

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING SEPTEMBER 10, 2020**

**CASE No. 21389**

*BORA BORA 13-24 FED COM 212H WELL  
BORA BORA 13-24 FED COM 213H WELL*

**EDDY COUNTY, NEW MEXICO**

  
**devon**

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**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. 21389**

**CONSOLIDATED HEARING PACKAGE  
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# COMPULSORY POOLING APPLICATION CHECKLIST

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

Case: 21389	APPLICANT'S RESPONSE
Date: September 8, 2020	
Applicant	Devon Energy
Designated Operator & OGRID (affiliation if applicable)	6137
Applicant's Counsel:	Michael H. Feldewert
Case Title:	Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Bora Bora 13-24 Fed Com wells
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire formation
Pool Name and Pool Code:	Livingston Ridge; Bone Spring Pool (39350)
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	640-acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2 of Sections 13 and 24, T-23-S, R-31-E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	None
Proximity Tracts: If yes, description	E/2 W/2 of Sections 13 and 24
Proximity Defining Well: if yes, description	Bora Bora 13-24 Fed Com 212H Well
Applicant's Ownership in Each Tract	Exhibit A-3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	<b>Bora Bora 13-24 Fed Com 212H (30-015-47101)</b> SHL: 250' FSL & 1455' FWL (Unit N) of Section 12 BHL: 20' FSL & 1300' FWL (Unit M) of Section 24 Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Well #2	<b>Bora Bora 13-24 Fed Com 213H (30-015-47103)</b> SHL: 250' FSL & 1485' FWL (Unit N) of Section 12 BHL: 20' FSL & 2240' FWL (Unit N) of Section 24 Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Horizontal Well First and Last Take Points	Exhibit A-1 (Form C-102 plats)
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3 and Exhibit C
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4

Cost Estimate for Production Facilities	Exhibit A-4
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit A-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-2
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit A-1
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit A-2
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Michael H. Feldewert
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	8-Sep-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. 21389

**APPLICATION**

Devon Energy Production Company, L.P. (“Devon”) files this application with the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation [Livingston Ridge; Bone Spring Pool (39350)] underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 13 and 24, T-23-S, R-31-E, NMPM, Eddy County, New Mexico. In support of this application, Devon states:

1. Devon (OGRID No. 6137) is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

2. DEVON seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells:

- **Bora Bora 13-24 Fed Com 212H** to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 24.
- **Bora Bora 13-24 Fed Com 213H** to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 24.

3. The completed interval of the Bora Bora 13-24 Fed Com 212H well will be within 330 feet of the E/2 W/2 of Sections 13 and 24 to allow inclusion of these proximity tracts in a standard horizontal well spacing unit.

4. Devon 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 the mineral interests in the proposed horizontal spacing unit will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Devon 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 Devon should be designated the operator of this proposed horizontal spacing unit.

WHEREFORE, Devon requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 10, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit and approving the initial wells;
- B. Designating Devon the operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Devon to recover its costs of drilling, equipping and completing the well;
- D. Approving the actual operating charges and costs of supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Devon in drilling and completing the well 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

Kaitlyn A. Luck

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(505) 983-6043 Facsimile

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[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

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

**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. 21389**

**AFFIDAVIT OF KATIE DEAN, LANDMAN**

Katie Dean, being of lawful age and duly sworn, states the following:

1. My name is Katie Dean and I am employed by Devon Energy Production Company, L.P. ("Devon") as a Landman. 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 by the Division and made a matter of record.

2. I am familiar with the application filed by Devon in this matter and the status of the lands in the subject area.

3. None of the mineral owners to be pooled have expressed opposition to this proceeding, so I do not expect any opposition at the hearing.

4. Devon seeks an order pooling all uncommitted mineral interests in the Bone Spring formation (Livingston Ridge; Bone Spring (39350)) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 13 and 24, T-23-S, R-31-E, NMPM, Eddy County, New Mexico.

5. This standard horizontal spacing unit will be initially dedicated to the following proposed wells:

- Bora Bora 13-24 Fed Com 212H to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 24.
- Bora Bora 13-24 Fed Com 213H to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 24.

6. **Exhibit A-1** contains the Form C-102s for the proposed initial wells. It reflects that these wells will be at standard locations for horizontal oil wells and that that completed interval for the Bora Bora 13-24 Fed Com 212H well will be within 330 feet of the E/2 W/2 of Sections 13 and 24 to allow inclusion of these proximity tracts in a standard horizontal well spacing unit.

7. **Exhibit A-2** is a general location map outlining the unit being pooled. The acreage is comprised of federal lands.

8. **Exhibit A-3** identifies the tracts of land comprising the proposed spacing unit, the working interest ownership in each tract and their respective interest in the horizontal spacing unit. Devon has highlighted the “uncommitted” working interest owners that remain to be pooled. Devon is also seeking to pool a group of overriding royalty interest owners identified on the last page of Exhibit A-3.

9. There are no ownership depth severances in the Bone Spring formation underlying the subject acreage.

10. Devon has conducted a diligent search of the county public records, reviewed telephone directories and conducted computer searches to locate contact information for each of the parties that it seeks to pool.

11. **Exhibit A-4** contains a sample of the well proposal letter and AFE for each proposed well submitted to the working interest owners Devon has been able to locate. The costs reflected in these AFEs are consistent with what Devon and other operators have incurred for drilling similar horizontal wells in the area in this formation.

12. **Exhibit A-5** contains a chronology of the contacts with the uncommitted working interest owners that Devon was able to locate. Devon has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

13. Devon requests overhead and administrative rates of \$8,000 per month for drilling and \$800 per month for a producing well. These rates are consistent with the rates charged by Devon and other operators for similar wells in this area.

14. I have provided the law firm of Holland and Hart, LLP, with the names and addresses (where available) of the mineral owners that Devon seeks to pool and instructed that they be notified of this hearing.

15. Exhibits A-1 through A-5 were prepared by me or compiled under my direction from company business records.

FURTHER AFFIANT SAYETH NAUGHT

  
\_\_\_\_\_  
KATIE DEAN

STATE OF OKLAHOMA )  
 )  
COUNTY OF OKLAHOMA )

SUBSCRIBED and SWORN to before me this 8<sup>th</sup> day of September 2020 by  
Katie Dean.



Clint Dake  
NOTARY PUBLIC

My Commission Expires

5/7/23

15278451\_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

<sup>1</sup> API Number <b>3001547101</b>	<sup>2</sup> Pool Code <b>39350</b>	<sup>3</sup> Pool Name <b>LIVINGSTON; BONESPRING</b>
<sup>4</sup> Property Code <b>325761</b>	<sup>5</sup> Property Name <b>BORA BORA 13-24 FED COM</b>	
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>6</sup> Well Number <b>212H</b>
		<sup>9</sup> Elevation <b>3488.9</b>

<sup>10</sup> Surface Location

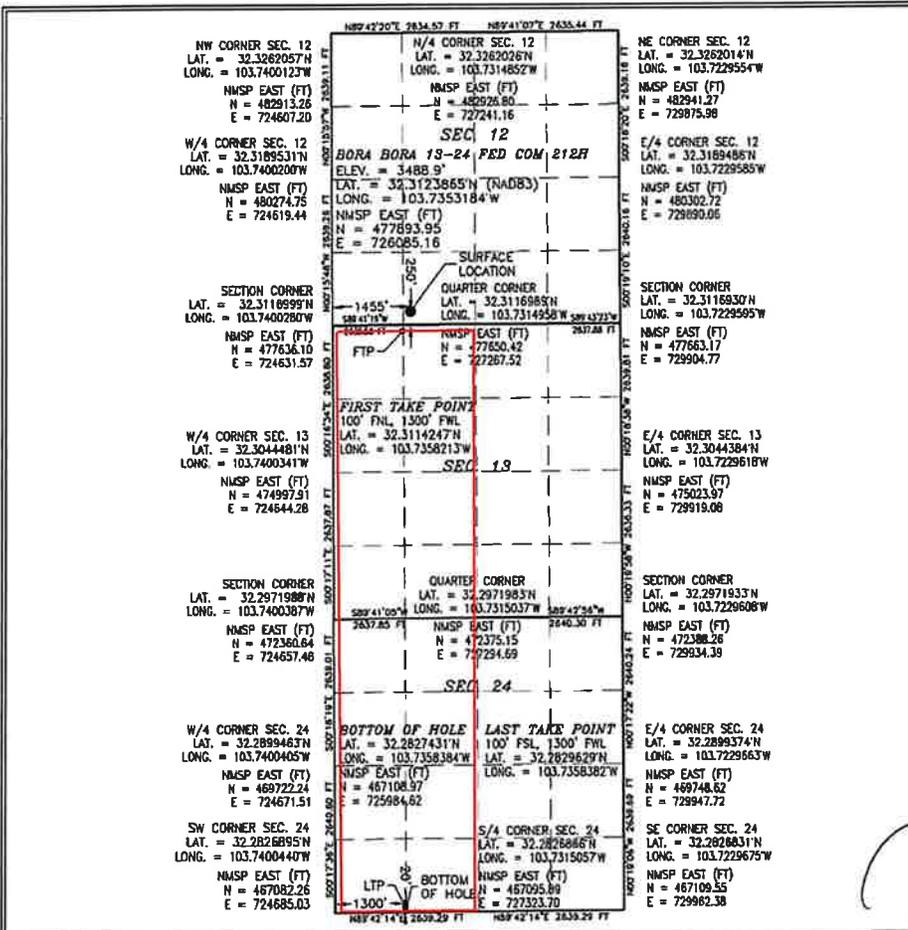
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>N</b>	<b>12</b>	<b>23 S</b>	<b>31 E</b>		<b>250</b>	<b>SOUTH</b>	<b>1455</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>24</b>	<b>23 S</b>	<b>31 E</b>		<b>20</b>	<b>SOUTH</b>	<b>1300</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>640</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



**<sup>17</sup> 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.  
*Danny Harms* 5-16-2019  
Signature Date  
**JENNY HARMS**  
Printed Name  
**JENNY.HARMS@DVN.COM**  
E-mail Address

**<sup>18</sup> 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.  
APRIL 4, 2019  
Date of Survey  
*Filimon E. Jaramillo*  
Signature and Seal of Professional Surveyor  
Certificate Number: **FILIMON E. JARAMILLO, PLS 12797**  
SURVEY NO. 7138

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A1  
Submitted by: Devon Energy Production Co., L.P.  
Hearing Date: September 10, 2020  
Case No. 21389

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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State of New Mexico  
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OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>3001547103</b>	<sup>2</sup> Pool Code <b>39350</b>	<sup>3</sup> Pool Name <b>LIVINGSTON; BONESPRING</b>
<sup>4</sup> Property Code <b>325761</b>	<sup>5</sup> Property Name <b>BORA BORA 13-24 FED COM</b>	
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>6</sup> Well Number <b>213H</b>
		<sup>9</sup> Elevation <b>3488.9</b>

<sup>10</sup> Surface Location

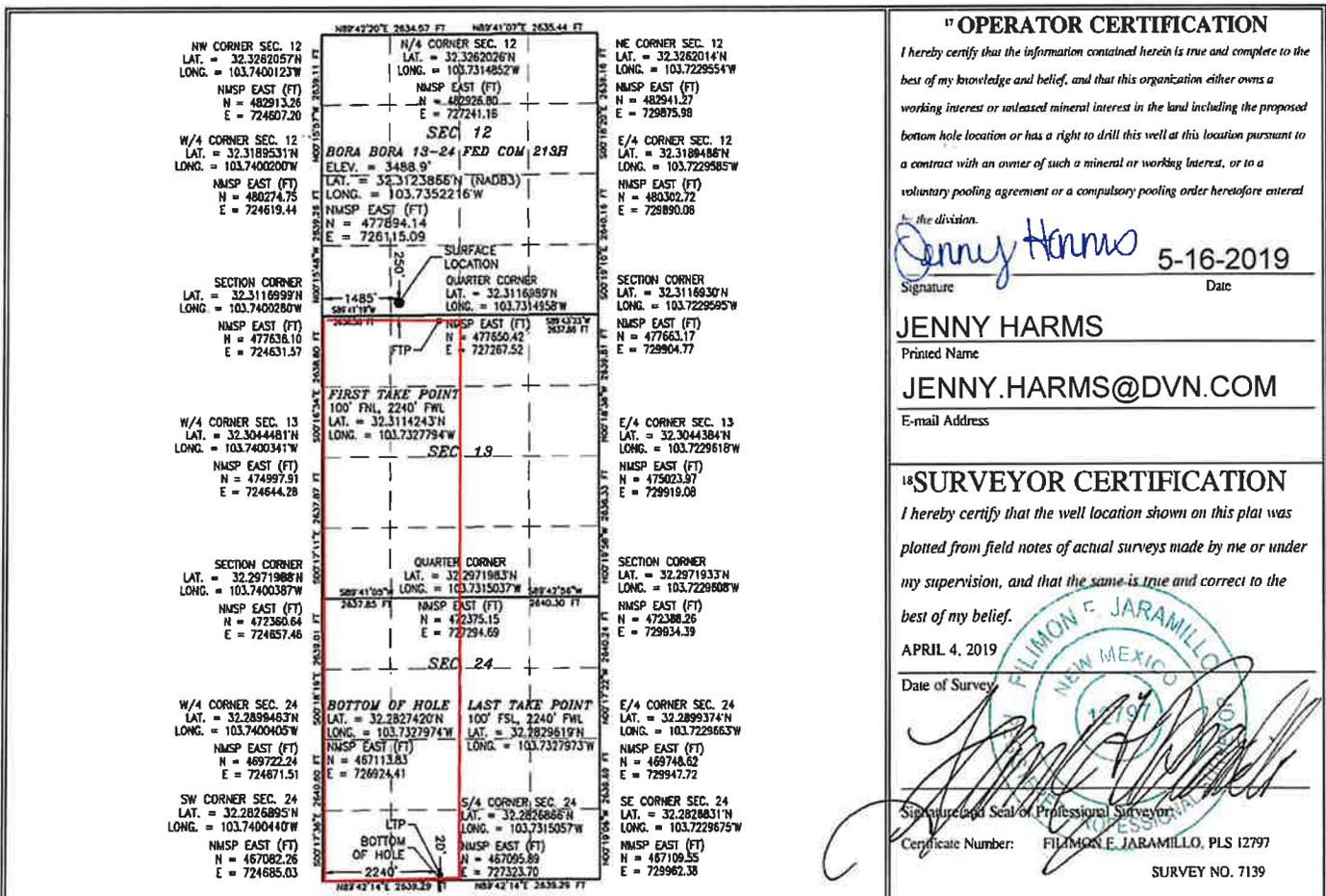
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	12	23 S	31 E		250	SOUTH	1485	WEST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	23 S	31 E		20	SOUTH	2240	WEST	EDDY

<sup>12</sup> Dedicated Acres <b>640</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



<sup>17</sup> 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 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.

*Jenny Harms*  
Signature  
5-16-2019  
Date

JENNY HARMS  
Printed Name

JENNY.HARMS@DVN.COM  
E-mail Address

<sup>18</sup> SURVEYOR CERTIFICATION

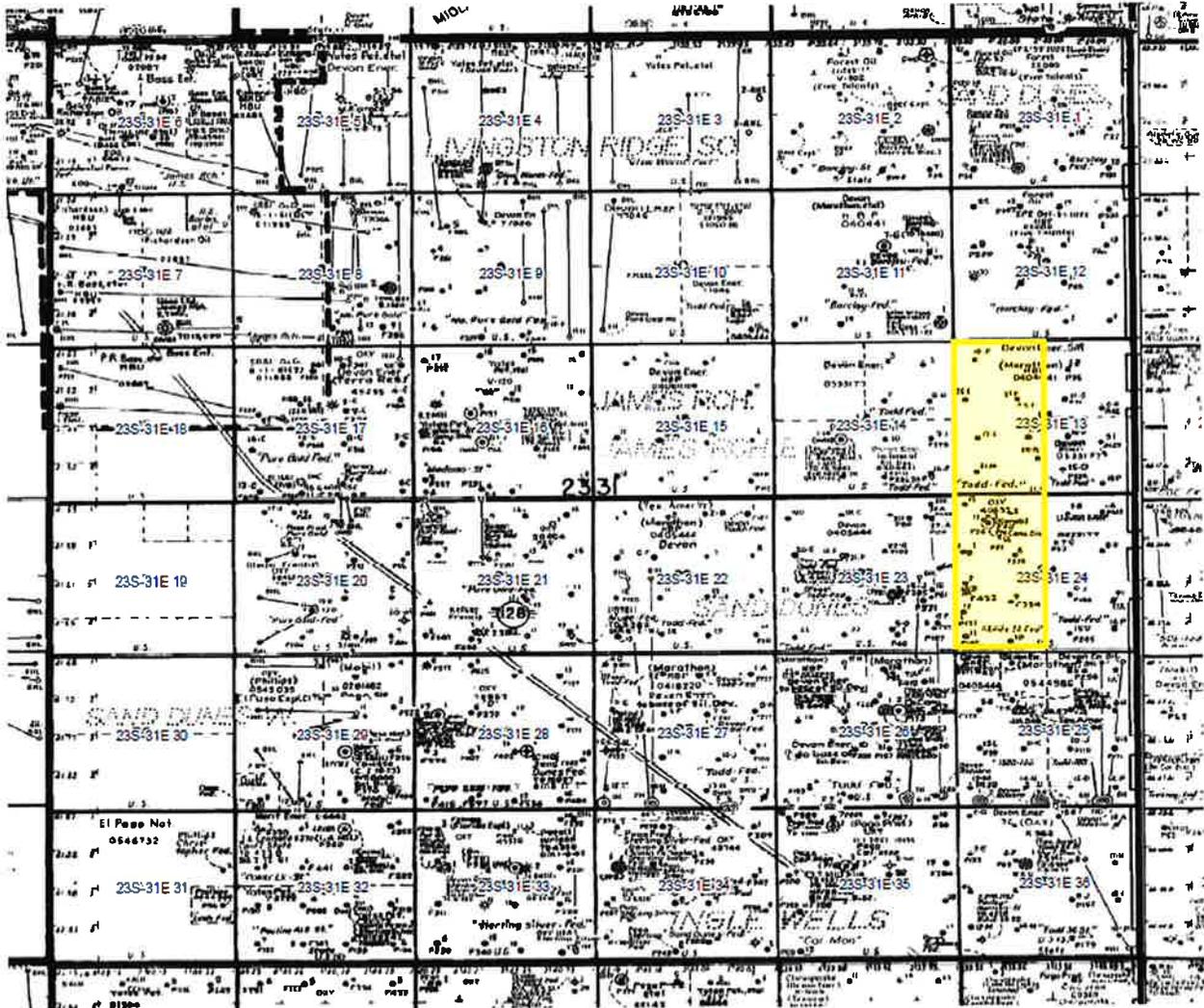
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

APRIL 4, 2019  
Date of Survey

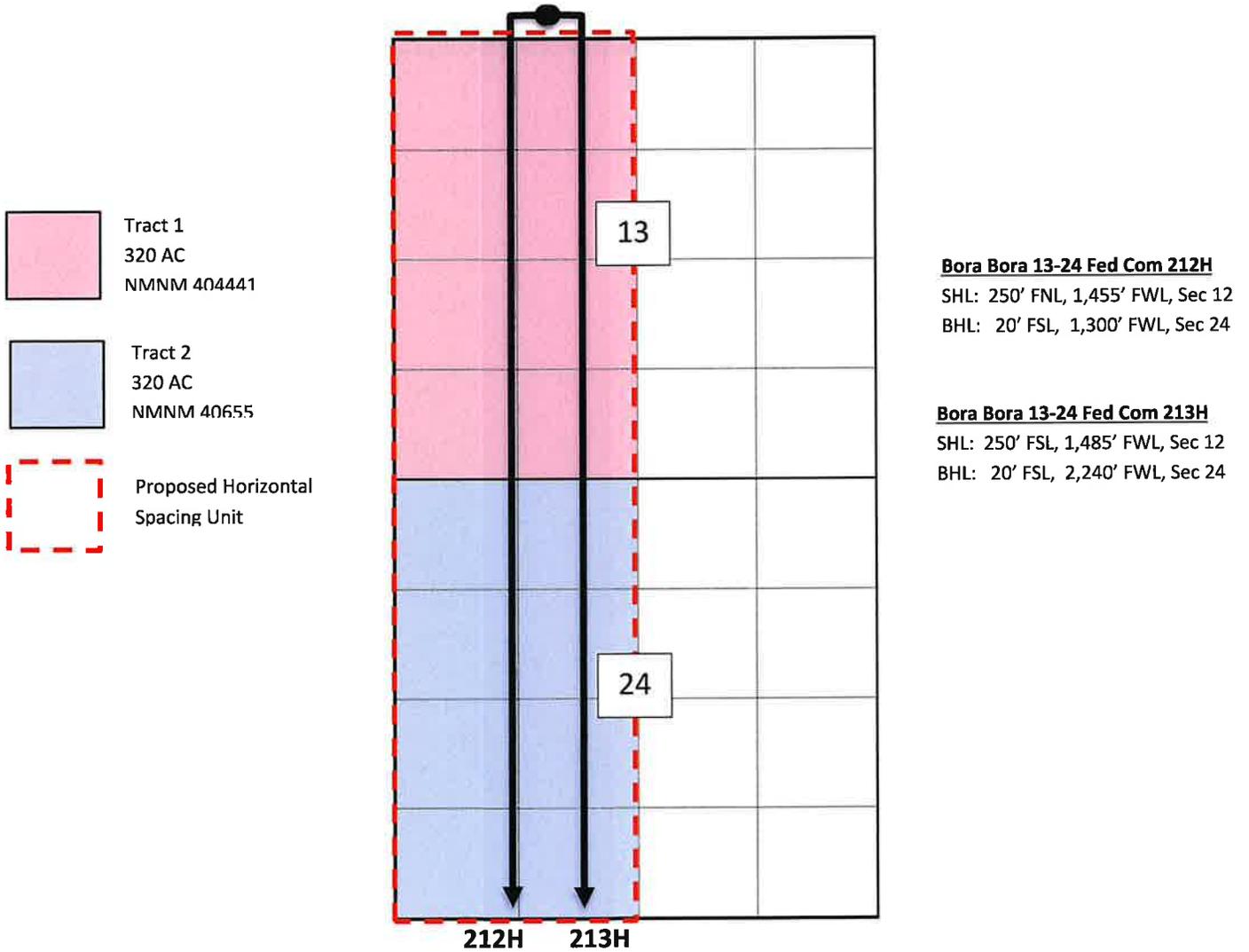
*Filimon E. Jaramillo*  
Signature/Seal of Professional Surveyor  
Certificate Number: FILIMON E. JARAMILLO, PLS 12797  
SURVEY NO. 7139

### General Location Map

Bora Bora 13-24 Fed Com 212H & 213H  
W/2 of Sections 13 and 24-23S-31E, Lea County, NM



**Plat**  
Bora Bora 13-24 Fed Com 212H & 213H  
W/2 of Sections 13 and 24-23S-31E, Lea County, NM



**Working Interest Owners by Tract**

**Tract 1: W/2 of Sec. 13-23S-31E  
United States of America Lease NMNM 404441**

Owner	Working Interest
Devon Energy Production Company, LP	0.99059538
Mabee-Flynt Lease Trust	0.00211750
TEK Properties, Ltd.	0.00200000
Joe N. Gifford	0.00195313
Mary Patricia Dougherty Trust	0.00133300
Estate of Doris Rita Schroeder	0.00000696
Schroeder Family Trust	0.00000696
Catherine Madeline Grace	0.00001392
Mary Margaret Olson	0.00000696
Estate of Leonard B. Olson	0.00000696
Nancy Stallworth Marital Trust	0.00008310
Nancy S Thomas	0.00008309
P A Allman Trust	0.00000219
George M Allman, III Trust	0.00000219
Marilyn M Allman, III Trust	0.00000219
Jill Allman Mancuso Trust	0.00000219
Donald C Allman Trust	0.00043734
George Allman JR. Trust.	0.00043734
Mary Elizabeth Schram Trust	0.00043734
Margaret Sue Schroeder Trust	0.00043734
Michelle Allman Grantor Trust	0.00001311
Theresa Allman Smith Grantor Trust	0.00001311
Estate of Alfred Schram SR	0.00000437
The Schram Family Living Revocable Trust	0.00000437
<b>Total:</b>	<b>1.00000000</b>

**Tract 2: W/2 of Sec. 24-23S-31E  
United States of America Lease NMNM 404441**

Owner	Working Interest
Devon Energy Production Company, LP	1.00000000
<b>Total:</b>	<b>1.00000000</b>

**Working Interest in Horizontal Spacing Unit (DRAFT)**

Bora Bora 13-24 Fed Com 212H & 213H  
W/2 of Sections 13 and 24-23S-31E, Lea County, NM

Owner	Interest
Devon Energy Production Company, L.P.	0.99529769
<b>Mabee-Flynt Lease Trust</b>	<b>0.00105875</b>
TEK Properties, Ltd.	0.00100000
Joe N. Gifford	0.00097656
<b>Mary Patricia Dougherty Trust</b>	<b>0.00066650</b>
Estate of Doris Rita Schroeder	0.00000348
Schroeder Family Trust	0.00000348
Catherine M. Grace	0.00000696
Mary Margaret Olson	0.00000348
<b>Estate of Leonard B. Olson</b>	<b>0.00000348</b>
Nancy Stallworth Marital Trust	0.00004155
<b>Nancy S Thomas</b>	<b>0.00004155</b>
P A Allman Trust	0.00000109
George M Allman, III Trust	0.00000109
Marilyn M Allman, III Trust	0.00000109
Jill Allman Mancuso Trust	0.00000109
Donald C Allman Trust	0.00021867
George Allman JR. Trust.	0.00021867
Mary Elizabeth Schram Trust	0.00021867
Margaret Sue Schroeder Trust	0.00021867
Michelle Allman Grantor Trust	0.00000655
Theresa Allman Smith Grantor Trust	0.00000655
<b>Estate of Alfred Schram SR</b>	<b>0.00000218</b>
<b>The Schram Family Living Revocable Trust</b>	<b>0.00000218</b>
Total:	1.00000000

**Uncommitted Working Interest Owners seeking to Compulsory Pool**

**Overriding Royalty Interests seeking to Compulsory Pool**

Owner
A.G ANDRIKOPOULOS, INC.
CARGOIL AND GAS CO., LLC
FIGURE 4 INVESTMENT TRUST
GEORGIA B BASS
INNERARITY FAMILY MINERALS LLC
JOE N. GIFFORD
LISA GAIL KARABATSOS
MARGARET ADELE SUMMERFORD
MCMULLEN MINERALS, LLC
MERPEL, LLC
MOMENTUM MINERALS OPERATING, LP
MORRIS E SCHERTZ AND WIFE, HOLLY K SCHERTZ
PEGASUS RESOURCES, LLC
PONY OPERATING, LLC
SANTA ELENA MINERALS IV, L.P.
SHOGOIL AND GAS CO. II, LLC
SYDHAN, L.P.
TD MINERALS, LLC



June 25, 2020

Working Interest Owners (See attached list)

Re: **Bora Bora 13-24 Fed Com 212H**  
 SHL 250' FSL & 1,455' FWL Section 12-T23S-R31E  
 BHL 20' FSL & 1,300' FWL Section 24-T23S-R31E  
**Bora Bora 13-24 Fed Com 213H**  
 SHL 250' FSL & 1,485' FWL Section 12-T23S-R31E  
 BHL 20' FSL & 2,240' FWL Section 24-T23S-R31E  
 Eddy County, New Mexico

Ladies and Gentlemen:

Devon Energy Production Company, L.P. ("Devon") hereby proposes to consecutively drill the following horizontal wells.

Well Name	SHL	BHL	TVD	TMD	Spacing Unit
<b>Bora Bora 13-24 Fed Com 212H</b>	250' FSL & 1,455' FWL (12-23S-31E)	20' FSL & 1,300' FWL (24-23S-31E)	10,265'	20,265'	Bone Spring W2 of Sec. 13 & W2 of Sec. 24
<b>Bora Bora 13-24 Fed Com 213H</b>	250' FSL & 1,485' FWL (12-23S-31E)	20' FSL & 2,240' FWL (24-23S-31E)	10,273'	20,273'	Bone Spring W2 of Sec. 13 & W2 of Sec. 24

Well location plats are included with this letter for your reference. The anticipated spud date of the proposed wells is December 2020.

An existing Operating Agreement dated April 6, 1970 governs your interest in the W/2 of Section 13, however, its contract area does not include the W/2 of Section 14, where Devon owns 100% working interest.

Pursuant to Paragraph 10 of Subsection B of 19.15.16.15 NMAC, Devon proposes forming a 640-acre working interest unit covering the W/2 of Section 13 and the W/2 of Section 24 of T23S-R31E, Eddy County, New Mexico, limited in depth from the base of the Delaware formation to the base of the Wolfcamp formation (the "Proposed Contract Area").

Devon is proposing a superseding Operating Agreement to govern the Proposed Contract Area, subject to the terms of a 2015 AAPL model form, with the following general provisions:

- Operator: Devon Energy Production Company, L.P.
- 100% /300% Non-consenting penalty
- \$11,870/ \$1,187 Drilling and Producing Overhead Rates

A copy of the proposed superseding Operating Agreement will follow under a separate cover letter for your further handling and review.

Enclosed you will find AFEs reflecting our estimated completed well cost as follows:

Well:	Estimated Completed Well Cost:
<b>Bora Bora 13-24 Fed Com 212H</b>	\$7,962,858.00
<b>Bora Bora 13-24 Fed Com 213H</b>	\$7,962,858.00

Devon reserves the right to modify the locations and drilling plans described above and will advise you of any modifications.

If you elect to participate, return to my attention via mail or email the signed AFE and an updated well requirement sheet including email addresses within thirty (30) days. If returned by email the signature will be deemed an original response.

If you have any questions concerning these proposals, please contact me at (405) 552-6659 or [katie.dean@dvn.com](mailto:katie.dean@dvn.com).

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L.P.

*Katie Dean*

Katie Dean  
Landman  
Enclosures

Please elect one of the following and return to sender.

\_\_\_\_\_  
NAME

\_\_\_\_\_  
DATE

\_\_\_\_\_ hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE regarding the drilling and completion of the **Bora Bora 13-24 Fed Com 212H** well.

\_\_\_\_\_ hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE regarding the drilling and completion of the **Bora Bora 13-24 Fed Com 212H** well.

\_\_\_\_\_ hereby elects to participate for its proportionate share of the costs detailed in the enclosed AFE regarding the drilling and completion of the **Bora Bora 13-24 Fed Com 213H** well.

\_\_\_\_\_ hereby elects not to participate for its proportionate share of the costs detailed in the enclosed AFE regarding the drilling and completion of the **Bora Bora 13-24 Fed Com 213H** well.

\_\_\_\_\_ I/we are interested in conveying our interest in this unit and would like to be contacted to discuss.

Working Interest Owner: Bora Bora 13-24 Fed Com 212H and 213H

Joe N Gifford  
PO Box 51187  
Midland, TX 79710-1187  
Certified Mail: 9414814901527181848382

Mary Margaret Olson Trust  
6031 West Interstate 20, Suite 251  
Arlington, TX 76017  
Certified Mail: 941481490152718184399

Mary Patricia Dougherty Trust  
Northern Bank Trust of Texas  
PO Box 226270  
Dallas, TX 75222  
Certified Mail: 9414814901527181848405

TEK Properties LTD  
Thomas E Kelly  
4705 Miramont Circle  
Bryan, TX 77802  
Per Tom send regular mail

Nancy Thomas  
106 Maple Valley Road  
Houston, TX 77056  
Certified Mail: 9414814901527181848412

George Allman Jr. Trust  
c/o JPMorgan Chase Bank, N.A., Trustee  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Margaret Sue Schroeder Trust  
c/o JPMorgan Chase Bank, N.A., Trustee  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

George M Allman III Trust  
JPMorgan Chase Bank, N.A., and George Allman III, Trustees  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Donald C Allman Trust  
JPMorgan Chase Bank, N.A., Trustee  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Estate of Alfred F. Schram, Sr.  
C/O Margaret E Hodgkins, Executor  
2731 Shawn Drive  
Denison, TX 75020  
Certified Mail: 9414814901527181848443

Estate of Doris Rita Schroeder  
ATTN: Otto E Schroeder III  
500 Hawk CT  
Coppell, TX 75019-6502  
Certified Mail: 9414814901527181848429

Estate of Leonard Olson  
ATTN: Dan Serna and Company  
6031 Interstate 20 W STE 251LB  
Arlington, TX 76017-1084  
Cert Mail: 9414814901527181848474

Estate of Otto Schroeder Jr  
ATTN: Otto E Schroeder III  
500 Hawk CT  
Coppell, TX 75019-6502  
Certified Mail: 9414814901527181848429

Catherine M Grace  
Dan Serna & Company  
6031 Interstate 20 W STE 251LB  
Arlington, TX 76017-1084  
Certified Mail: 9414814901527181848436

Theresa Allman Smith  
JPMorgan Chase Bank, N.A. and Theresa Allman Smith, Trustees  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

The Nancy Stallworth Thomas Marital Trust  
C/O JPMorgan Chase Bank, N.A. and Nancy Thomas, Co-Trustees  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: natlie.z.davis@jpmorgan.com

P A Allman Trust  
c/o JPMorgan Chase Bank, N.A., Agent  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Mary Elizabeth Schram Trust  
c/o JPMorgan Chase Bank, N.A., Trustee  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Michelle Allman  
JPMorgan Chase Bank, N.A. and Michelle Allman, Trustees  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Marilyn M Allman Trust  
JPMorgan Chase Bank, N.A. and Marilyn Allman, Trustees  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

Jill Allman Mancuso Trust  
JPMorgan Chase Bank, N.A., and Jill Allman Mancuso, Trustees  
PO Box 2050  
Fort Worth, TX 76113  
Emailed: h.l.tompkins@jpmorgan.com

The Schram Family Living Revocable Trust  
ATTN: Margaret Hodgkins (Schram), Trustee  
2731 Shawn Drive  
Denison, TX 75020  
Certified Mail: 9414814901527181848443

Mabee Flynt Lease Trust  
ATTN: Bert Simpson  
15611 Wildwood Trace  
Magnolia, TX 77354  
Certified Mail: 9414814901527181848450



## Authorization for Expenditure

AFE # XX-131576.01

Well Name: BORA BORA 13-24 FED COM 212H

AFE Date: 06/25/2020

Cost Center Number: 1094000801

State: NM

Legal Description: Sec 13-23S-31E

County/Parish: EDDY

Revision:

**Explanation and Justification:**

**Drill and Completion**

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	331,509.20	0.00	331,509.20
6060100	DYED LIQUID FUELS	114,352.20	231,731.00	0.00	346,083.20
6080100	DISPOSAL - SOLIDS	96,177.96	1,066.06	0.00	97,244.02
6080110	DISP-SALTWATER & OTH	0.00	92,294.54	0.00	92,294.54
6090100	FLUIDS - WATER	32,400.00	133,173.17	0.00	165,573.17
6090120	RECYC TREAT&PROC-H2O	0.00	324,030.97	0.00	324,030.97
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	30,000.00	12,792.72	0.00	42,792.72
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	7,759.29	0.00	7,759.29
6130170	COMM SVCS - WAN	5,108.95	0.00	0.00	5,108.95
6130360	RTOC - ENGINEERING	0.00	10,660.60	0.00	10,660.60
6130370	RTOC - GEOSTEERING	14,053.12	0.00	0.00	14,053.12
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	311,023.01	0.00	311,023.01
6160100	MATERIALS & SUPPLIES	630.73	0.00	0.00	630.73
6170100	PULLING&SWABBING SVC	0.00	33,000.00	0.00	33,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	199,687.04	0.00	199,687.04
6190100	TRCKG&HL-SOLID&FLUID	25,229.39	0.00	0.00	25,229.39
6190110	TRUCKING&HAUL OF EQP	40,800.00	18,990.90	0.00	59,790.90
6200130	CONSLT & PROJECT SVC	188,997.92	102,950.58	0.00	291,948.50
6230120	SAFETY SERVICES	40,997.76	0.00	0.00	40,997.76
6300270	SOLIDS CONTROL SRVCS	117,669.27	0.00	0.00	117,669.27
6310120	STIMULATION SERVICES	0.00	770,254.44	0.00	770,254.44
6310190	PROPPANT PURCHASE	0.00	538,338.50	0.00	538,338.50
6310200	CASING & TUBULAR SVC	74,000.00	0.00	0.00	74,000.00
6310250	CEMENTING SERVICES	179,000.00	0.00	0.00	179,000.00
6310280	DAYWORK COSTS	633,685.07	0.00	0.00	633,685.07
6310300	DIRECTIONAL SERVICES	264,843.00	0.00	0.00	264,843.00
6310310	DRILL BITS	100,500.00	0.00	0.00	100,500.00
6310330	DRILL&COMP FLUID&SVC	98,713.44	40,668.22	0.00	139,381.66
6310370	MOB & DEMOBILIZATION	555,544.75	0.00	0.00	555,544.75
6310380	OPEN HOLE EVALUATION	16,607.50	0.00	0.00	16,607.50
6310480	TSTNG-WELL, PL & OTH	0.00	110,969.12	0.00	110,969.12
6310600	MISC PUMPING SERVICE	0.00	68,172.46	0.00	68,172.46
6320100	EQPMNT SVC-SRF RNTL	159,577.04	160,892.11	0.00	320,469.15
6320110	EQUIP SVC - DOWNHOLE	89,083.77	47,672.98	0.00	136,756.75
6320160	WELDING SERVICES	2,850.00	0.00	0.00	2,850.00
6320190	WATER TRANSFER	0.00	130,391.60	0.00	130,391.60
6350100	CONSTRUCTION SVC	0.00	70,253.49	0.00	70,253.49
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	18,000.00	0.00	18,000.00
6550110	MISCELLANEOUS SVC	20,200.00	0.00	0.00	20,200.00

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-131576.01

Well Name: BORA BORA 13-24 FED COM 212H

AFE Date: 06/25/2020

Cost Center Number: 1094000801

State: NM

Legal Description: Sec 13-23S-31E

County/Parish: EDDY

Revision:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6610100	PROPERTY INSURANCE	0.00	10,500.00	0.00	10,500.00
6630110	CAPITAL OVERHEAD	9,461.02	6,153.16	0.00	15,614.18
6710150	NON-OP - ADVALOREM	0.00	9,500.00	0.00	9,500.00
6740340	TAXES OTHER	331.62	0.00	0.00	331.62
	<b>Total Intangibles</b>	<b>2,981,814.51</b>	<b>3,792,435.16</b>	<b>0.00</b>	<b>6,774,249.67</b>

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060180	ELEC & PWRLINE EQUIP	0.00	7,142.86	0.00	7,142.86
6120110	I&C EQUIPMENT	0.00	10,102.29	0.00	10,102.29
6120120	MEASUREMENT EQUIP	0.00	4,564.29	0.00	4,564.29
6150110	LOG PERFORATG&WL EQP	0.00	12,000.00	0.00	12,000.00
6230130	SAFETY EQUIPMENT	4,982.80	0.00	0.00	4,982.80
6300170	GAS TREATING EQUIP	0.00	88,596.74	0.00	88,596.74
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	79,600.00	0.00	79,600.00
6310460	WELLHEAD EQUIPMENT	75,328.00	50,169.50	0.00	125,497.50
6310490	WELL TESTING EQUIP	0.00	63,000.00	0.00	63,000.00
6310530	SURFACE CASING	37,025.97	0.00	0.00	37,025.97
6310540	INTERMEDIATE CASING	270,230.40	0.00	0.00	270,230.40
6310550	PRODUCTION CASING	354,491.20	0.00	0.00	354,491.20
6310580	CASING COMPONENTS	40,706.00	0.00	0.00	40,706.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	40,667.79	0.00	40,667.79
6340100	INSTR TUBING&FITTING	0.00	25,000.00	0.00	25,000.00
	<b>Total Tangibles</b>	<b>807,764.37</b>	<b>380,843.47</b>	<b>0.00</b>	<b>1,188,607.84</b>

<b>TOTAL ESTIMATED COST</b>	<b>3,789,578.88</b>	<b>4,173,278.63</b>	<b>0.00</b>	<b>7,962,857.51</b>
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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.



## Authorization for Expenditure

AFE # XX-131577.01

Well Name: BORA BORA 13-24 FED COM 213H

Cost Center Number: 1094000901

Legal Description: Sec 13-23S-31E

Revision:

AFE Date: 06/25/2020

State: NM

County/Parish: EDDY

**Explanation and Justification:**

Drill and Completion

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6040110	CHEMICALS - OTHER	0.00	331,509.20	0.00	331,509.20
6060100	DYED LIQUID FUELS	114,352.20	231,731.00	0.00	346,083.20
6080100	DISPOSAL - SOLIDS	96,177.96	1,066.06	0.00	97,244.02
6080110	DISP-SALTWATER & OTH	0.00	92,294.54	0.00	92,294.54
6090100	FLUIDS - WATER	32,400.00	133,173.17	0.00	165,573.17
6090120	RECYC TREAT&PROC-H2O	0.00	324,030.97	0.00	324,030.97
6100100	PERMIT SURVEY&TITLE	30,000.00	0.00	0.00	30,000.00
6100110	RIGHT OF WAY	25,000.00	0.00	0.00	25,000.00
6110130	ROAD&SITE PREP SVC	30,000.00	12,792.72	0.00	42,792.72
6110170	DAMAGE & REMEDIATION	5,000.00	0.00	0.00	5,000.00
6120100	I & C SERVICES	0.00	7,759.29	0.00	7,759.29
6130170	COMM SVCS - WAN	5,108.95	0.00	0.00	5,108.95
6130360	RTOC - ENGINEERING	0.00	10,660.60	0.00	10,660.60
6130370	RTOC - GEOSTEERING	14,053.12	0.00	0.00	14,053.12
6140160	ENV-SERVICES	1,000.00	0.00	0.00	1,000.00
6150100	CH LOG PERFRTG&WL SV	0.00	311,023.01	0.00	311,023.01
6160100	MATERIALS & SUPPLIES	630.73	0.00	0.00	630.73
6170100	PULLING&SWABBING SVC	0.00	33,000.00	0.00	33,000.00
6170110	SNUBBG&COIL TUBG SVC	0.00	199,687.04	0.00	199,687.04
6190100	TRCKG&HL-SOLID&FLUID	25,229.39	0.00	0.00	25,229.39
6190110	TRUCKING&HAUL OF EQP	40,800.00	18,990.90	0.00	59,790.90
6200130	CONSLT & PROJECT SVC	188,997.92	102,950.58	0.00	291,948.50
6230120	SAFETY SERVICES	40,997.76	0.00	0.00	40,997.76
6300270	SOLIDS CONTROL SRVCS	117,669.27	0.00	0.00	117,669.27
6310120	STIMULATION SERVICES	0.00	770,254.44	0.00	770,254.44
6310190	PROPPANT PURCHASE	0.00	538,338.50	0.00	538,338.50
6310200	CASING & TUBULAR SVC	74,000.00	0.00	0.00	74,000.00
6310250	CEMENTING SERVICES	179,000.00	0.00	0.00	179,000.00
6310280	DAYWORK COSTS	633,685.07	0.00	0.00	633,685.07
6310300	DIRECTIONAL SERVICES	264,843.00	0.00	0.00	264,843.00
6310310	DRILL BITS	100,500.00	0.00	0.00	100,500.00
6310330	DRILL&COMP FLUID&SVC	98,713.44	40,668.22	0.00	139,381.66
6310370	MOB & DEMOBILIZATION	555,544.75	0.00	0.00	555,544.75
6310380	OPEN HOLE EVALUATION	16,607.50	0.00	0.00	16,607.50
6310480	TSTNG-WELL, PL & OTH	0.00	110,969.12	0.00	110,969.12
6310600	MISC PUMPING SERVICE	0.00	68,172.46	0.00	68,172.46
6320100	EQPMNT SVC-SRF RNTL	159,577.04	160,892.11	0.00	320,469.15
6320110	EQUIP SVC - DOWNHOLE	89,083.77	47,672.98	0.00	136,756.75
6320160	WELDING SERVICES	2,850.00	0.00	0.00	2,850.00
6320190	WATER TRANSFER	0.00	130,391.60	0.00	130,391.60
6350100	CONSTRUCTION SVC	0.00	70,253.49	0.00	70,253.49
6520100	LEGAL FEES	10,000.00	0.00	0.00	10,000.00
6550100	MISCS COSTS & SERVS	0.00	18,000.00	0.00	18,000.00
6550110	MISCELLANEOUS SVC	20,200.00	0.00	0.00	20,200.00

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-131577.01

Well Name: BORA BORA 13-24 FED COM 213H

AFE Date: 06/25/2020

Cost Center Number: 1094000901

State: NM

Legal Description: Sec 13-23S-31E

County/Parish: EDDY

Revision:

Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6610100	PROPERTY INSURANCE	0.00	10,500.00	0.00	10,500.00
6630110	CAPITAL OVERHEAD	9,461.02	6,153.16	0.00	15,614.18
6710150	NON-OP - ADVALOREM	0.00	9,500.00	0.00	9,500.00
6740340	TAXES OTHER	331.62	0.00	0.00	331.62
	Total Intangibles	2,981,814.51	3,792,435.16	0.00	6,774,249.67

Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
6060180	ELEC & PWRLINE EQUIP	0.00	7,142.86	0.00	7,142.86
6120110	I&C EQUIPMENT	0.00	10,102.29	0.00	10,102.29
6120120	MEASUREMENT EQUIP	0.00	4,564.29	0.00	4,564.29
6150110	LOG PERFORATG&WL EQP	0.00	12,000.00	0.00	12,000.00
6230130	SAFETY EQUIPMENT	4,982.80	0.00	0.00	4,982.80
6300170	GAS TREATING EQUIP	0.00	88,596.74	0.00	88,596.74
6310150	CASG-COND&DRIVE PIPE	25,000.00	0.00	0.00	25,000.00
6310420	TUBING & COMPONENTS	0.00	79,600.00	0.00	79,600.00
6310460	WELLHEAD EQUIPMENT	75,328.00	50,169.50	0.00	125,497.50
6310490	WELL TESTING EQUIP	0.00	63,000.00	0.00	63,000.00
6310530	SURFACE CASING	37,025.97	0.00	0.00	37,025.97
6310540	INTERMEDIATE CASING	270,230.40	0.00	0.00	270,230.40
6310550	PRODUCTION CASING	354,491.20	0.00	0.00	354,491.20
6310580	CASING COMPONENTS	40,706.00	0.00	0.00	40,706.00
6330100	PIPE,FIT,FLANG,CPLNG	0.00	40,667.79	0.00	40,667.79
6340100	INSTR TUBING&FITTING	0.00	25,000.00	0.00	25,000.00
	Total Tangibles	807,764.37	380,843.47	0.00	1,188,607.84

TOTAL ESTIMATED COST	3,789,578.88	4,173,278.63	0.00	7,962,857.51
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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.

## **Chronology of Contact with Non-Joined Working Interests**

### **Bora Bora 13-24 Fed Com 212H & 213H**

Week of 6/22/2020, Devon sent initial well proposal letter, AFEs and terms to the proposed Operating Agreement

Week of 7/13/2020, follow up correspondence with uncommitted working interest owners

Week of 8/3/2020, follow up correspondence with uncommitted working interest owners

Week of 8/21/2020, follow up correspondence with uncommitted working interest owners

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

**Exhibit No. A5**

Submitted by: **Devon Energy Production Co., L.P.**

Hearing Date: September 10, 2020

Case No. 21389

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. 21389

AFFIDAVIT OF DEREK OHL, GEOLOGIST

Derek Ohl, of lawful age and being first duly sworn, declares as follows:

1. My name is Derek Ohl and I am employed by Devon Energy Production Company, L.P. (“Devon”) as a geologist. I am familiar with the application filed by Devon in this matter and have conducted a geologic study of the lands in the subject area.

2. Since this is my first time testifying before the New Mexico Oil Conservation Division, I have identified on **Exhibit B-1** my educational background, my work history and the professional associations in which I am involved. I believe these credentials qualify me to testify as an expert witness in petroleum geology.

3. The target interval for the proposed wells is the Second Sands of the Bone Spring formation.

4. **Devon Exhibit B-2** is a subsea structure map that I prepared for the base of the Second Bone Spring formation. The contour intervals are 25 feet. The proposed spacing unit with the approximate location of the initial wells is outlined in red. The structure map shows the Bone Spring formation gently dipping to the east. The structure appears consistent across the proposed spacing unit and I do not observe any faulting, pinch outs, or other geologic impediments to drilling horizontal wells.

5. **Devon Exhibit B-3** shows a line of cross section through the proposed horizontal spacing unit from A to A' using open hole wireline well logs. I chose these wells to create the cross section because they penetrate the targeted interval, are of good quality, and have been subjected to a petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the subject area.

6. **Devon Exhibit B-4** is a structural cross-section that I prepared using the logs from the representative wells shown on Exhibit B-3. Each well on the cross-section contains gamma ray, resistivity, and porosity logs. The target interval for the proposed wells is marked on the cross section with green shading. The cross-section demonstrates that the targeted interval is continuous across the proposed spacing unit.

7. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed horizontal spacing unit will be productive and contribute proportionately to the production from the wells.

8. Exhibit B-2 also shows the existing Bone Spring development in this area. In my opinion, the standup orientation of the proposed wells is appropriate because of the geologic stress in this area.

9. In my opinion, approving Devon's application is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

FURTHER AFFIANT SAYETH NOT



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DEREK OHL



**Education**

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Kansas State University, Manhattan, KS <i>M.S. Geology</i>	May 2012
Kansas State University, Manhattan, KS <i>B.S. Geology</i>	May 2010
Hutchinson Community College, Hutchinson, KS <i>Associate of Arts</i>	May 2008

**Experience**

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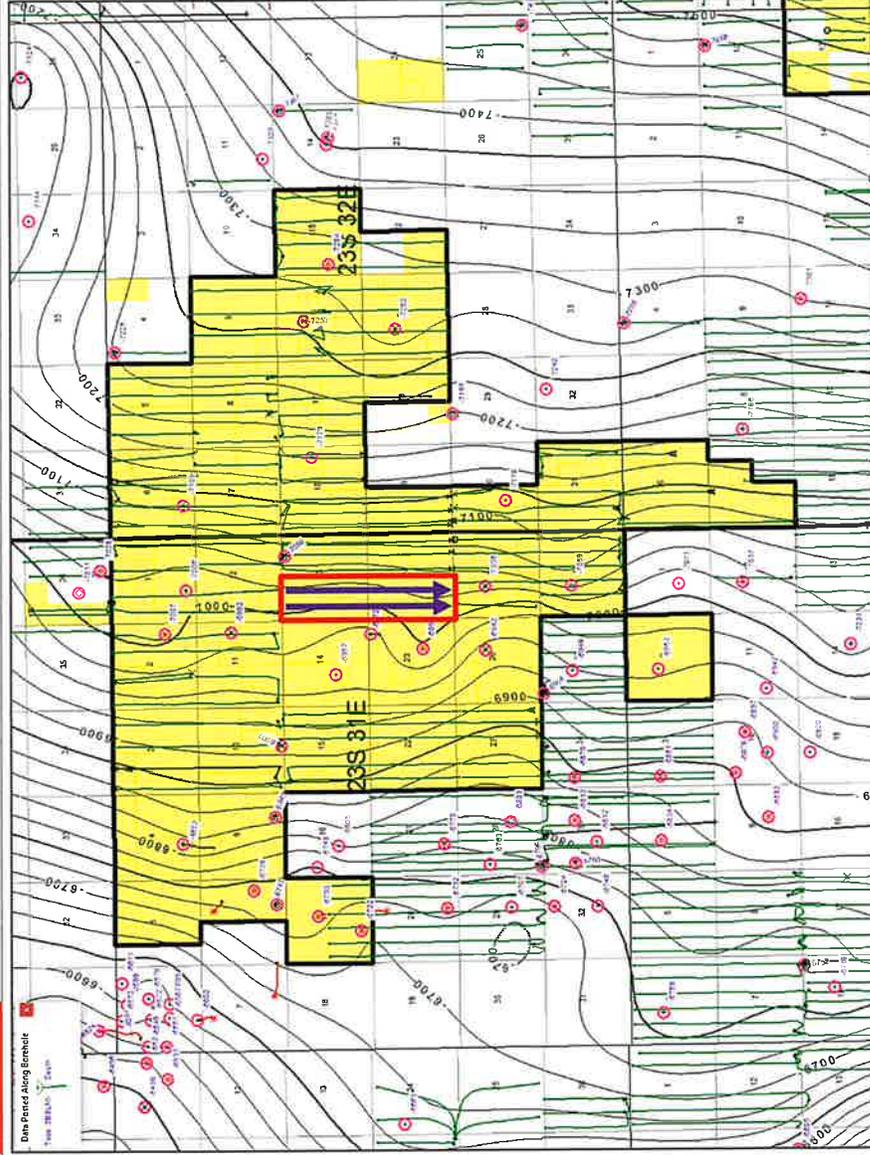
<b>Devon Energy</b> Geologist: Delaware Basin	<i>Sept. 2014 - Present</i>
<b>Apache Corporation</b> Geologist: Permian Basin	<i>June 2012-Aug. 2014</i>
<b>SandRidge Energy</b> Geophysics Intern: Permian Basin Division	<i>May 2011-Aug. 2011</i>

**Professional Associations**

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**AAPG**  
**OCCGS**

# Structure Map

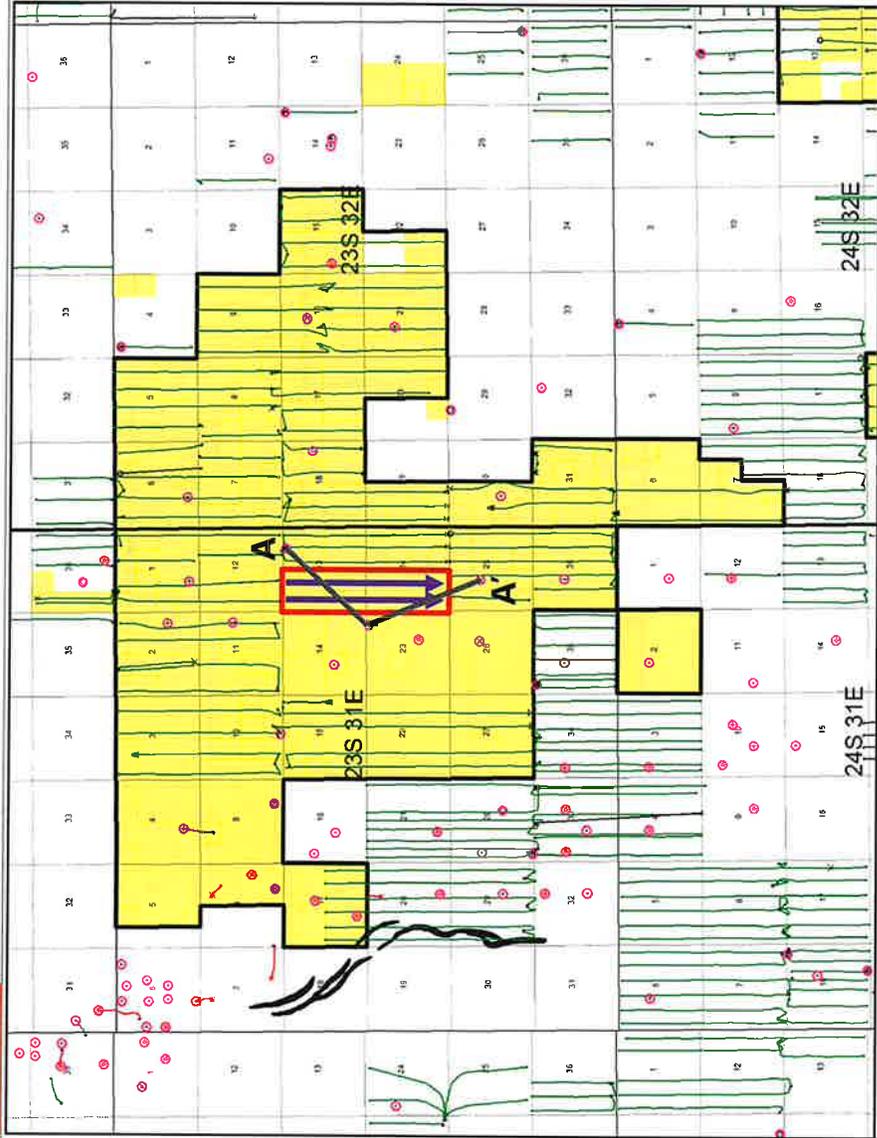


Structure Map  
 3<sup>rd</sup> Bone Spring lime  
 (Base of 2<sup>nd</sup> Bone Spring sand)  
 C.I. = 25 feet

**Horizontal Locations:**  
 BORA BORA 13-24 FED COM 212H    ↑  
 BORA BORA 13-24 FED COM 213H    ↑

-  2BS Horizontal Wells
-  Spacing Unit
-  Control Points

# Base Map



Cross Section A – A'

**Horizontal Locations:**

BORA BORA 13-24 FED COM 212H →  
 BORA BORA 13-24 FED COM 213H →

2BS Horizontal Wells

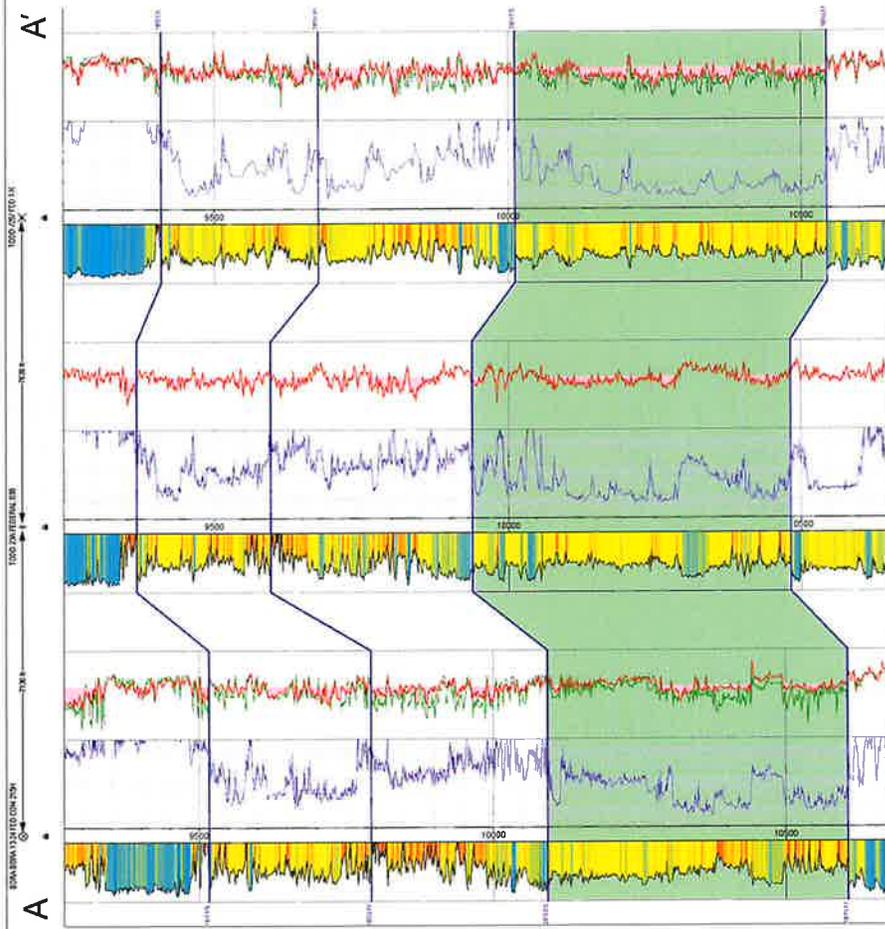
Spacing Unit

Control Points



Devon - Internal

# Cross Section A-A'



Landing Zone







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

August 21, 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.  
Bora Bora 13-24 Fed Com #212H & 213H wells**

Ladies & Gentlemen:

This letter is to advise you that the enclosed application has been filed with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on September 10, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 subsequently challenging this matter.

**During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will commence at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date at <http://www.emnrd.state.nm.us/OCD/hearings.html>.**

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 Katie Dean at (405) 552-6659 or at [katie.dean@dvn.com](mailto:katie.dean@dvn.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert".

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

Devon - Bora Bora 212H-213H  
Case No. 21389 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765829958604	Alfred F Schram Sr Estate Margaret E Hodgkins Executo	2731 Shawn Dr	Denison	TX	75020-5621	Your item was delivered at Aug 24 in DENISON,TX 75020.
9414811898765829958307	Margaret Sue Schroeder Trust UA Dtd 10-26-68	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958383	Marilyn M Allman Trust Marilyn Marie Allman Trustee	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958376	Mary Elizabeth Schram Trust UA Dtd 10-26-68	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958055	Mary Margaret Olson Trust Leonard M Olson & John B	6031 W Interstate 20 Ste 251	Arlington	TX	76017-1090	Your item was delivered at Aug 24 in ARLINGTON,TX 76017.
9414811898765829958024	Mary Patricia Dougherty Trust Northern Bank Trust Of	PO Box 226270	Dallas	TX	75222-6270	Your item was delivered at Aug 31 in DALLAS,TX 75260.
9414811898765829958093	Michelle Allman Grantor Trust UA Dtd 12-31-87	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958086	Nancy S Thomas	106 Maple Valley Rd	Houston	TX	77056-1008	In Transit, Arriving Late at Aug 30 in , .
9414811898765829958079	Nancy Stallworth Thomas Marital Trust	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958451	P A Allman Trust Phyllis Anne Allman Trustee	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958420	Schram Family Living Revocable Tr Margaret E Schram	2731 Shawn Dr	Denison	TX	75020-5621	Your item was delivered at Aug 24 in DENISON,TX 75020.
9414811898765829958642	Catherine M Grace c/o Dan Serna & Company	6031 W Interstate 20 Ste 251lb	Arlington	TX	76017-1084	Your item was delivered at Aug 24 in ARLINGTON,TX 76017.
9414811898765829958499	Schroeder Family Trust	500 Hawk Ct	Coppell	TX	75019-6502	Your item was delivered at Aug 24 in COPPELL,TX 75019.
9414811898765829958482	Tek Properties Ltd Thomas E Kelly	4705 Miramont Cir	Bryan	TX	77802-1709	In Transit, Arriving Late at Aug 29 in , .
9414811898765829958475	Theresa Allman Smith Grantor Trust Ua Dtd 12-31-87	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958550	Estate Of Leonard B. Olson Attn Dan Serna And Compai	6031 W Interstate 20 Ste 251lb	Arlington	TX	76017-1084	Your item was delivered at Aug 24 in ARLINGTON,TX 76017.
9414811898765829958505	A.G Andrikopoulos, Inc.	PO Box 788	Cheyenne	WY	82003-0788	Your item was delivered at Aug 24 in CHEYENNE,WY 82001.
9414811898765829958543	Cargoil and Gas Co., LLC	PO Box 29450	Santa Fe	NM	87592-9450	Your item was delivered at Aug 29 in SANTA FE,NM 87507.
9414811898765829958536	Figure 4 Investment Trust	PO Box 1113	Pinehurst	TX	77362-1113	Reminder to Schedule Redelivery of your item at Aug 26 in , .
9414811898765829957218	Georgia B Bass	2855 Westminster Plaza Dr Unit 4409	Houston	TX	77082-3167	Your item was delivered at Aug 26 in HOUSTON,TX 77082.
9414811898765829957263	Innerarity Family Minerals LLC	PO Box 313	Midland	TX	79702-0313	Your item was delivered at Aug 31 in MIDLAND,TX 79701.
9414811898765829957294	Joe Gifford	PO Box 51187	Midland	TX	79710-1187	Your item was delivered at Aug 26 in MIDLAND,TX 79705.

Devon - Bora Bora 212H-213H  
Case No. 21389 Postal Delivery Report

9414811898765829958635	Donald C Allman Trust UA Dated 10-26-68	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829957287	Lisa Gail Karabatsos	PO Box 327	Columbus	TX	78934-0327	Your item was delivered at Aug 28 in COLUMBUS,TX 78934.
9414811898765829957270	Margaret Adele Summerford	6460 N Silversmith Pl	Tucson	AZ	85750-1084	Reminder to Schedule Redelivery of your item at Sep 02 in , .
9414811898765829957867	McMullen Minerals, LLC	PO Box 470857	Fort Worth	TX	76147-0857	Your item was delivered at Aug 24 in FORT WORTH,TX 76147.
9414811898765829957805	Merpel, LLC	4245 N Central Expy Ste 320	Dallas	TX	75205-4529	In Transit, Arriving Late at Aug 28 in , .
9414811898765829957843	Momentum Minerals Operating, LP	750 Town And Country Blvd Ste 420	Houston	TX	77024-3914	Your item was delivered at Aug 26 in HOUSTON,TX 77024.
9414811898765829957836	Morris E Schertz And Wife, Holly K Schertz	PO Box 2588	Roswell	NM	88202-2588	Your item was delivered at Aug 26 in ROSWELL,NM 88201.
9414811898765829957713	Pegasus Resources, LLC	PO Box 470698	Fort Worth	TX	76147-0698	Your item was delivered at Aug 24 in FORT WORTH,TX 76147.
9414811898765829957768	Pony Operating, LLC	4245 N Central Expy Ste 320	Dallas	TX	75205-4529	In Transit, Arriving Late at Aug 28 in , .
9414811898765829957706	Santa Elena Minerals IV, L.P.	PO Box 2063	Midland	TX	79702-2063	Your item was delivered at Sep 01 in MIDLAND,TX 79701.
9414811898765829957744	Shogoil And Gas Co. II, LLC	PO Box 29450	Santa Fe	NM	87592-9450	Your item was delivered at Aug 29 in SANTA FE,NM 87507.
9414811898765829958116	Estate Of Doris Rita Schroeder	500 Hawk Ct	Coppell	TX	75019-6502	Your item was delivered at Aug 24 in COPPELL,TX 75019.
9414811898765829957737	Sydhan, L.P.	PO Box 92349	Austin	TX	78709-2349	Your item was delivered at Aug 31 in AUSTIN,TX 78749.
9414811898765829957911	Td Minerals, LLC	8111 Westchester Dr Ste 900	Dallas	TX	75225-6146	Your item was delivered at Aug 24 in DALLAS,TX 75225.
9414811898765829958161	George Allman Jr Trust UA Dtd 10-26-68	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958109	George M Allman III Trust George Martin Allman III Tru	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958185	Jill Allman Mancuso Trust Jill Allman Mancuso Ttee	PO Box 2605	Fort Worth	TX	76113-2605	Your item was delivered at Aug 25 in FORT WORTH,TX 76102.
9414811898765829958314	Joe N Gifford And Wife, Emily K Gifford	PO Box 51187	Midland	TX	79710-1187	Your item was delivered at Aug 26 in MIDLAND,TX 79705.
9414811898765829958369	Mabee-Flynt Lease Trust	15611 Wildwood Trce	Magnolia	TX	77354-1873	Your item was delivered at Aug 26 in MAGNOLIA,TX 77354.

# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004345407

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:

08/25/2020

  
\_\_\_\_\_  
Legal Clerk

Subscribed and sworn before me this August 25,  
2020:

  
\_\_\_\_\_  
State of Wj, County of Brown  
NOTARY PUBLIC

8-25-23  
\_\_\_\_\_  
My commission expires

SHELLY HORA  
Notary Public  
State of Wisconsin

Ad # 0004345407  
PO #: Bora  
# of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. D  
Submitted by: Devon Energy Production Co., L.P.  
Hearing Date: September 10, 2020  
Case No. 21389

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 public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely on the following case. The hearing will be conducted on Thursday, September 10, 2020, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us). 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 a hearing, contact Marlene Salvidrez at [Marlene.Salvidrez@state.nm.us](mailto:Marlene.Salvidrez@state.nm.us), or the New Mexico Relay Network at 1-800-659-1779, no later than Monday, August 31, 2020.

Persons may view and participate in the hearings through the following link and as indicated below:

<https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=eb341e0bce66f096439328d9faf7f2575>  
Event number: 146 302 1001  
Event password: sPP2Cx4x38D

Join by video: [1463021001@nmemnrd.webex.com](mailto:1463021001@nmemnrd.webex.com)  
You can also dial 173.243.2.68 and enter your meeting number

Join by audio: +1-408-418-9388 United States Toll  
Access code: 146 302 1001

**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: Alfred F. Schram, Sr. Estate, his heirs and devisees, Margaret E. Hodgkins, Executor; Catherine M. Grace, her heirs and devisees, %Dan Serna & Company; Donald C. Allman Trust, UA Dated 10-26-68; Estate of Doris Rita Schroeder, her heirs and devisees; George Allman, Jr. Trust; UA DTD 10-26-68; George M. Allman, III Trust; George Martin Allman, III, Trustee; Jill Allman Mancuso Trust, Jill Allman Mancuso, Ttee; Joe N. Gifford and wife, Emily K. Gifford, their heirs and devisees; Mabee-Flynt Lease Trust; Margaret Sue Schroeder Trust, UA DTD 10-26-68; Marilyn M. Allman Trust, Marilyn Marie Allman, Trustee; Mary Elizabeth Schram Trust; UA DTD 10-26-68; Mary Margaret Olson Trust, Leonard M. Olson & John B. Olson; Mary Patricia Dougherty Trust; Northern Bank Trust of TX; Michelle Allman Grantor Trust; UA DTD 12-31-87; Nancy S. Thomas, her heirs and devisees; Nancy Stallworth Thomas Marital Trust; P. A. Allman Trust, Phyllis Anne Allman, Trustee; Schram Family Living Revocable Trust, Margaret E. Schram Hodgkins Second; Schroeder Family Trust; Tek Properties Ltd, c/o Thomas E. Kelly; Theresa Allman Smith Grantor Trust, UA DTD 12-31-87; Estate of Leonard B. Olson, his heirs and devisees, Attn: Dan Serna and Company; A.G. Andrikopoulos, Inc; Cargoil And Gas Co., LLC; Figure 4 Investment Trust; Georgia B. Bass, her heirs and devisees; Innerarity Family Minerals, LLC; Joe N. Gifford, his heirs and devisees; Lisa Gail Karabatsos, her heirs and devisees; Margaret Adele Summerford, her heirs and devisees; McMullen Minerals, LLC; Merpel, LLC; Momentum Minerals Operating, LP; Morris E. Schertz and wife, Holly K. Schertz, their heirs and devisees; Pegasus Resources, LLC; Pony Oil Operating, LLC; Santa Elena Minerals IV, L.P.; Shogoil And Gas Co. II, LLC; Sydhan, LP; and TD Minerals, LLC.

Case No. 21389: 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 interests in the Bone Spring formation [Livingston Ridge; Bone Spring Pool (39350)] underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Sections 13 and 24, T-23-S, R-31-E, NMPM, Eddy County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the

following proposed wells.

- Bora Bora 13-24 Fed Com 212H to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to bottom hole locations in the SW/4 SW/4 (Unit M) of Section 24.
  - Bora Bora 13-24 Fed Com 213H to be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 12 to bottom hole locations in the SE/4 SW/4 (Unit N) of Section 24.
- The completed interval of the Bora Bora 13-24 Fed Com 212H well will be within 330 feet of the E/2 W/2 of Sections 13 and 24 to allow inclusion of these proximity tracts in a standard 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 applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing the well. Said area is located approximately 30 miles southeast of Carlsbad, New Mexico.

August 25, 2020