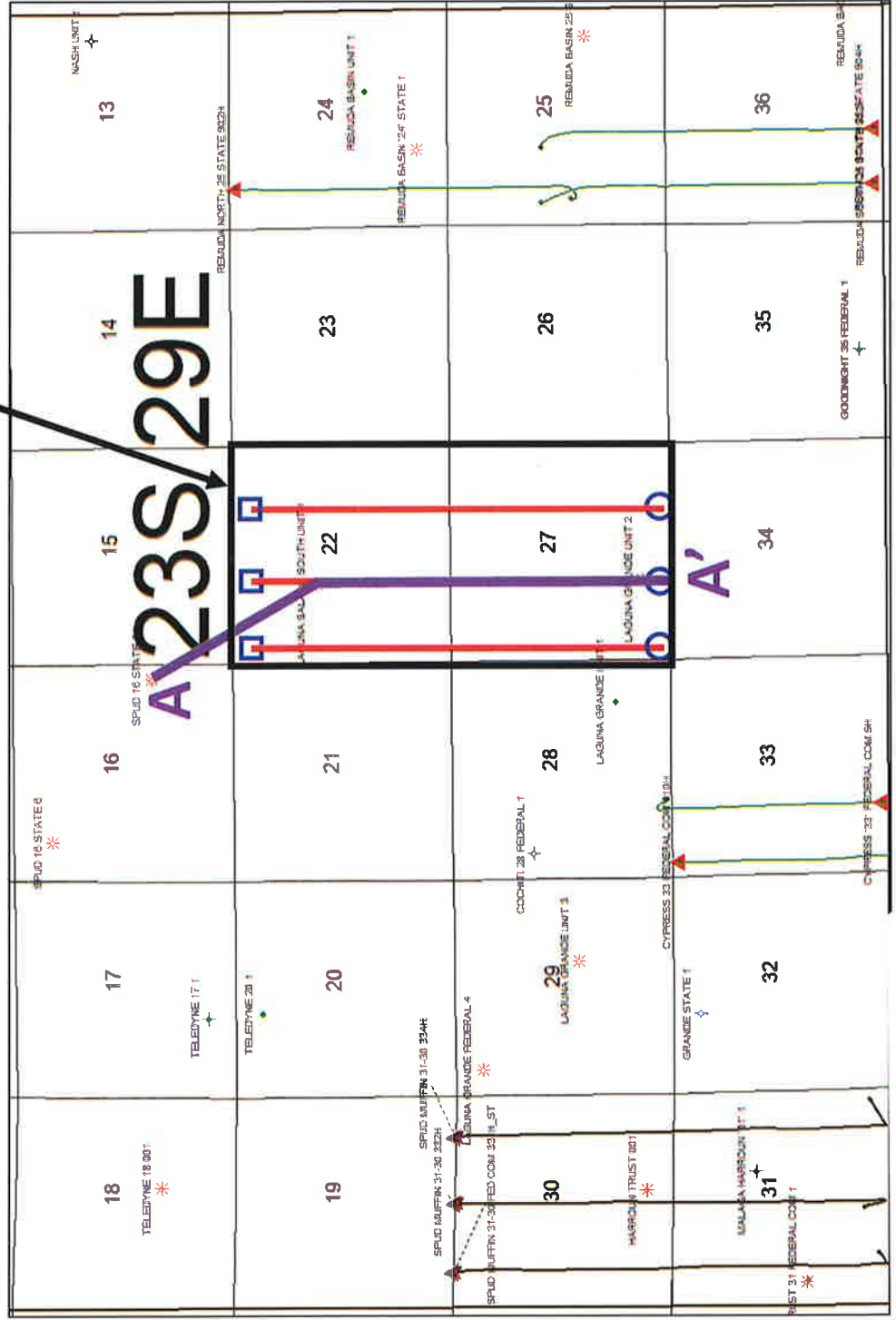
Devon - Internal

Exhibit B3

Case Nos. 20279, 20230, 20231

Base Map with Line of Section A – A'

Devon Horizontal Locations:
PAPAS FRITAS 27-22 FED COM 331H
PAPAS FRITAS 27-22 FED COM 332H
PAPAS FRITAS 27-22 FED COM 333H



3BSSS Horizontal Wells
BHL
FTP

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B3

Submitted by: Devon Energy Production

Hearing Date: September 05, 2019

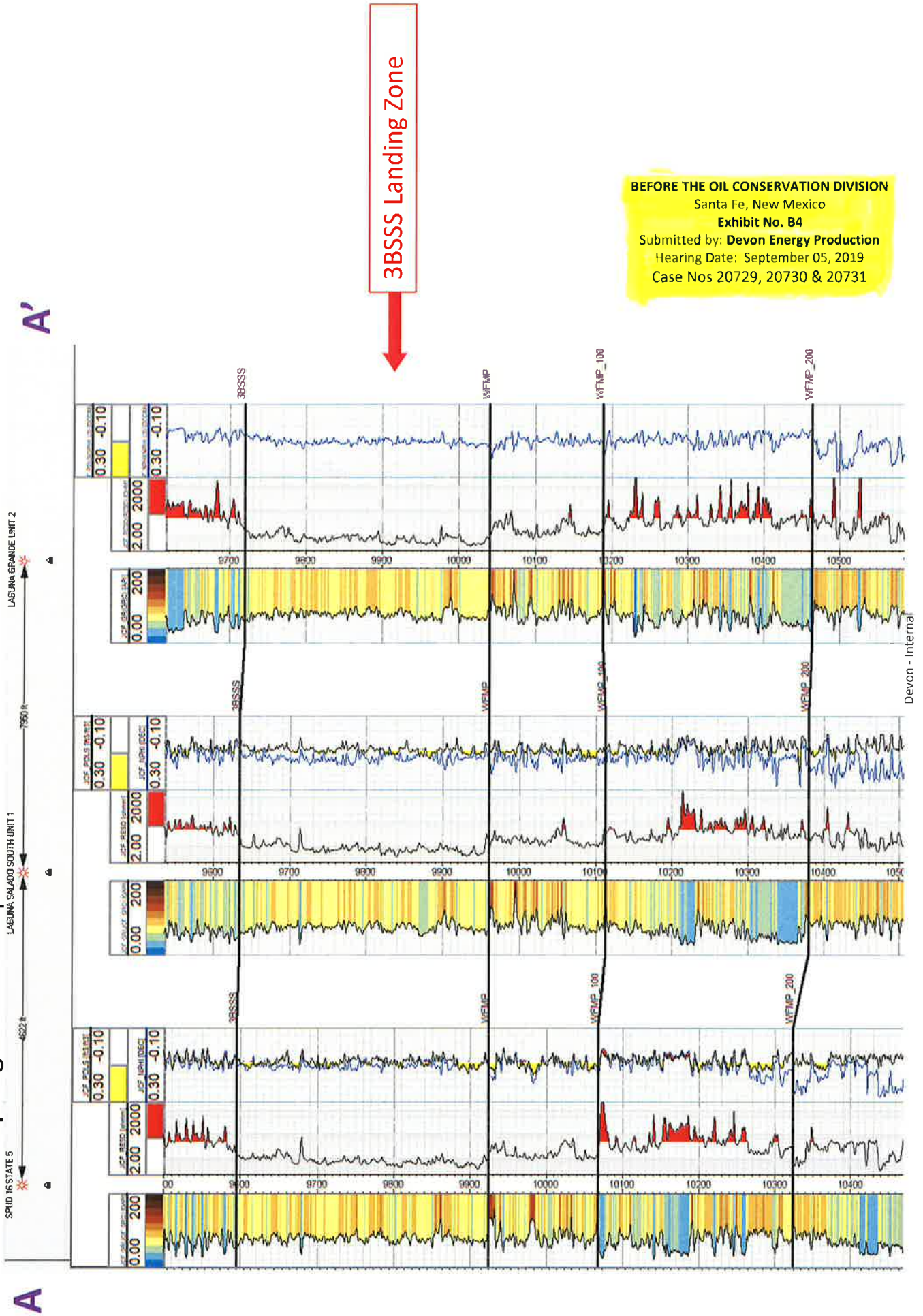
Case Nos 20729, 20730 & 20731

Exhibit B4

Case Nos. 20279, 20230, 20231

Stratigraphic Cross Section A – A'

Bone Spring & Wolfcamp



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: **Devon Energy Production**
Hearing Date: September 05, 2019
Case Nos 20729, 20730 & 20731



August 16, 2019

VIA CERTIFIED MAIL
CERTIFIED 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.
Papas Fritas 27-22 Fed Com 333H Well**

Ladies & Gentlemen:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 5, 2019, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You 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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing. 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 Verl Brown at (405) 228-8804, or at Verl.Brown@dvn.com

Sincerely,

Michael H. Feldewert
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**



August 16, 2019

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

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Papas Fritas 27-22 Fed Com 332H Well**

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If you have any questions about this matter, please contact Verl Brown at (405) 228-8804, or at Verl.Brown@dvn.com

Sincerely,

Michael H. Feldewert

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



August 16, 2019

VIA CERTIFIED MAIL
CERTIFIED 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.
Papas Fritas 27-22 Fed Com 331H Well**

Ladies & Gentlemen:

This letter is to advise you that Devon Energy Production Company, L.P., has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 5, 2019, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You 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 to file a Pre-hearing Statement four business days in advance of a scheduled hearing. 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 Verl Brown at (405) 228-8804, or at Verl.Brown@dvn.com

Sincerely,

Michael H. Feldewert
**ATTORNEY FOR DEVON ENERGY PRODUCTION
COMPANY, L.P.**

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414810898765 041567168	The Allar Company	735 Elm St	Graham	TX	76450-3018	Your item was delivered at 10:08 am on August 26, 2019 in GRAHAM, TX 76450.
9414810898765 041567281	Highland (Texas) Energy Company	7557 Rambler Rd Ste 918	Dallas	TX	75231-2306	Your item was delivered to the front desk, reception area, or mail room at 2:49 pm on August 22, 2019 in DALLAS, TX 75231.
9414810898765 041567298	OXY USA Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	Your item was delivered at 6:01 am on August 23, 2019 in HOUSTON, TX 77027.
9414810898765 041567304	Michael D. Hayes	3608 Meadowridge Ln	Midland	TX	79707-4543	Your item was delivered to an individual at the address at 2:08 pm on August 24, 2019 in MIDLAND, TX 79707.
9414810898765 041567311	Lenox Mineral Title Holdings, Inc., solely in	100 Throckmorton St Ste 1630	Fort Worth	TX	76102-2846	Your item was delivered to an individual at the address at 11:55 am on August 22, 2019 in FORT WORTH, TX 76102.
9414810898765 041567328	LaNell Joy Honeyman	406 Skywood	Midland	TX	79705-2914	Your item was delivered to an individual at the address at 1:40 pm on August 22, 2019 in MIDLAND, TX 79705.
9414810898765 041567335	LaNell Joy Honeyman,	406 Skywood	Midland	TX	79705-2914	Your item was delivered to an individual at the address at 1:40 pm on August 22, 2019 in MIDLAND, TX 79705.
9414810898765 041567175	Highland (Texas) Energy Company	7557 Rambler Rd Ste 918	Dallas	TX	75231-2306	Your item was delivered to the front desk, reception area, or mail room at 2:49 pm on August 22, 2019 in DALLAS, TX 75231.
9414810898765 041567182	OXY USA Inc.	5 Greenway Plz Ste 110	Houston	TX	77046-0521	The delivery status of your item has not been updated as of August 23, 2019, 12:54 am. We apologize that it may arrive later than expected.
9414810898765 041567199	Chevron U.S.A. Inc.	1400 Smith St	Houston	TX	77002-7327	Your item was delivered at 2:56 pm on August 26, 2019 in HOUSTON, TX 77002.
9414810898765 041567212	TLW Investments, L.L.C.	1001 Fannin St Ste 2020	Houston	TX	77002-6715	Your item was delivered to an individual at the address at 11:38 am on August 22, 2019 in HOUSTON, TX 77002.
9414810898765 041567236	Crownrock Minerals, L.P.	PO Box 51933	Midland	TX	79710-1933	Your item was delivered at 12:19 pm on August 26, 2019 in MIDLAND, TX 79705.
9414810898765 041567250	Maribeth Naughton as Trustee	410 17th St Ste 1150	Denver	CO	80202-4414	Your item was delivered to the front desk, reception area, or mail room at 12:01 pm on August 21, 2019 in DENVER, CO 80202.
9414810898765 041567267	Limpinbear Family Partnership, Ltd.	415 W Wall St Ste 1900	Midland	TX	79701-4585	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414810898765 041567274	The Allar Company	735 Elm St	Graham	TX	76450-3018	Your item was delivered at 10:08 am on August 26, 2019 in GRAHAM, TX 76450.

CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
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HOLLAND & HART
PO BOX 2208

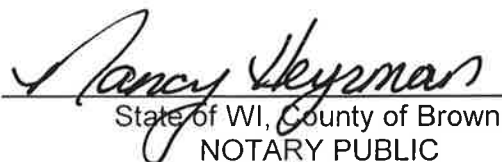
SANTA FE NM 87504

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 on the date as follows, to wit:

08/20/19


Legal Clerk

Subscribed and sworn before me this
20th of August 2019.


State of WI, County of Brown
NOTARY PUBLIC

5.15.23

My Commission Expires

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **September 5, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **August 26, 2019**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: The Allar Company; Highland (Texas) Energy Company; Oxy USA Inc.; Chevron U.S.A. Inc.; TLW Investments, L.L.C.; Crownrock Minerals, L.P.; Maribeth Naughton as Trustee of The Morse Family Security Trust; Limpinbear Family Partnership, Ltd.; Michael D. Hayes, his heirs and devisees Lenox Mineral Title Holdings, Inc., solely in its capacity as nominee holder of legal title as agent for the benefit of Lenox Minerals, LLC; LaNell Joy Honeyman, her heirs and devisees LaNell Joy Honeyman, as Trustee of the Leslie Robert Honeyman Trust.

Case No. 20729: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 640-acre standard horizontal spacing unit comprised of the E/2 of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Papas Fritas 27-22 Fed Com 333H well** to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 27 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 22. The completed interval for the **Papas Fritas 27-22 Fed Com 333H well** will remain within 330 feet of the

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P O : 9. Papas Fritas 27-22 Fed Com 333H

of Affidavits :0.00

NANCY HEYRMAN
Notary Public
State of Wisconsin

quarter section line separating the W/2 E/2 from the E/2 of Sections 22 and 27 to allow inclusion of offset acreage into a standard 640-acre horizontal well spacing unit. Also, to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 7 miles east of Loving, New Mexico.

August 20, 2019 Legal ad#1294243

CARLSBAD CURRENT-ARGUS

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SANTA FE NM 87504

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08/20/19


Legal Clerk

Subscribed and sworn before me this
20th of August 2019.


State of WI, County of Brown
NOTARY PUBLIC

5.15.23

My Commission Expires

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STATE OF NEW MEXICO TO:

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or claim in the following case
and notice to the public.**

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To: All overriding royalty interest owners and pooled parties, including: The Allar Company; Highland (Texas) Energy Company; Oxy USA Inc.; Chevron U.S.A. Inc.; TLW Investments, L.L.C.; Crownrock Minerals, L.P.; Maribeth Naughton as Trustee of The Morse Family Security Trust; Limpinbear Family Partnership, Ltd.; Michael D. Hayes, his heirs and devisees Lenox Mineral Title Holdings, Inc., solely in its capacity as nominee holder of legal title as agent for the benefit of Lenox Minerals, LLC; LaNell Joy Honeyman, her heirs and devisees LaNell Joy Honeyman, as Trustee of the Leslie Robert Honeyman Trust.

Case No. 20730: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre standard horizontal spacing unit comprised of the E/2 W/2 of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Papas Fritas 27-22 Fed Com 332H well** to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 27 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 22. The completed interval for well will remain within the standard setbacks as required by the statewide rules for

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P O : 7. Papas Fritas 27-22 Fed Com 332H
of Affidavits : 0.00

NANCY HEYRMAN
Notary Public
State of Wisconsin

horizontal oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 7 miles east of Loving, New Mexico.
August 20, 2019 Legal ad#1294241

CARLSBAD CURRENT-ARGUS

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SANTA FE NM 87504

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 on the date as follows, to wit:

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Legal Clerk

Subscribed and sworn before me this
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State of WI, County of Brown
NOTARY PUBLIC

5.15.23

My Commission Expires

NANCY HEYRMAN
Notary Public
State of Wisconsin

Ad#:0001294240

P O : 7. Papas Fritas 27-22 Fed Com 331H

of Affidavits :0.00

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

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Case No. 20731 Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 320-acre standard horizontal spacing unit comprised of the W/2 W/2 of Sections 22 and 27, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed **Papas Fritas 27-22 Fed Com 331H well** to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 34 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 22. The completed interval for well will remain within the standard setbacks as required by the statewide

rules for horizontal oil wells. Also, to be considered will be the cost of drilling and completing the well, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of the Applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 7 miles east of Loving, New Mexico.

August 20, 2019 Legal ad#1294240