

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 05, 2020**

CASE No. 21099

THOROUGHbred 10-3 FED COM 621H, 711H,

EDDY COUNTY, NEW MEXICO



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

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

CASE NO. 21099

TABLE OF CONTENTS

1. **Devon Exhibit A** – Pooling Application Checklist
2. **Devon Exhibit B** – Application of Devon Energy Production Company, L.P. for
Compulsory Pooling, Eddy County, New Mexico
3. **Devon Exhibit C** – Affidavit of Tim Prout, Landman
4. **Devon Exhibit C-1** – C-102s
5. **Devon Exhibit C-2** – Plat & Tract/Unit Recap
6. **Devon Exhibit C-3** – Well Proposal/AFE
7. **Devon Exhibit C-4** – Chronology of Contact with Non-Joined Working Interests
8. **Devon Exhibit D** – Affidavit of Sloan Anderson, Geologist
9. **Devon Exhibit D-1** – Resume of Sloan Anderson, Geologist
10. **Devon Exhibit D-2** – Structure Map
11. **Devon Exhibit D-3** – Cross-Section Map
12. **Devon Exhibit D-4** – Cross-Section
13. **Devon Exhibit E** – Notice Affidavit
14. **Devon Exhibit F** – Notice of Publication

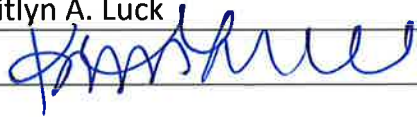
COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21099	APPLICANT'S RESPONSE
Date March 5, 2020	
Applicant	Devon Energy Production Company, L.P.
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Holland & Hart LLP
	Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	XTO Energy Inc.
Well Family	Thoroughbred 10-3 Fed Com Wells
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp formation
Pool Names and Pool Codes:	Purple Sage; Wolfcamp (Gas) Pool [98220]
Well Location Setback Rules:	Special Rules for the Purple Sage Wolfcamp Pool
Spacing Unit Size:	480-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480-acres, more or less
Building Blocks:	quarter sections
Orientation:	North-South
Description: TRS/County	SW/4 of Section 3 and the W/2 of Section 10, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	EXHIBIT C-2
Well(s)	

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. A
 Submitted by: Devon Energy Production
 Hearing Date: March 05, 2020
 Case No 21099

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	EXHIBIT C-1 (C-102 plats)
Well #1	Thoroughbred 10-3 Fed Com #621H Well (API No. 30-015-pending): SHL: 220 FSL and 380 FWL (Unit M) of Section 10, Township 26 South, Range 31 East, BHL: 2310 FSL and 890 FWL (Unit L) of Section 3, Township 26 South, Range 31 East, Completion Target: Wolfcamp at approx. 11,465 feet TVD Well Orientation: South to North Completion Location expected to be: Standard
Well #2	Thoroughbred 10-3 Fed Com #711H Well (API No. 30-015-pending): SHL: 220 FSL and 350 FWL (Unit M) of Section 10, Township 26 South, Range 31 East, BHL: 2310 FSL and 330 FWL (Unit L) of Section 3, Township 26 South, Range 31 East, Completion Target: Wolfcamp at approx. 11,624 feet TVD Well Orientation: South to North Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	EXHIBIT C-1 (C-102 plats)
Completion Target (Formation, TVD and MD)	See above and Exhibit C
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	EXHIBIT C-2
Tract List (including lease numbers and owners)	EXHIBIT C-2
Pooled Parties (including ownership type)	EXHIBIT C-2
Unlocatable Parties to be Pooled	EXHIBIT C, C-2
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	EXHIBIT C-3
List of Interest Owners (ie Exhibit A of JOA)	EXHIBIT C-2
Chronology of Contact with Non-Joined Working Interests	EXHIBIT C-4
Overhead Rates In Proposal Letter	EXHIBIT C

Cost Estimate to Drill and Complete	EXHIBIT C-3
Cost Estimate to Equip Well	EXHIBIT C-3
Cost Estimate for Production Facilities	EXHIBIT C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D, D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-2
HSU Cross Section	Exhibit D, D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	EXHIBIT C-1 (C-102 plats)
Tracts	EXHIBIT C-2
Summary of Interests, Unit Recapitulation (Tracts)	EXHIBIT C-2
General Location Map (including basin)	Exhibit D-2
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	4-Mar-20

**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 NO. 21099

APPLICATION

Devon Energy Production Company, L.P. ("Applicant") (OGRID 6137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico. In support of this application, Devon states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, both of which are to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3: (1) **Thoroughbred 10-3 Fed Com #621H well**; (2) **Thoroughbred 10-3 Fed Com #711H well**.
3. The completed intervals of the wells will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

5. The pooling of interests in the proposed horizontal well spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled and Applicant should be designated the operator of this proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying the proposed horizontal spacing unit;
- B. Approving the initial wells in the horizontal well spacing unit;
- C. Designating Applicant as the operator of the horizontal spacing unit and the wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrankin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

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

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

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

CASE NO. 21099

AFFIDAVIT OF TIM PROUT

Tim Prout, of lawful age and being first duly sworn, declares as follows:

1. My name is Tim Prout, and I am a Senior Landman with Devon Energy Production Company, L.P. ("Devon").
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters, and my credentials have been accepted and made a matter of public record.
3. I am familiar with the application filed by Devon in this case and familiar with the status of the lands in the subject area.
4. None of the mineral owners to be pooled in this case have expressed opposition to this proceeding, so I do not expect any opposition at the hearing.
5. Devon seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp (Gas) Pool [98220]) underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico.
6. This standard horizontal spacing unit will be dedicated to the following initial proposed wells to be drilled at a depth sufficient to test the Wolfcamp formation: (1) the **Thoroughbred 10-3 Fed Com #621H well**; and (2) the **Thoroughbred 10-3 Fed Com #711H**

well. Both of these wells are to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3

7. The completed intervals of these wells comply with the Special Rules for the Purple Sage Wolfcamp Pool.

8. **Exhibit C-1** contains the Form C-102s for the proposed wells reflecting that the wells are located in the Purple Sage; Wolfcamp (Gas) Pool [Pool Code 98220].

9. **Exhibit C-2** contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. Devon has highlighted the “uncommitted” working interest owners that remain to be pooled in this case. Devon is also seeking to pool the overriding royalty interest owners identified on Exhibit C-2.

10. No ownership depth severances or unleased mineral interests exist within the proposed spacing units.

11. **Exhibit C-3** contains the well proposal letters and AFEs provided to the working interest owners Devon is seeking to pool.

12. **Exhibit C-4** contains a chronology of the contacts with the working interest owners that Devon seeks to pool. Devon has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

13. The costs reflected on each AFE are consistent with what Devon has incurred for drilling similar horizontal wells in the subject formation in this area.

14. Devon seeks approved overhead and administrative rates for the proposed wells at \$8,000 per month while drilling and \$800 per month while producing. These rates are consistent with what other operators are charging in this area for similar wells.

15. Devon has conducted a diligent search of county records and computer databases to locate addresses for the mineral owners it seeks to pool. I have provided the law firm of Holland & Hart LLP with these addresses and instructed that notice of this hearing be provided to the mineral owners Devon seeks to pool.

16. Exhibit C-1 through C-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Tim Prout
Tim Prout

STATE OF OKLAHOMA)
COUNTY OF Oklahoma)

SUBSCRIBED and SWORN to before me this 3rd day of March 2020 by
Tim Prout.



Clint Dake
NOTARY PUBLIC

My Commission Expires:

5/7/23
2.

14268506_v1

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name THOROUGHbred 10-3 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁶ Well Number 621H
		⁹ Elevation 3241.5

¹⁰ Surface Location

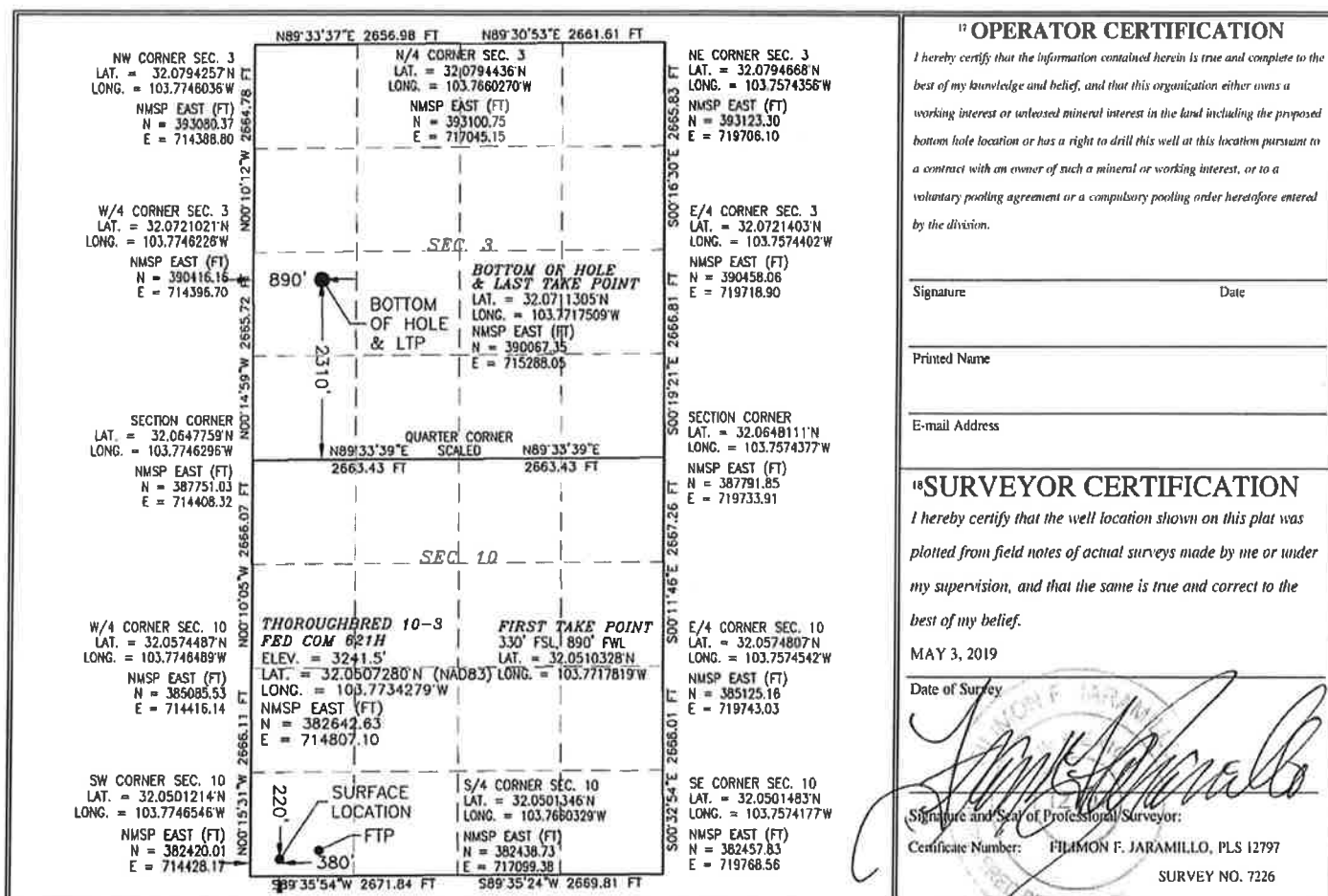
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	10	26 S	31 E		220	SOUTH	380	WEST	EDDY

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
L	3	26 S	31 E		2310	SOUTH	890	WEST	EDDY

¹² Dedicated Acres	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.



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C1
Submitted by: Devon Energy Production
Hearing Date: March 05, 2020
Case No 21099

Intent ☐ As Drilled ☐

API #			
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.		Property Name: THOROUGHbred 10-3 FED COM	Well Number 621H

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	10	26 S	31 E		330	SOUTH	890	WEST	EDDY
Latitude					Longitude				NAD
32.0510328					103.7717819				83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
L	3	26 S	31 E		2310	SOUTH	890	WEST	EDDY
Latitude					Longitude				NAD
32.0711305					103.7717509				83

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

Is this well an infill well? ☐

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

API #			
Operator Name:		Property Name:	Well Number

KZ 06/29/2018

District I
1625 N. Franch 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 THOROUGHbred 10-3 FED COM	
⁶ OGRID No. 6137	⁷ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	
		⁸ Well Number 711H
		⁹ Elevation 3240.5

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
M	10	26 S	31 E		220	SOUTH	350	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
L	3	26 S	31 E		2310	SOUTH	330	WEST	EDDY

¹² Dedicated Acres	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.

<p>17 OPERATOR CERTIFICATION</p> <p>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 leased 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MAY 3, 2019</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 7225</p>	

Intent ☐ As Drilled ☐

API #			
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.		Property Name: THOROUGHbred 10-3 FED COM	Well Number 711H

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 M	Section 10	Township 26 S	Range 31 E	Lot	Feet 330	From N/S SOUTH	Feet 330	From E/W WEST	County EDDY
Latitude 32.0510300					Longitude 103.7735890				NAD 83

Last Take Point (LTP)

UL L	Section 3	Township 26 S	Range 31 E	Lot	Feet 2310	From N/S SOUTH	Feet 330	From E/W WEST	County EDDY
Latitude 32.0711267					Longitude 103.7735584				NAD 83

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

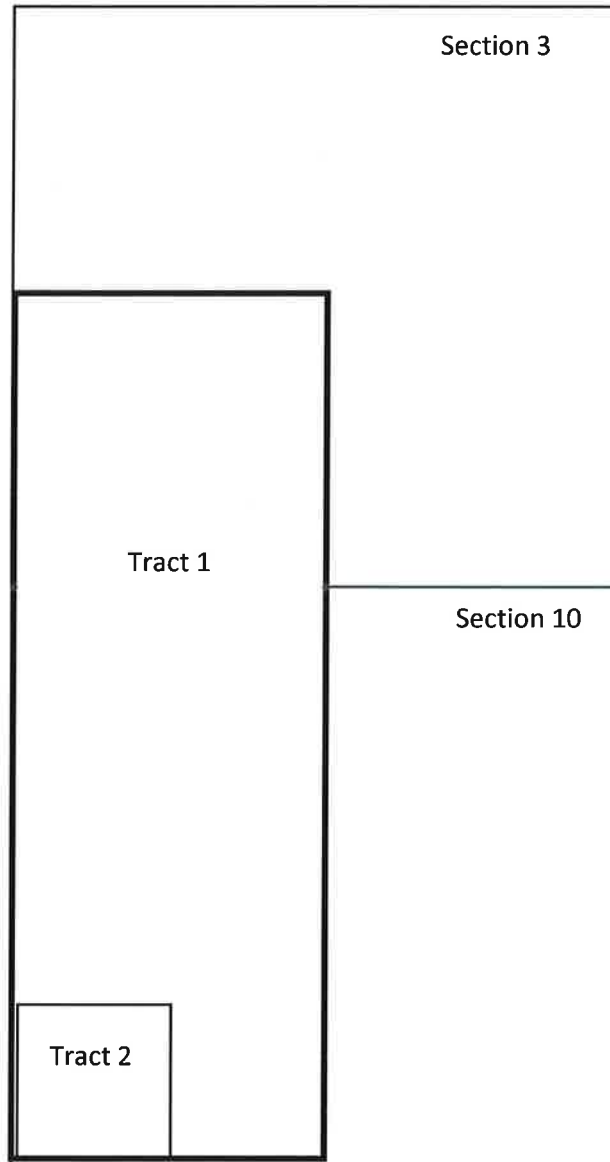
Is this well an infill well? ☐

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

API #			
Operator Name:		Property Name:	Well Number

KZ 06/29/2018

Thoroughbred 10-3 Fed Com 621H and Thoroughbred 10-3 Fed Com 711H
SW/4 Section 3 and W/2 Section 10, Township 26 South, Range 31 East, Eddy County, New Mexico



Tract 1 WI	SW/4 Section 3, NW/4, N/2 SW/4, SE/4 SW/4 Section 10, Township 26 South, Range 31 East			
50.00%	Devon Energy Production Company, L.P.			
50.00%	XTO Energy, Inc.			
100.00%	Total Committed Interest	50.00%	Total Uncommitted Interest	50.00%

2.500000% ConocoPhillips Company

100.00%	Total Committed Interest	45.833333%	Total Uncommitted Interest	54.166667%
---------	--------------------------	------------	----------------------------	------------

Unit ORRI SW/4 Section 3 and W/2 Section 10, Township 26 South, Range 31 East

0.058342%	LMBI I BPEOR NM, LLC
0.097908%	LMBI II BPEOR NM, LLC
0.124344%	Keystone, (RMB) BPEOR NM, LLC
0.031906%	Keystone (CTAM) BPEOR NM, LLC
0.156250%	Thru Line (BPEOR NM, LLC
0.052083%	SRBI I BPEOR NM, LLC
0.104167%	SRBI II BPEOR NM, LLC
0.013649%	CTV-LMB I BPEOR NM, LLC
0.022906%	CTV-LMB II BPEOR NM, LLC
0.034222%	CTV-CTAM BPEOR NM, LLC
0.045852%	CTV-SRB I BPEOR NM, LLC
0.091704%	CTV-SRB II BPEOR NM, LLC
2.291667%	ConocoPhillips Company

3.125000%



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

405 235 3611 Phone
www.devonenergy.com

January 28, 2020

CHEVRON U.S.A., INC
1400 SMITH STREET, ROOM 4118
ATTN: SHALYCE HOLMES
HOUSTON, TX 77002

RE: Thoroughbred 10-3 Fed Com 621H
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), hereby proposes to drill the Thoroughbred 10-3 Fed Com 621H well to test the Wolfcamp formation. The proposed surface hole location is approximately 380' FWL & 220' FSL, Section 10-26S-31E. The proposed bottom hole location is 890' FWL & 2310' FSL, Section 3-26S-31E. Attached is Devon's AFE reflecting the gross estimated drilling cost to be \$5,198,048 and an estimated total well cost to be \$9,558,528.

Please make your election in the space provided below and return one copy of this letter to the undersigned. An election to participate should be accompanied by an executed AFE and your well requirement sheet including e-mail address.

Elections may also be sent via e-mail to peggy.buller@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout
Senior Landman

CHEVRON U.S.A., INC

_____ I/we elect to participate in the drilling and completion of the Thoroughbred 10-3 Fed Com 621H. A signed AFE is returned herewith.

_____ I/we elect to not participate and be carried as non-consent.

Company Name: _____

Signature: _____ Date: _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: Devon Energy Production
Hearing Date: March 05, 2020
Case No 21099



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

405 235 3611 Phone
www.devonenergy.com

January 28, 2020

XTO HOLDINGS, LLC
22777 SPRINGWOODS VILLAGE PARKWAY
ATTN: VINCENT CUCCERRE
SPRING, TX 77389

RE: Thoroughbred 10-3 Fed Com 621H
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), hereby proposes to drill the Thoroughbred 10-3 Fed Com 621H well to test the Wolfcamp formation. The proposed surface hole location is approximately 380' FWL & 220' FSL, Section 10-26S-31E. The proposed bottom hole location is 890' FWL & 2310' FSL, Section 3-26S-31E. Attached is Devon's AFE reflecting the gross estimated drilling cost to be \$5,198,048 and an estimated total well cost to be \$9,558,528.

Please make your election in the space provided below and return one copy of this letter to the undersigned. An election to participate should be accompanied by an executed AFE and your well requirement sheet including e-mail address.

Elections may also be sent via e-mail to peggy.buller@devon.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout
Senior Landman

XTO HOLDINGS, LLC

____ I/we elect to participate in the drilling and completion of the Thoroughbred 10-3 Fed Com 621H. A signed AFE is returned herewith.

____ I/we elect to not participate and be carried as non-consent.

Company Name: _____

Signature: _____ Date: _____



Authorization for Expenditure

AFE # XX-133186.01

Well Name: THOROUGHbred 10-3 FED COM 621H

Cost Center Number: 1094046501

Legal Description: SEC 10-26S-31E

Revision: ☐

AFE Date: 1/28/2020

State: NM

County/Parish: EDDY

Explanation and Justification:

DRILL AND COMPLETE HORIZONTAL WOLFCAMP WELL

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	335,174.10	0.00	335,174.10
6060100	DYED LIQUID FUELS	187,880.00	320,846.26	0.00	508,726.26
6080100	DISPOSAL - SOLIDS	93,362.00	2,276.72	0.00	95,638.72
6080110	DISP-SALTWATER & OTH	0.00	209,145.26	0.00	209,145.26
6090100	FLUIDS - WATER	10,325.00	95,468.88	0.00	105,793.88
6090120	RECYC TREAT&PROC-H2O	0.00	350,824.88	0.00	350,824.88
6100100	PERMIT SURVEY&TITLE	5,000.00	0.00	0.00	5,000.00
6100110	RIGHT OF WAY	10,000.00	0.00	0.00	10,000.00
6110120	ROAD&SITE PREP M&S	11,134.09	0.00	0.00	11,134.09
6110130	ROAD&SITE PREP SVC	78,070.45	13,660.35	0.00	91,730.80
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6120100	& C SERVICES	73,775.45	0.00	0.00	73,775.45
6130170	COMM SVCS - WAN	5,978.00	0.00	0.00	5,978.00
6130360	RTOC - ENGINEERING	0.00	8,537.72	0.00	8,537.72
6130370	RTOC - GEOSTEERING	21,882.00	0.00	0.00	21,882.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTO&WL SV	0.00	291,022.37	0.00	291,022.37
6160100	MATERIALS & SUPPLIES	683.00	0.00	0.00	683.00
6170100	PULLING&SWABBING SVC	0.00	33,000.00	0.00	33,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	132,191.70	0.00	132,191.70
6190100	TRCKG&HL-SOLID&FLUID	68,320.00	8,000.00	0.00	76,320.00
6190110	TRUCKING&HAUL OF EQP	47,618.18	22,075.44	0.00	69,693.62
6200130	CONSLT & PROJECT SVC	191,422.00	105,819.69	0.00	297,241.69
6230120	SAFETY SERVICES	56,364.00	0.00	0.00	56,364.00
6300270	SOLIDS CONTROL SRVCS	119,560.00	0.00	0.00	119,560.00
6310120	STIMULATION SERVICES	0.00	915,061.31	0.00	915,061.31
6310190	PROPPANT PURCHASE	0.00	549,278.10	0.00	549,278.10
6310200	CASING & TUBULAR SVC	114,922.00	0.00	0.00	114,922.00
6310250	CEMENTING SERVICES	190,000.00	0.00	0.00	190,000.00
6310280	DAYWORK COSTS	831,864.00	0.00	0.00	831,864.00
6310300	DIRECTIONAL SERVICES	312,327.00	0.00	0.00	312,327.00
6310310	DRILL BITS	132,050.00	0.00	0.00	132,050.00
6310330	DRILL&COMP FLUID&SVC	284,595.00	27,787.40	0.00	312,382.40
6310370	MOB & DEMOBILIZATION	277,000.00	0.00	0.00	277,000.00
6310380	OPEN HOLE EVALUATION	23,175.00	0.00	0.00	23,175.00
6310480	TSTNG-WELL, PL & OTH	0.00	100,712.92	0.00	100,712.92
6310600	MISC PUMPING SERVICE	0.00	81,052.86	0.00	81,052.86
6320100	EQPMNT SVC-SRF RNTL	204,615.00	204,007.12	0.00	408,622.12
6320110	EQUIP SVC - DOWNHOLE	42,198.00	37,399.84	0.00	79,595.84
6320160	WELDING SERVICES	1,850.00	0.00	0.00	1,850.00
6320190	WATER TRANSFER	0.00	153,271.59	0.00	153,271.59
6350100	CONSTRUCTION SVC	174,221.89	27,000.00	0.00	201,221.89
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550110	MISCELLANEOUS SVC	22,900.00	31,000.00	0.00	53,900.00

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-133186.01

Well Name: THOROUGHBRED 10-3 FED COM 621H

AFE Date: 1/28/2020

Cost Center Number: 1094046501

State: NM

Legal Description: SEC 10-26S-31E

County/Parish: EDDY

Revision: ☐

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6630110	CAPITAL OVERHEAD	28,747.73	14,000.00	0.00	42,747.73
6740340	TAXES OTHER	545.00	13,000.00	0.00	13,545.00
	Total Intangibles	3,638,382.79	4,081,814.51	0.00	7,719,997.30

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	51,159.26	0.00	0.00	51,159.28
6120120	MEASUREMENT EQUIP	16,846.36	0.00	0.00	16,846.36
6150110	LOG PERFORATG&WL EQP	0.00	16,000.00	0.00	16,000.00
6230130	SAFETY EQUIPMENT	7,314.00	0.00	0.00	7,314.00
6300150	SEPARATOR EQUIPMENT	307,039.89	0.00	0.00	307,039.89
6300220	STORAGE VESSEL&TANKS	30,662.32	0.00	0.00	30,662.32
6300230	PUMPS - SURFACE	30,885.00	0.00	0.00	30,885.00
6300260	VALVES	0.00	25,500.00	0.00	25,500.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	91,150.00	0.00	91,150.00
6310460	WELLHEAD EQUIPMENT	35,600.00	68,215.66	0.00	103,815.66
6310490	WELL TESTING EQUIP	0.00	78,000.00	0.00	78,000.00
6310540	INTERMEDIATE CASING	417,288.00	0.00	0.00	417,288.00
6310550	PRODUCTION CASING	433,092.00	0.00	0.00	433,092.00
6310580	CASING COMPONENTS	59,750.00	0.00	0.00	59,750.00
6330100	PIPE,FIT,FLANG,CPLNG	150,028.27	0.00	0.00	150,028.27
	Total Tangibles	1,559,665.10	278,865.66	0.00	1,838,530.76

TOTAL ESTIMATED COST	5,198,047.89	4,360,480.17	0.00	9,558,528.06
----------------------	--------------	--------------	------	--------------

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.



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

405 235 3611 Phone
www.devonenergy.com

January 28, 2020

CHEVRON U.S.A., INC
1400 SMITH STREET, ROOM 4118
ATTN: SHALYCE HOLMES
HOUSTON, TX 77002

RE: Thoroughbred 10-3 Fed Com 711H
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), hereby proposes to drill the Thoroughbred 10-3 Fed Com 711H well to test the Wolfcamp formation. The proposed surface hole location is approximately 350' FWL & 220' FSL, Section 10-26S-31E. The proposed bottom hole location is 330' FWL & 2310' FSL, Section 3-26S-31E. Attached is Devon's AFE reflecting the gross estimated drilling cost to be \$5,210,632 and an estimated total well cost to be \$9,571,112.

Please make your election in the space provided below and return one copy of this letter to the undersigned. An election to participate should be accompanied by an executed AFE and your well requirement sheet including e-mail address.

Elections may also be sent via e-mail to peggy.buller@devon.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout
Senior Landman

CHEVRON U.S.A., INC

____ I/we elect to participate in the drilling and completion of the Thoroughbred 10-3 Fed Com 711H. A signed AFE is returned herewith.

____ I/we elect to not participate and be carried as non-consent.

Company Name: _____

Signature: _____ Date: _____



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

405 235 3611 Phone
www.devonenergy.com

January 28, 2020

XTO HOLDINGS, LLC
22777 SPRINGWOODS VILLAGE PARKWAY
ATTN: VINCENT CUCCERRE
SPRING, TX 77389

RE: Thoroughbred 10-3 Fed Com 711H
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon"), hereby proposes to drill the Thoroughbred 10-3 Fed Com 711H well to test the Wolfcamp formation. The proposed surface hole location is approximately 350' FWL & 220' FSL, Section 10-26S-31E. The proposed bottom hole location is 330' FWL & 2310' FSL, Section 3-26S-31E. Attached is Devon's AFE reflecting the gross estimated drilling cost to be \$5,210,632 and an estimated total well cost to be \$9,571,112.

Please make your election in the space provided below and return one copy of this letter to the undersigned. An election to participate should be accompanied by an executed AFE and your well requirement sheet including e-mail address.

Elections may also be sent via e-mail to peggy.buller@dvn.com.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Tim Prout
Senior Landman

XTO HOLDINGS, LLC

____ I/we elect to participate in the drilling and completion of the Thoroughbred 10-3 Fed Com 711H. A signed AFE is returned herewith.

____ I/we elect to not participate and be carried as non-consent.

Company Name: _____

Signature: _____ Date: _____



Authorization for Expenditure

AFE # XX-133187.01

Well Name: THOROUGHbred 10-3 FED COM 711H

Cost Center Number: 1094046601

Legal Description: SEC 10-26S-31E

Revision: ☐

AFE Date: 1/28/2020

State: NM

County/Parish: EDDY

Explanation and Justification:

DRILL AND COMPLETE HORIZONTAL WOLFCAMP WELL

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	335,174.10	0.00	335,174.10
6060100	DYED LIQUID FUELS	189,255.00	320,846.26	0.00	510,101.26
6080100	DISPOSAL - SOLIDS	93,362.00	2,276.72	0.00	95,638.72
6080110	DISP-SALTWATER & OTH	0.00	209,145.26	0.00	209,145.26
6090100	FLUIDS - WATER	10,325.00	95,468.88	0.00	105,793.88
6090120	RECYC TREAT&PROC-H2O	0.00	350,824.88	0.00	350,824.88
6100100	PERMIT SURVEY&TITLE	5,000.00	0.00	0.00	5,000.00
6100110	RIGHT OF WAY	10,000.00	0.00	0.00	10,000.00
6110120	ROAD&SITE PREP M&S	11,134.09	0.00	0.00	11,134.09
6110130	ROAD&SITE PREP SVC	78,070.45	13,660.35	0.00	91,730.80
6110170	DAMAGE & REMEDIATION	10,000.00	0.00	0.00	10,000.00
6120100	& C SERVICES	73,775.45	0.00	0.00	73,775.45
6130170	COMM SVCS - WAN	6,022.00	0.00	0.00	6,022.00
6130360	RTOC - ENGINEERING	0.00	8,537.72	0.00	8,537.72
6130370	RTOC - GEOSTEERING	27,168.00	0.00	0.00	27,168.00
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	291,022.37	0.00	291,022.37
6160100	MATERIALS & SUPPLIES	688.00	0.00	0.00	688.00
6170100	PULLING&SWABBING SVC	0.00	33,000.00	0.00	33,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	132,191.70	0.00	132,191.70
6190100	TRCKG&HL-SOLID&FLUID	88,820.00	8,000.00	0.00	76,820.00
6190110	TRUCKING&HAUL OF EQP	50,618.18	22,075.44	0.00	72,693.62
6200130	CONSLT & PROJECT SVC	192,785.00	105,819.69	0.00	298,604.69
6230120	SAFETY SERVICES	56,777.00	0.00	0.00	56,777.00
6300270	SOLIDS CONTROL SRVCS	120,435.00	0.00	0.00	120,435.00
6310120	STIMULATION SERVICES	0.00	915,061.31	0.00	915,061.31
6310190	PROPPANT PURCHASE	0.00	549,278.10	0.00	549,278.10
6310200	CASING & TUBULAR SVC	114,922.00	0.00	0.00	114,922.00
6310250	CEMENTING SERVICES	230,000.00	0.00	0.00	230,000.00
6310280	DAYWORK COSTS	837,952.00	0.00	0.00	837,952.00
6310300	DIRECTIONAL SERVICES	387,175.00	0.00	0.00	387,175.00
6310310	DRILL BITS	176,550.00	0.00	0.00	176,550.00
6310330	DRILL&COMP FLUID&SVC	335,524.00	27,787.40	0.00	363,311.40
6310370	MOB & DEMOBILIZATION	26,650.00	0.00	0.00	26,650.00
6310380	OPEN HOLE EVALUATION	28,238.00	0.00	0.00	28,238.00
6310480	TSTNG-WELL, PL & OTH	0.00	100,712.92	0.00	100,712.92
6310600	MISC PUMPING SERVICE	0.00	81,052.86	0.00	81,052.86
6320100	EQPMNT SVC-SRF RNTL	212,367.00	204,007.12	0.00	416,374.12
6320110	EQUIP SVC - DOWNHOLE	42,267.00	37,399.84	0.00	79,666.84
6320160	WELDING SERVICES	1,850.00	0.00	0.00	1,850.00
6320190	WATER TRANSFER	0.00	153,271.59	0.00	153,271.59
6350100	CONSTRUCTION SVC	174,221.89	27,000.00	0.00	201,221.89
6520100	LEGAL FEES	5,000.00	0.00	0.00	5,000.00
6550110	MISCELLANEOUS SVC	22,900.00	31,000.00	0.00	53,900.00

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-133187.01

Well Name: THOROUGHbred 10-3 FED COM 711H

Cost Center Number: 1094046601

Legal Description: SEC 10-26S-31E

Revision: ☐

AFE Date: 1/28/2020

State: NM

County/Parish: EDDY

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6630110	CAPITAL OVERHEAD	28,822.73	14,000.00	0.00	42,822.73
6740340	TAXES OTHER	549.00	13,000.00	0.00	13,549.00
	Total Intangibles	3,630,223.79	4,081,614.51	0.00	7,711,838.30

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6120110	I&C EQUIPMENT	51,159.26	0.00	0.00	51,159.26
6120120	MEASUREMENT EQUIP	16,846.36	0.00	0.00	16,846.36
6150110	LOG PERFORATG&WL EQP	0.00	16,000.00	0.00	16,000.00
6230130	SAFETY EQUIPMENT	8,485.00	0.00	0.00	8,485.00
6300150	SEPARATOR EQUIPMENT	307,039.89	0.00	0.00	307,039.89
6300220	STORAGE VESSEL&TANKS	30,662.32	0.00	0.00	30,662.32
6300230	PUMPS - SURFACE	30,885.00	0.00	0.00	30,885.00
6300260	VALVES	0.00	25,500.00	0.00	25,500.00
6310150	CASG-COND&DRIVE PIPE	20,000.00	0.00	0.00	20,000.00
6310420	TUBING & COMPONENTS	0.00	91,150.00	0.00	91,150.00
6310480	WELLHEAD EQUIPMENT	35,600.00	68,215.66	0.00	103,815.66
6310490	WELL TESTING EQUIP	0.00	78,000.00	0.00	78,000.00
6310540	INTERMEDIATE CASING	436,860.00	0.00	0.00	436,860.00
6310550	PRODUCTION CASING	433,092.00	0.00	0.00	433,092.00
6310580	CASING COMPONENTS	59,750.00	0.00	0.00	59,750.00
6330100	PIPE, FIT, FLANG, CPLNG	150,028.27	0.00	0.00	150,028.27
	Total Tangibles	1,580,408.10	278,865.66	0.00	1,859,273.76

TOTAL ESTIMATED COST	5,210,631.89	4,360,480.17	0.00	9,571,112.06
----------------------	--------------	--------------	------	--------------

WORKING INTEREST OWNER APPROVAL

Company Name:

Signature:

Print Name:

Title:

Date:

Email:

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

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

Chronology of Contact with Non-Joined Working Interests

XTO Energy, Inc.

1st week of February Phone call, Vincent Cuccerre, XTO requests to be pooled and agrees not to protest

Chevron U.S.A. Inc.

1st week of February Phone call, Shalyce Holmes, Chevron agrees with being pooled and agrees not to protest.

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

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

CASE NO. 21099

AFFIDAVIT OF SLOAN ANDERSON

Sloan Anderson, of lawful age and being first duly sworn, declares as follows:

1. My name is Sloan Anderson, and 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. I have been a Petroleum Geologist with Devon Energy since 2013 and focused on the Delaware Basin since 2016. Prior to joining Devon, I graduated with a M.S. degree in Geology from the University of Tulsa in 2013, and a B.S. in Geology from Oklahoma State University in 2011. I have extensive experience correlating and mapping Wolfcamp and Bone Spring Stratigraphy throughout the Delaware Basin. In my capacity as Senior Geologist for the Eddy County Team, I have planned and executed multiple successful development programs. I also have significant experience integrating geologic data to help understand the interplay of geology, well performance, and well spacing. **Devon Exhibit D-1** is a copy of my resume reflecting my education and experience in petroleum geology matters. I seek to have my credentials accepted by the Division as an expert petroleum geologist.

3. I am familiar with the application filed by Devon in this case, and I have conducted a geologic study of the Wolfcamp formation underlying the subject acreage.

4. **Exhibit D-2** is a structure map for the top of the Wolfcamp formation, which also reflects the surrounding area in Eddy County in relation to Sections 3 and 10 that comprise the spacing unit in this case. The **Thoroughbred 10-3 Fed Com** wells are depicted with red lines in the SW/4 of Section 3 and the W/2 of Section 10, and I have identified the surface and the bottom hole location for the wells. Existing producing wells in the Third Bone Spring Sand and the Wolfcamp formation are also shown on this map.

5. **Exhibit D-2** shows that the formation is gently dipping to the northeast in this area. I do not observe any other faulting, pinch outs, or geologic impediments to developing the targeted interval with horizontal wells.

6. **Exhibit D-3** identifies the four wells penetrating the targeted intervals that I used to construct a stratigraphic cross-section from A to A'. I utilized these well logs because they penetrate the targeted intervals, are of good quality, and have been subjected to a petrophysical analysis of the targeted intervals. In my opinion, these well logs are representative of the geology in the area.

7. **Exhibit D-4** is a stratigraphic cross section using the representative wells depicted on Exhibit D-2. It contains a gamma ray, resistivity and porosity logs. The landing zones for the **Thoroughbred 10-3 Fed Com #621H well** and the **Thoroughbred 10-3 Fed Com #711H well** are labeled on the right side of the exhibit. The cross-section demonstrates that the targeted intervals extend across the proposed spacing unit.

8. In my opinion, the standup orientation of the wells is the preferred orientation for horizontal well development of the targeted intervals in this area. This standup orientation will efficiently and effectively develop the subject acreage.

9. Based on my geologic study, the targeted intervals within the Wolfcamp formation underlying the subject area is suitable for development by horizontal wells and the tracts comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores.

10. In my opinion, the granting of Devon's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

FURTHER AFFIANT SAYETH NOT.


SLOAN ANDERSON

STATE OF OKLAHOMA)
)
COUNTY OF Oklahoma)

SUBSCRIBED and SWORN to before me this 26th day of February 2020 by
Sloan Anderson.


NOTARY PUBLIC

My Commission Expires:
9/10/23



SLOAN ANDERSON

Petroleum Geologist

333 West Sheridan Avenue, Oklahoma City, Oklahoma 73118

405-552-5025

EXPERIENCE

APRIL 2016 – PRESENT

SENIOR GEOLOGIST, DEVON ENERGY, DELAWARE BASIN

- Currently Lead Geologist for Cotton Draw Asset Area
- Extensive Experience Mapping Wolfcamp & Bone Spring Unconventional Plays
- Extensive Experience Studying Wolfcamp Well Spacing & Performance
- Lead Geologist for Divest of Non-Core Assets
- Planned & Geo-Steered Bone Spring and Wolfcamp wells on multiple rig lines.

MAY 2013 – MARCH 2016

GEOLOGIST, DEVON ENERGY, POWDER RIVER BASIN

- Regional Characterization of Shannon & Muddy Sandstone in Powder River Basin
- Exploration, Appraisal, Development of Parkman Sandstone Play
- Economic Evaluations for Multiple Successful Acquisitions as well as Organic Leasing
- Planned & Geo-Steered Parkman wells on multiple rig lines.

EDUCATION

M.S. GEOLOGY, UNIVERSITY OF TULSA

Graduation Date: May 2013

GPA : 3.8, Thesis : Meandering Fluvial Facies Architecture of the Ferron Sandstone, Utah USA

B.S. GEOLOGY, OKLAHOMA STATE UNIVERSITY

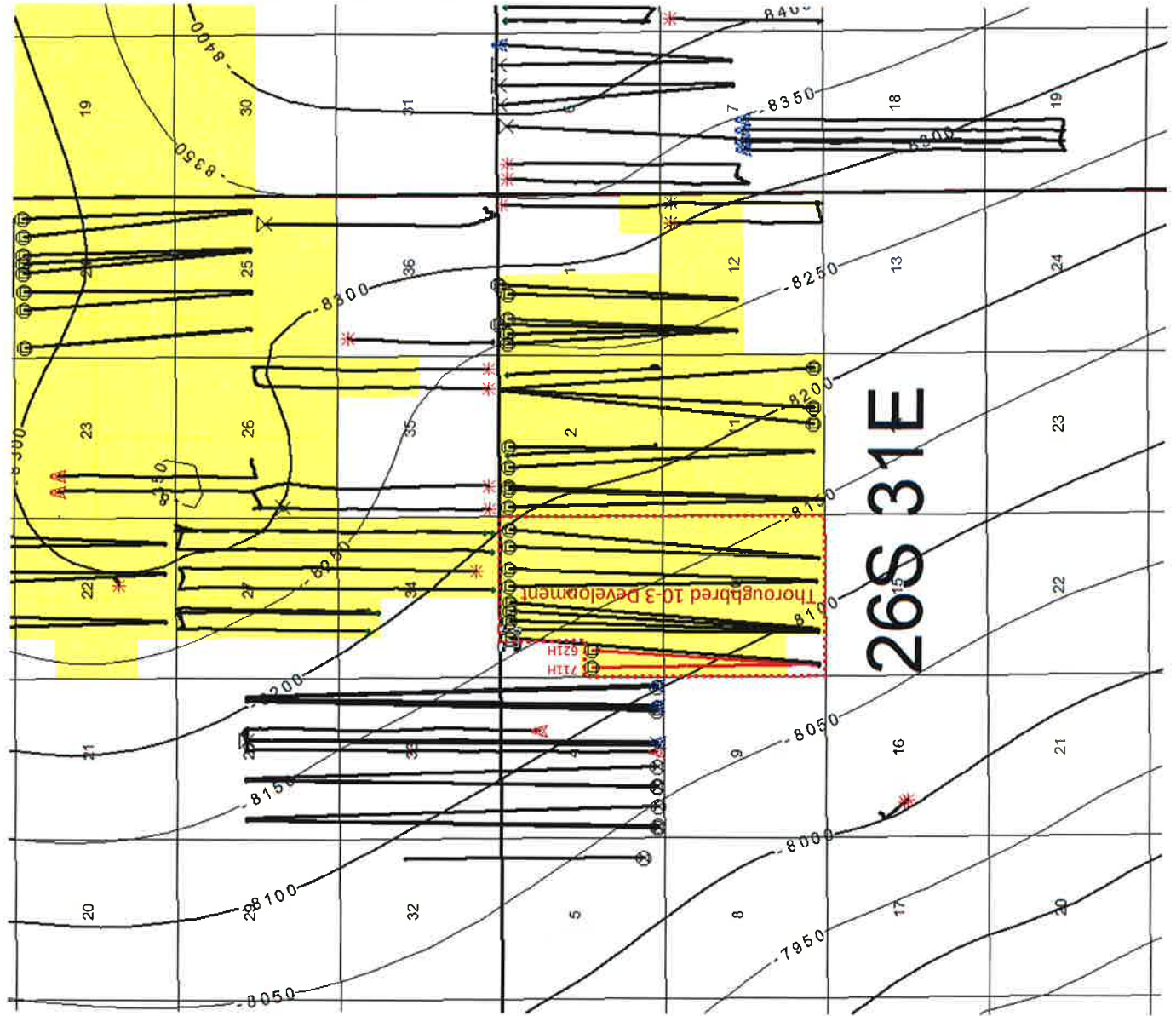
Graduation Date: May 2011

GPA: 3.2



Map is displaying 3rd Bone
Spring Sand and Wolfcamp
Wells near Thoroughbred 10-3
Development.

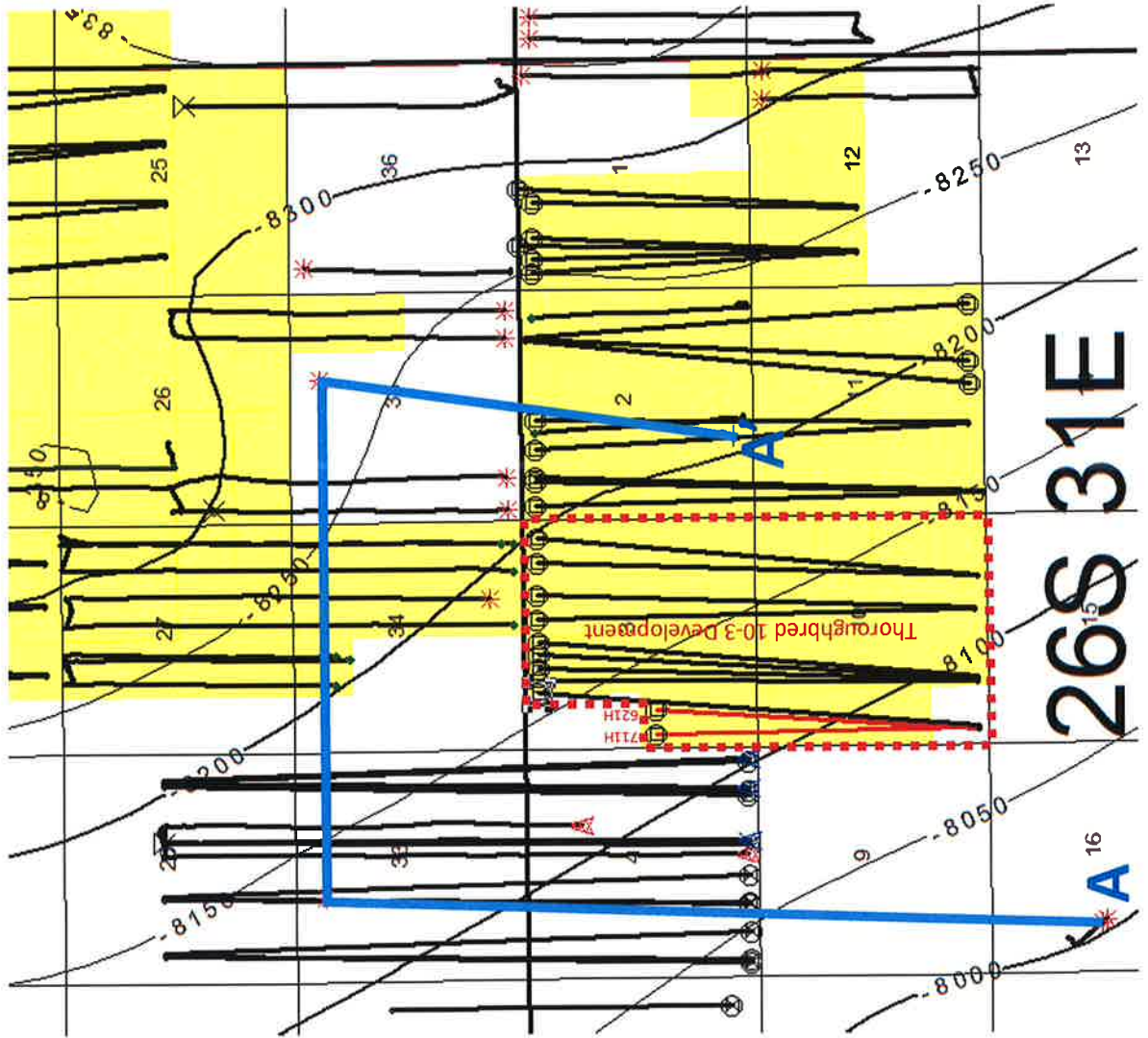
SSTVD Structure Map on Top of
Wolfcamp. Formation is gently
dipping northeast.



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D2
Submitted by: Devon Energy Production
Hearing Date: March 05, 2020
Case No 21099

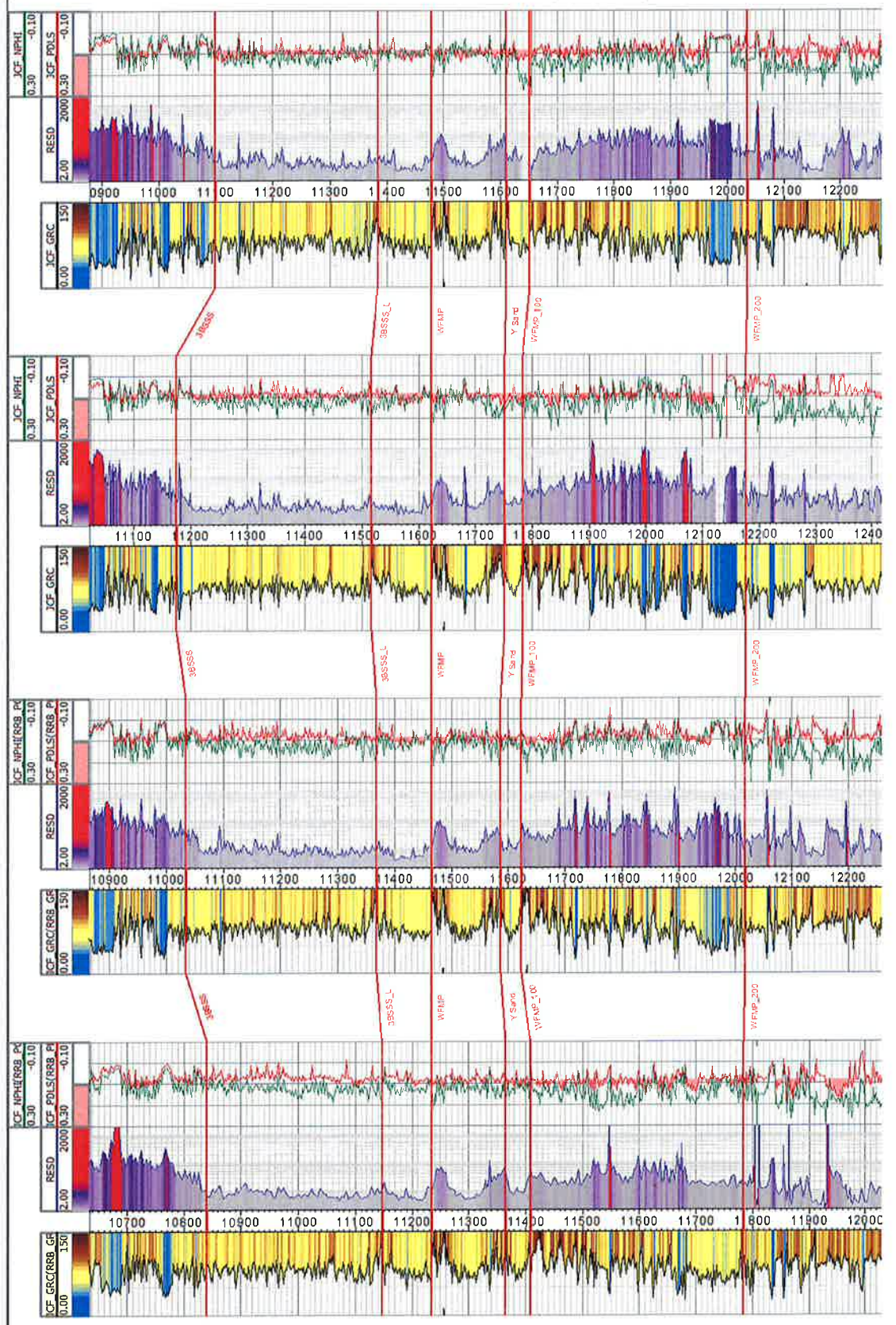
- GAS
- OIL
- PROP
- STAKED
- WOC
- DRLD
- START
- J&A

Line of Thoroughbred 10-3 Stratigraphic Cross Section





Thoroughbred 10-3 Stratigraphic Cross Section



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D4
Submitted by: Devon Energy Production
Hearing Date: March 05, 2020
Case No 21099

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

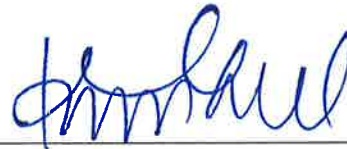
**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L.P. FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 21099

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Kaitlyn A. Luck, attorney in fact and authorized representative of Devon Energy
Production Company, L.P. -, the Applicant herein, being first duly sworn, upon oath, states that
the above-referenced Application has been provided under the notice letters and proof of receipts
attached hereto.



Kaitlyn A. Luck

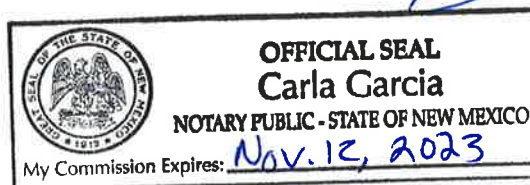
SUBSCRIBED AND SWORN to before me this 4th day of March, 2020 by Kaitlyn A.
Luck.



Notary Public

My Commission Expires:

Nov. 12, 2023



**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E
Submitted by: Devon Energy Production
Hearing Date: March 05, 2020
Case No 21099**



Michael H. Feldewert
Phone (505) 988-4421
Fax (505) 983-6043
mfeldewert@hollandhart.com

February 7, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

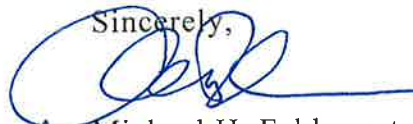
Re: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.
Thoroughbred 10-3 Fed Com #621H, #711H Wells

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 March 5, 2020 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 Tim Prout at (405) 552-6113, or at Tim.Prout@dvn.com

Sincerely,

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



\$5.90 x 25 = \$147.50

Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Devon - Thoroughbred 621H, 711H
Case No. 21099
CM# 41132.0002

Shipment Date: 02/07/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	25
Total	25

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

B. USPS Action

Note to RSS Clerk:

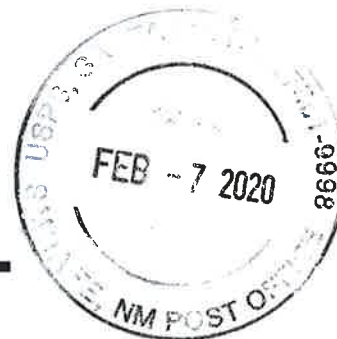
1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0020 1524 29





Firm Mailing Book For Accountable Mail

Name and Address of Sender
Holland & Hart LLP (1)
110 N Guadalupe St # 1
Santa Fe NM 87501

Check type of mail or service
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
☒ Certified Mail
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery (COD)
☐ Insured Mail
☐ Priority Mail

☐ Priority Mail Express
☐ Registered Mail
☐ Return Receipt for Merchandise
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery

Affix Stamp Here
(if issued as an international
certificate of mailing or for
additional copies of this receipt).
Postmark with Date of Receipt.

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8305 8875 13	XTO Holdings LLC 22777 Springwoods Village Parkway Spring TX 77389	0.65	3.55								1.70			
2. 9214 8901 9403 8305 8875 20	Chevron U S A Inc 1400 Smith Street Room 4118 Houston TX 77002	0.65	3.55								1.70			
3. 9214 8901 9403 8305 8875 37	ConocoPhillips Company 2285 Network Pl Chicago IL 60673-1222	0.65	3.55								1.70			
4. 9214 8901 9403 8305 8875 44	David Thomas Didiak And Stephanie Marie Didiak Successor Co-Trustees Of The Living Trust Of Glenn R Genille 706 Rock Midden Ln Round Rock TX 78665	0.65	3.55								1.70			
5. 9214 8901 9403 8305 8875 51	Donald G Gallies Life Estate PO BOX 2493 Casper WY 82602	0.65	3.55								1.70			
6. 9214 8901 9403 8305 8875 68	Jeff Gallies 1041 S Center St Casper WY 82601	0.65	3.55								1.70			
7. 9214 8901 9403 8305 8875 75	Casper College Foundation 125 College Dr Casper WY 82601	0.65	3.55								1.70			
8. 9214 8901 9403 8305 8875 82	Douglas Larson McBride III PO BOX 1515 Roswell NM 88202	0.65	3.55								1.70			
Total Number of Pieces Listed by Sender 25		Postmaster, Per (Name of receiving employee)												



Firm Mailing Book For Accountable Mail

Name and Address of Sender Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery	
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.	
9.	9214 8901 9403 8305 8875 99	Hanson-McBride Petroleum Company PO BOX 1515 Roswell NM 88202		Postage	0.65
10.	9214 8901 9403 8305 8876 05	Harry F. Pale Schram 731 Silent Hollow San Antonio TX 78280		(Extra Service) Fee	3.55
11.	9214 8901 9403 8305 8876 12	Julie Scott Graham 440 Rattlesnake Point Rd RoadPort TX 78382		Handling Charge	1.70
12.	9214 8901 9403 8305 8876 29	Sue Hanson McBride PO BOX 3480 Roswell NM 88202-3480		Actual Value if Registered	1.70
13.	9214 8901 9403 8305 8876 36	Wilma G Lathrop 1530 Dorothy Ln Unit C228 Cheyenne WY 82009		Insured Value	1.70
14.	9214 8901 9403 8305 8876 43	LMB I BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102		Due Sender if COD	1.70
15.	9214 8901 9403 8305 8876 50	LMB I BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102		ASRD Fee	1.70
16.	9214 8901 9403 8305 8876 67	KeyStone (RMB) BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102		ASR Fee	1.70
Total Number of Pieces Listed by Sender 25		Postmaster, Per (Name of receiving employee)		ASRD Fee	1.70
Total Number of Pieces Received at Post Office				ASR Fee	1.70
PS Form 3877, April 2015 (Page 2 of 4)		Complete in Ink		ASRD Fee	1.70
PSN 7530-02-000-9098		Privacy Notice: For more information on USPS privacy policies, visit usps.com/privacypolicy.		ASR Fee	1.70



Firm Mailing Book For Accountable Mail

Name and Address of Sender
Holland & Hart LLP (1)
110 N Guadalupe St # 1
Santa Fe NM 87501

Check type of mail or service
☐ Adult Signature Required
☐ Adult Signature Restricted Delivery
☒ Certified Mail
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery (COD)
☐ Insured Mail
☐ Priority Mail

☐ Priority Mail Express
☐ Registered Mail
☐ Return Receipt for Merchandise
☐ Signature Confirmation
☐ Signature Confirmation Restricted Delivery

Affix Stamp Here
(if issued as an international
certificate of mailing or for
additional copies of this receipt).
Postmark with Date of Receipt.

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage	(Extra Service) Fee	Handling Charge - if Registered and over \$50,000 in value	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
17. 9214 8901 9403 8305 8876 74	Keystone (CTAM) BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
18. 9214 8901 9403 8305 8876 81	Thru Line BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
19. 9214 8901 9403 8305 8876 98	SRBI I BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
20. 9214 8901 9403 8305 8877 04	SRBI II BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
21. 9214 8901 9403 8305 8877 11	CTV-LMB I BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
22. 9214 8901 9403 8305 8877 28	CTV-LMB II BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
23. 9214 8901 9403 8305 8877 35	CTV-CTAM BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
24. 9214 8901 9403 8305 8877 42	CTV-SRB I BPEOR NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65	3.55								1.70			
Total Number of Pieces Listed by Sender 25	Postmaster, Per (Name of receiving employee)													



Firm Mailing Book For Accountable Mail

Name and Address of Sender	Check type of mail or service	Affix Stamp Here <i>(If issued as an international certificate of mailing or for additional copies of this receipt). Postmark with Date of Receipt.</i>
Holland & Hart LLP (1) 110 N Guadalupe St # 1 Santa Fe NM 87501	<input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail	
USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code™)	Postage
25. 9214 8901 9403 8305 8877 59	CTV-SRS II BPEOR-NM LLC 201 Main St Ste 2300 Fort Worth TX 76102	0.65
		(Extra Service) Fee
		Handling Charge - If Registered and over \$50,000 in value
		Actual Value if Registered
		Insured Value
		Due Sender if COD
		ASR Fee
		ASRD Fee
		RD Fee
		RR Fee
		SC Fee
		SCRD Fee
		SH Fee
Total Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	
25		
Postmaster, Per (Name of receiving employee)		

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004061359

This is not an invoice

HOLLAND & HART
POBOX 2208


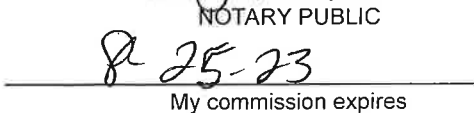
SANTA FE, NM 87504

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:

February 18, 2020


Legal Clerk

Subscribed and sworn before me this February 18, 2020:


State of WI, County of Brown
NOTARY PUBLIC

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

Ad # 0004061359
PO #: Thoroughbred
of Affidavits 1

This is not an invoice

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold a public hearing before a hearing examiner on March 5, 2020, 8:15 a.m., in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis, Santa Fe, New Mexico. The docket may be viewed electronically on the Division's website, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Florene Davidson, OCD Clerk, at (505) 476-3458. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Florene Davidson, OCD Clerk, at (505) 476-3458, or at the New Mexico Relay Network, 1-800-659-1779, no later than February 24, 2020.

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: XTO Holdings, LLC; Chevron U.S.A., Inc.; ConocoPhillips Company; David Thomas Dirlake and Stephanie Marie Dirlake, Successor Co-Trustees Of The Living Trust of Glenn R. Gentle; Donald G. Galles Life Estate; Jeff Galles, his heirs and devisees; Casper College Foundation; Douglas Ladson McBride, III, his heirs and devisees; Hanson-McBride Petroleum Company; Harry F. "Pete" Schram, his heirs and devisees; Julie Scott Graham, her heirs and devisees; Sue Hanson McBride, her heirs and devisees; Thomas Allan Galles and Susan Lynne Galles, Trustees of the Thomas A. Galles Living Trust; Wilma G. Lathrop, her heirs and devisees; LMBI I BPEOR NM LLC; LMBI II BPEOR NM LLC; Keystone (RMB) BPEOR NM LLC; Keystone (CTAM) BPEOR NM LLC; Thru Line BPEOR NM LLC; SRBI I BPEOR NM LLC; SRBI II BPEOR NM LLC; CTV-LMB I BPEOR NM LLC; CTV-LMB II BPEOR NM LLC; CTV-CTAM BPEOR NM LLC; CTV-SRB I BPEOR NM LLC; and CTV-SRB II BPEOR NM LLC.

Case No. 21099: 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 Wolfcamp formation underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 26 South, Range 31 East, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells, both of which are to be drilled from a surface hole location in the SW/4 SW/4 (Unit M) of Section 10 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 3: (1) Thoroughbred 10-3 Fed Com #621H well; (2) Thoroughbred 10-3 Fed Com #711H well. The completed intervals of the wells will comply with the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the costs thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 20 miles southeast of Malaga, New Mexico.

#4061359, Carlsbad Current Argus, February 18, 2020

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. F

Submitted by: Devon Energy Production

Hearing Date: March 05, 2020

Case No 21099