

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING FEBRUARY 2, 2023**

CASE NO. 23264

SUPPLEMENTAL EXHIBITS

JAYHAWK 7-6 FED FEE COM 22H

LEA 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
APPROVAL OF AN OVERLAPPING
HORIZONTAL WELL SPACING UNIT AND
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.**

CASE NO. 23264

**SUPPLEMENTAL HEARING PACKAGE
TABLE OF CONTENTS**

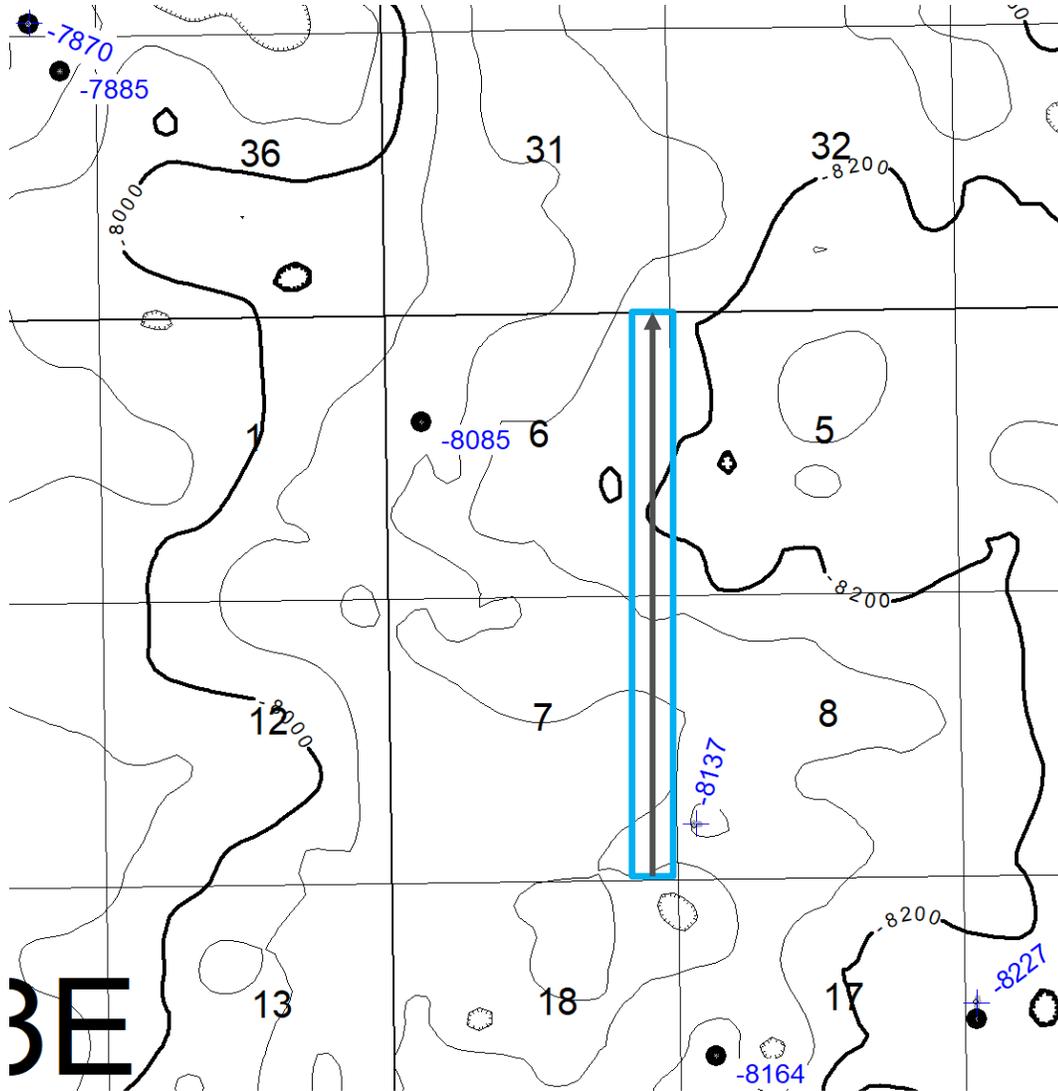
- **DEVON *REVISED* Exhibit B-1:** Subsea Structure Map
- **DEVON *REVISED* Exhibit B-1:** Line of Cross Section

- **DEVON *SUPPLEMENTAL* Exhibit E:** Revised Compulsory Pooling Application Checklist

- **DEVON *SUPPLEMENTAL* Exhibit F:** Supplemental Self-Affirmed Statement of Daniel Brunzman
 - **DEVON *SUPPLEMENTAL* Exhibit F-1:** Revised C-102
 - **DEVON *SUPPLEMENTAL* Exhibit F-2:** Additional Well Proposal Letter
 - **DEVON *SUPPLEMENTAL* Exhibit F-3:** Notice of Overlapping Spacing Unit

- **DEVON *SUPPLEMENTAL* Exhibit G:** Additional Notice Affidavit

Structure Map



SSTVD Structure Map
 3rd Bone Spring Lime
 C.I. = 25 feet

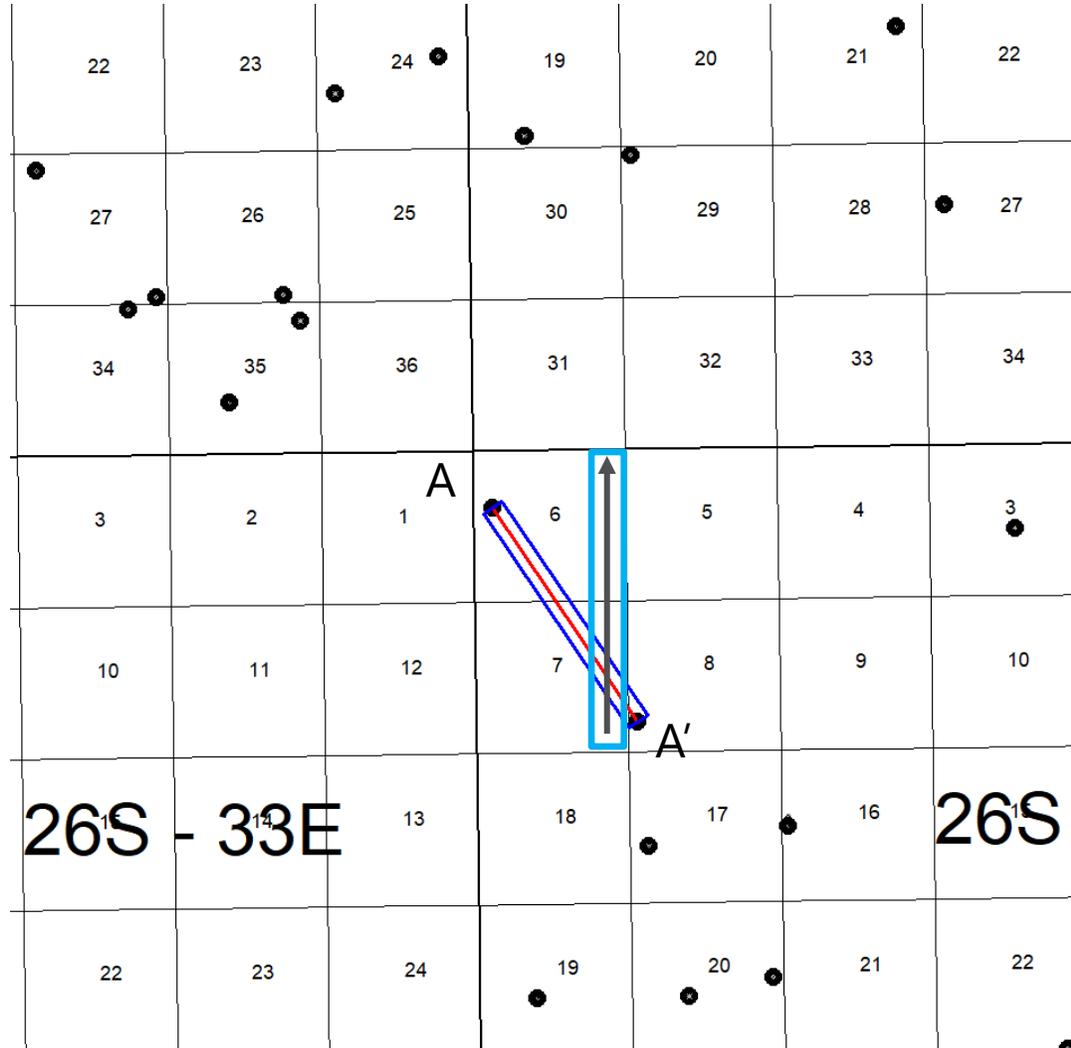
Horizontal Locations:
 Jayhawk 6-7 FED COM 33H →

 Spacing Unit

 Control Points

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Revised Exhibit No. B1
 Submitted by: Devon Energy Production Co. L.P.
 Hearing Date: February 2, 2023
 Case No. 23264

Base Map



Cross Section A – A'

Horizontal Locations:
Jayhawk 6-7 FED COM 33H →

-  Spacing Unit
-  Control Points

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
Revised Exhibit No. B2
 Submitted by: Devon Energy Production Co. L.P.
 Hearing Date: February 2, 2023
 Case No. 23264

REVISED COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23264	APPLICANT'S RESPONSE
Date	January 5, 2023
Applicant	Devon Energy Production Company
Designated Operator & OGRID (affiliation if applicable)	Devon Energy Production Company, OGRID No. 6137
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of Devon Energy Production Company, L.P. for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	N/A
Well Family	Jayhawk 7-6 Fed Fee Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025 G-09 S263406D Lower Bone Spring Pool (98038).
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter Sections
Orientation:	South-North
Description: TRS/County	E2E2 of Sections 6 and 7, T-26-S, R-34-E, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	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 A2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Supplemental Exhibit No. E

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

Hearing Date: February 2, 2023

Case No. 23264

Well #1	Jayhawk 7-6 Fed Fee Com 22H SHL: 875' FSL & 2065 FEL (Unit 0) of Section 7 BHL: 20' FNL & 395' FEL (Unit A) of Section 6 Target: Bone Spring Orientation: South-North Completion: Standard Location
Horizontal Well First and Last Take Points	See Exhibit F1
Completion Target (Formation, TVD and MD)	See Exhibit A3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	See Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A2
Tract List (including lease numbers and owners)	Exhibit A2
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A3 and F2
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A2
Chronology of Contact with Non-Joined Working Interests	Exhibit A4
Overhead Rates In Proposal Letter	Exhibit A3
Cost Estimate to Drill and Complete	Exhibit A3
Cost Estimate to Equip Well	Exhibit A3
Cost Estimate for Production Facilities	Exhibit A3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B1-A
Gunbarrel/Lateral Trajectory Schematic	Exhibit B1-A
Well Orientation (with rationale)	Exhibit B
Request For Information	Exhibit B

HSU Cross Section	Exhibit B3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit F1
Tracts	Exhibit A2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A2
General Location Map (including basin)	Exhibit B1-A
Well Bore Location Map	Exhibit A1-A, Exhibit B1-A
Structure Contour Map - Subsea Depth	Exhibit B1-A
Cross Section Location Map (including wells)	Exhibit B2-A
Cross Section (including Landing Zone)	Exhibit B3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	31-Jan-23

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

**APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, L.P. FOR
APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 23264

SUPPLEMENTAL SELF AFFIRMED STATEMENT OF DANIEL BRUNSMAN

Daniel Brunzman, of lawful age and being first duly sworn, declares as follows:

1. My name is Daniel Brunzman and I am a Landman with Devon Energy Production Company, L.P. I am filing this Supplemental Statement to address a change to the drilling plan for the proposed well and to address the notice provided to the affected working interest owners of the proposed overlapping spacing unit.

2. Devon has been unable to obtain a surface location that will allow the proposed well to be drilled from North to South. Accordingly, Devon has modified the drilling plan to place the surface location in Unit O of Section 7 to allow the well to be drilled from South to North. The proposed well has accordingly been renamed the Jayhawk 7-6 Fed Fee Com 22H. The proposed 320-acre spacing unit remains unchanged.

3. **Devon Exhibit F-1** contains a revised Form C-102 for the initial well which reflects the name change and the change to the surface location for the proposed well.

4. I have also provided the law firm of Holland & Hart with revised geology exhibits **B1-A** and **B2-A** to correct the direction of the black arrow depicting the proposed well. These exhibits now reflect the South to North orientation of the proposed well. No other changes have been made to the previously filed exhibits.

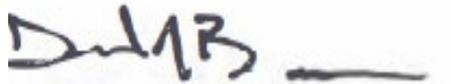
**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Supplemental Exhibit No. F
Submitted by: Devon Energy Production Co. L.P.
Hearing Date: February 2, 2023
Case No. 23264**

5. **Devon Exhibit F-2** contains a copy of the supplemental letter sent to the pooled working interest owners apprising them of the change to the drilling plan. The costs reflected in the AFE initially sent for the proposed well remain unchanged.

6. **Devon Exhibit F-3** is a copy of the letter sent to all affected working interest owners apprising them of the proposed overlapping spacing unit. The affected owners are the same as those identified as committed and uncommitted working interest owners in Devon Exhibit A-2 filed with my initial statement.

7. Devon was able to locate and notify all the affected working interest owners of the overlapping spacing unit, and no objection has been received.

8. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Daniel Brunsman

1/30/2023
Date



Devon Energy Production Company LP

405 228-2896 Phone

Daniel.Brunsmann@devon.com

333 West Sheridan Avenue

Oklahoma City, OK 73102

January 17, 2023

**VIA CERTIFIED MAIL RRR &
VIA EMAIL: djohns@matadorresources.com**

MRC Permian Company
5400 LBJ Freeway STE 1500
Dallas, TX 75240

Re: Supplement to Well Proposal dated October 25, 2022
Jayhawk 6-7 Fed Fee Com 33H
Sections 6 & 7; Township 26 South, Range 34 East
Lea County, New Mexico

Dear Working Interest Owner:

Devon Energy Production Company, L.P. ("Devon") is providing this Supplemental Letter ("Supplement") to be incorporated into the Well Proposal for the Jayhawk 6-7 Unit Wells dated October 25, 2022 ("Well Proposal"), in order to make corrections and update the proposal with certain adjustments to the wells name, surface location, and footages/depths pursuant first paragraph of the Well Proposal in which Devon reserved the right to modify locations and drilling plans.

Devon adjusts the specifications of the wells as follows:

Jayhawk 6-7 Fed Fee Com 33H will now be named the Jayhawk 7-6 Fed Fee Com 22H. The Jayhawk 7-6 Fed Fee Com 22H will be drilled as a South to North horizontal well into the Bone Springs formation at an approximate SHL of 875' FSL and 2,065' FEL: of Section 7-T26SR34E and an approximate BHL of 20' FNL and 395' FEL of Section 6-T26S-R34E, Lea County, New Mexico.

The Authority for Expenditure, unit size and ownership, and all other specifications remain unchanged for the wells proposed, and the original Well Proposal dated October 25, 2022, remains in effect subject to this Supplement.

Please do not hesitate to contact me at (405) 228-2896 or via email at Daniel.Brunsmann@devon.com if you have any questions concerning this Supplement or the Well Proposal.

Regards,

Devon Energy Production Company, L.P.

Daniel J. Brunsmann
Advising Landman

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Supplemental Exhibit No. F2
Submitted by: Devon Energy Production Co. L.P.
Hearing Date: February 2, 2023
Case No. 23264**



Devon Energy Production Company LP

405 228-2896 Phone

Daniel.Brunzman@dvn.com

333 West Sheridan Avenue

Oklahoma City, OK 73102

January 10, 2023

**VIA CERTIFIED MAIL RRR &
VIA EMAIL: ScottSabrsula@chevron.com**

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

Re: Notice of Overlapping Spacing Units
Bone Springs Formation
Jayhawk 6-7 Fed Fee Com 33H
Sections 6 & 7, Township 26 South, Range 34 East
Lea County, New Mexico

To Whom It May Concern:

Devon Energy Production Company, L.P. ("Devon") has proposed well(s) for development of the Bone Springs underlying the E/2E/2 of Sections 6 and 7, Township 26 South, Range 34 East, Lea County, New Mexico. This letter is to advise you that this proposed development plan will require the formation of the following 320-acre spacing units:

320-acre horizontal well spacing unit, being the E/2E/2 of Sections 6 and 7, Township 26 South, Range 34 East, with a surface location in the SE/4 SE/4 of Section 7, Township 26 South, Range 34 East, to a bottom hole location in the NE/4 NE/4 of Section 6, Township 26 South, Range 34 East.

The proposed 320-acre spacing unit will overlap the following existing spacing units and wells:

160-acre horizontal well spacing unit, being the E/2E/2 of Section 7, Township 26 South, Range 34 East, Lea County, New Mexico; Ichabod 7 Fed 1H, producing from the Bone Springs formation

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing units by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. To expedite approval of the overlapping spacing units, we ask that you contact the undersigned timely with questions and/or concerns. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing units.

If you have any questions about this matter, please contact my office.

Regards,

Devon Energy Production Company, L.P.

Daniel J. Brunzman
Advising Landman

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Supplemental Exhibit No. F3
Submitted by: Devon Energy Production Co. L.P.
Hearing Date: February 2, 2023
Case No. 23264**

SUBSCRIBED AND SWORN to before me this 31st day of January, 2023 by Michael H. Feldewert.


Notary Public

My Commission Expires:
Nov. 12, 2023

STATE OF NEW MEXICO
NOTARY PUBLIC
CARLA GARCIA
COMMISSION # 1127528
COMMISSION EXPIRES 11/12/2023

Devon - Jayhwak 6-7 33H
Case No. 23264 Postal Delivery Report

Tracking Number	Recipient	Status
9214890194038301113289	C Monticello Minerals LLC 5528 Vickery Blvd Dallas TX 75206	RETURNED

Tracking #: 92170301740000110207

Services: Certified Mail, Electronic Return Receipt

Pieces

Recipient: Monticello Minerals LLC

5528 Vickery Blvd

Dallas TX 75206

Go

Advanced

Date & Time	Event Type	Event	Event Location
01/13/2023 18:13		PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	SANTA FE,NM, 87501
01/14/2023 15:29		USPS IN POSSESSION OF ITEM	SANTA FE,NM, 87505
01/14/2023 15:41		DEPART POST OFFICE	SANTA FE,NM, 87505
01/18/2023 07:51		PROCESSED THROUGH USPS FACILITY	DALLAS TX DISTRIBUTION CENTER, 75260
01/19/2023 05:07		DEPARTED USPS REGIONAL FACILITY	DALLAS TX DISTRIBUTION CENTER, 75260
01/19/2023 14:02		PROCESSED THROUGH USPS FACILITY	COPPELL TX DISTRIBUTION CENTER, 75099
01/22/2023 12:20		PROCESSED THROUGH USPS FACILITY	ALBUQUERQUE,NM, 87101
01/22/2023 21:24		DEPARTED USPS REGIONAL FACILITY	ALBUQUERQUE,NM, 87101
01/23/2023 07:27		ARRIVAL AT UNIT	SANTA FE,NM, 87501
01/23/2023 08:24		AVAILABLE FOR PICKUP	SANTA FE,NM, 87504
01/27/2023 10:45		DELIVERED	SANTA FE,NM, 87501

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