

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

Case No. 14,244

VERIFIED STATEMENT OF BRETT HUDSON

Brett Hudson, being duly sworn upon his oath, deposes and states:

1. I am a landman for Devon Energy Production Company, L.P., and have personal knowledge of the matters stated herein.
2. Pursuant to Division Rule 1210.A(1), the following information is submitted in support of the compulsory pooling application filed herein:
 - (a) No opposition is expected because the working interest owner being pooled has simply not responded to the well proposal.
 - (b) A plat outlining the spacing unit being pooled, and marking the location of the subject well, is attached as Exhibit A. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 15, Township 19 South, Range 31 East, NMPM, and in the following manner:
 - (i) the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated West Lusk-Morrow Gas Pool;
 - (ii) the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool; and
 - (iii) the NW/4SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool.

The unit is to be dedicated to the proposed ~~Acme-"15"-Fed.-Com.-Well-No.-1~~, to be drilled at an orthodox location in the NW¹/₄SE¹/₄ of Section 15.

Oil Conservation Division
Case No. _____
Exhibit No. 1

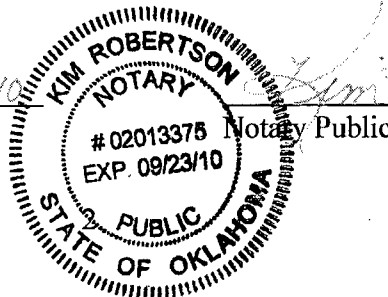
- 6.25%**

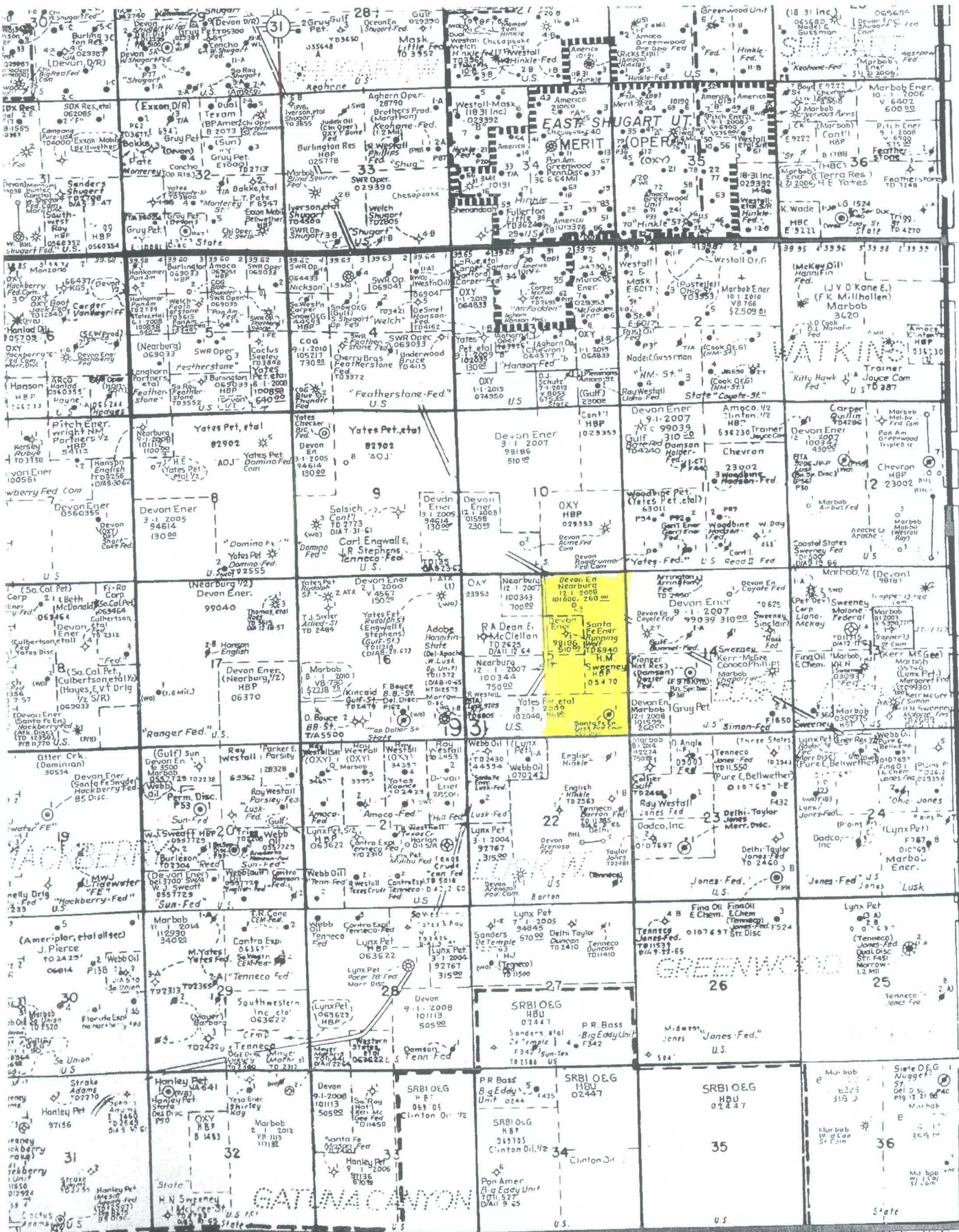
(h) Applicant requests that it be designated operator of the well.

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Brett Hudson

My Commission Expires: 9-23-2010  KIM NOTARY





T 19 S

EXHIBIT



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
Brett.Hudson@devn.com

September 24, 2008

**ALL WORKING INTEREST OWNERS
(See Attached List)**

Re: Acme 15 Fed Com 1
1650' FSL & 1650' FEL
Section 15-T19S-R31E
Eddy County, New Mexico

Ladies and Gentlemen:

Devon Energy Production Company, L. P. hereby proposes to drill and complete the Acme 15 Fed Com 1 well, a 12,725' Lower Morrow well to be located in the E/2 of Section 15-T19S-R31E, Eddy County, New Mexico.

Enclosed, in duplicate, for your review is the Devon's Authority for Expenditure (AFE No. 145357) reflecting the estimated dry hole cost of \$2,568,200 and completed well costs of \$4,055,700 for this project. Please advise Devon, within thirty (30) days of receipt hereof, of your election by placing a mark in the appropriate space provided below and return a copy of this letter to my attention at the address above or by fax to (405) 552-8113. An election to participate should be accompanied by an executed AFE and your well requirement sheet including your email address.

Feel free to contact the project engineer, Marcos Ortiz, at (405) 552-8152 or the undersigned at (405) 228-8589 if there are any questions or if additional information is required.

Sincerely,

DEVON ENERGY PRODUCTION COMPANY, L. P.

Brett A. Hudson
Landman

____ I/We hereby **elect to participate** in the drilling of the Acme 15 Fed Com 1

____ I/We hereby **elect not to participate** in the drilling of the Acme 15 Fed Com 1 and agree to enter into a one (1) year term assignment with Devon for \$1,000 per acre from surface to the base of the Morrow formation on mutually acceptable forms reserving an overriding royalty interest equal to the difference between twenty-two percent (22%) and existing burdens.

Company Name: _____

By: _____

Date: _____

E-Mail Address: _____

Fax No. _____

EXHIBIT B

WORKING INTEREST OWNERS

ACME 15 FEDERAL COM 1 SECTION 15-T19S-R31E EDDY COUNTY, NEW MEXICO

Tom Scarbrough
ConocoPhillips Company
550 Westlake Park Blvd., WI 3-14048
Houston, TX 77079 or
P. O. Box 2197
Houston, TX 77252-2197
Phone: 832-486-2311
Fax: 832-486-2674

Chuck Moran
Yates Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210-2177
575-748-1472
575-748-4572

Ross Duncan
Marbob Energy Corporation
P. O. Box 227
Artesia, NM 88211-0227
Phone: 575-748-3303
Fax: 575-746-2523

Terry Gant
Nearburg Exploration Company
3300 North "A" Street, Bldg. 2, Suite 120
Midland, Texas 79705
Phone: 432-686-8235
FAX: 432-686-7806

~~Charles Forney~~ *Ricky Haikin*
Email: ~~cforney~~@mccombsenergy.com *Rhaikin@*
McCombs Energy, L.L.C.
5599 San Felipe, Suite 1200
Houston, Texas 77056
Phone: 713-621-0033
Fax: (713) 621-1670

Brent Robertson
Email: brobertson@conchoresources.com
Concho Resources Inc.
Fasken Center, Tower II
550 West Texas Avenue, Suite 1300
Midland, Texas 79701
Phone: 432-685-4352
Fax: 432-683-7441

GAS _____
OIL _____



20 N. BROADWAY, SUITE 1500, OKLAHOMA CITY, OK 73102

AUTHORITY FOR EXPENDITURE
DRILLING/COMPLETION COST ESTIMATE

AFE NO.: 145357
Lease Name - Well #: Acme 15 Fed Com 1
Legal Description: 1650' FSL & 1650' FEL Section 15-19S-31E

County/Parish: Eddy
State: New Mexico
Prepared By: Ortiz, Marcos

AUTHORITY REQUESTED TO:

AFE to cover costs to drill and complete the Acme 15 Fed Com #1 to the Lower Morrow with a TD of 12,725'.

Code	Intangible	Drilling	Completion	Dry Hole	Total
	Description	Costs	Costs	Costs	Costs
011	DRILL-LAND, LEGAL	15,000	0	0	15,000
011	LAND, LEGAL	0	500	0	500
012	COMPL-SURF DAMAGES/RIGHTOFWAY	0	6,000	0	6,000
012	DRILL-SURF DMGS/RIGHT OF WAY	1,500	0	0	1,500
013	COMP-LOCATION, ROADS, PITS, FNS	0	6,300	0	6,300
013	DRILL-LOCATION,ROADS, PITS, FNCS	55,000	0	0	55,000
014	ARCHEOLOGICAL TESTING	2,000	0	0	2,000
019	DRILL-OTHER SITE PREPARATION	10,000	0	0	10,000
019	OTHER SITE PREPARATION	0	8,000	0	8,000
043	DAYWORK	800,000	80,000	0	880,000
044	DRILL-MOB/DEMOBILIZATION	150,000	0	0	150,000
049	OTHER CONTRACTOR SERVICES	0	50,000	0	50,000
101	DRILL BITS	80,000	0	0	80,000
102	COMPLETION FLUIDS	0	24,000	0	24,000
102	DRILL-DRILLING FLUIDS	85,000	0	0	85,000
103	DRILL-SURFACE RENTAL TOOLS & EQUIP	75,000	0	0	75,000
103	SURFACE RENTAL TOOLS & EQUIP (incl. foam/air u	0	45,000	0	45,000
104	COMPL-DOWNHOLE RNTL TOOLS & EQ	0	5,000	0	5,000
104	DOWNHOLE RENTAL TOOLS & EQUIPMENT	25,000	0	0	25,000
105	CLOSED LOOP SYSTEM COSTS	250,000	0	0	250,000
109	DRILL-OTHER MATRLS & SUPPLIES	2,000	0	0	2,000
109	OTHER MATERIALS & SUPPLIES	0	2,500	0	2,500
201	DRILL-WELD, ROUTABOUT & OTHER	10,000	0	0	10,000
201	WELDING, ROUSTABOUTS & OTHER SERV	0	70,000	0	70,000
202	COMPL-DIRT WORK & HEAVY EQUIPN	0	8,000	0	8,000
202	DIRT WORK & HEAVY EQUIPMENT	5,000	0	0	5,000
203	DRILL-TRUCKING & HOTSHOT	30,000	0	0	30,000
203	TRUCKING & HOTSHOT	0	7,000	0	7,000
204	PIPELINE INSTALLATION	0	20,000	0	20,000
251	CEMENT & CEMENTING SERVICES	55,000	65,000	0	120,000
254	FLOWBACK EQUIP-TESTING SERVICES	0	11,000	0	11,000
255	DRILL-LOGGING	85,000	0	0	85,000
255	LOGGING	0	50,000	0	50,000
257	DRILL-OPEN HOLE EVALUATION	35,000	0	0	35,000
259	CASING & TUBULAR SERVICES	20,000	20,000	0	40,000
263	DRILL-FLUID DISPOSAL	15,000	0	0	15,000
263	FLUID DISPOSAL	0	7,000	0	7,000
265	STIMULATION & GRAVEL PACK	0	250,000	0	250,000
269	COMPL CONSULTANTS	0	20,000	0	20,000
269	CONSULTANTS	85,000	0	0	85,000

Please include/attach well requirement data with ballot.

EXHIBIT

GAS _____
OIL _____

DRILLING _____
COMPLETION _____



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Prepared By: Ortiz, Marcos

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Code	Intangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
281	COMMUNICATION SERVICES	3,800	0	0	3,800
302	DRILL-WATER	50,000	0	0	50,000
306	DRILL-POWER & FUEL	100,000	0	0	100,000
307	DRILL - DYED DIESEL	25,000	0	0	25,000
501	PULLING & SWABBING UNITS	0	85,000	0	85,000
503	BACKFILL PITS/RESTORE LOCATION	50,000	15,000	0	65,000
552	DRILL-SAFETY EQUIP & TRAINING	5,400	0	0	5,400
552	SAFETY EQUIPMENT & TRAINING	0	500	0	500
559	COMPL-ENVMNT & SAFETY MISC	0	1,700	0	1,700
711	COMPANY SUPERVISION	0	3,000	0	3,000
721	COMPL- COMPLETION OVERHEAD	0	6,000	0	6,000
731	CONSTRUCTION OVERHEAD	0	1,500	0	1,500
831	VEHICLE EXPENSE	0	500	0	500
865	COMPANY BENEFITS	0	1,000	0	1,000
895	DRILL-TAXES -OTHER IDC	140,000	0	0	140,000
Total Intangibles		2,264,700	869,500	0	3,134,200
Code	Tangible Description	Drilling Costs	Completion Costs	Dry Hole Costs	Total Costs
284	COMPL-SCADA-PROGRAMMING	0	10,000	0	10,000
285	COMPL-SCADA-LABOR	0	5,000	0	5,000
286	COMPL-SCADA-EQUIPMENT	0	5,000	0	5,000
901	SURFACE CASING	44,000	0	0	44,000
902	INTERMEDIATE CASING	250,000	0	0	250,000
903	PRODUCTION CASING	0	325,000	0	325,000
915	TUBING	0	100,000	0	100,000
925	SUBSURFACE EQUIP	0	36,000	0	36,000
931	WELLHEAD VALVES & EQUIPMENT	9,500	7,000	0	16,500
941	TANKS	0	35,000	0	35,000
945	TREATING EQUIPMENT	0	25,000	0	25,000
962	COMPL-STEEL & LINE PIPE	0	30,000	0	30,000
964	COMPL-METERS AND FITTINGS	0	35,000	0	35,000
986	COMPL-SURFACE-OTH TANG EQUIPMENT	0	5,000	0	5,000
Total Tangibles		303,500	618,000	0	921,500
TOTAL ESTIMATED COSTS		2,568,200	1,487,500	0	4,055,700

Please include/attach well requirement data with ballot.

GAS _____
OIL _____

DRILLING _____
COMPLETION _____



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AFE to cover costs to drill and complete the Acme 15 Fed Com #1 to the Lower Morrow with a TD of 12,725'.

Note: Costs and participations are generally estimates. Billings will be based on actual expenditures

WORKING INTEREST OWNER APPROVAL

Company name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

Email: _____